



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

A Wadia Enterprise



**149th Annual
Report** 2014



A Tradition of Trust



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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.

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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

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(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. Udadia (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

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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.

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.

(vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <input type="checkbox"/> Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the demat account/folio number in the PAN field. <input type="checkbox"/> In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters eg. If your name is Ramesh Kumar with folio number R12345 then enter RA00R12345 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the Corporation's records for the said demat account or folio. <ul style="list-style-type: none"> <input type="checkbox"/> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or the Corporation, please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant Company "The Bombay Burmah Trading Corporation Ltd." on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

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(xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Note for Institutional Shareholders & Custodians:

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be, mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

Please follow all steps from sl no. (i) to sl no. (xvi) above to cast vote.

17. The e-voting period commences on 7th August, 2014 (9:00 am) and ends on 9th August, 2014 (6:00 pm). During this period shareholders of the Corporation holding shares either in physical form or in dematerialized form, as on the cut-off date of 11th July, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
18. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
19. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Corporation as on the cut-off date ie. 11th July, 2014.
20. Mr. Tushar Sridharani, Practising Company Secretary, (Membership No. FCS 2690) has been appointed as the Scrutinizer to scrutinize the evoting process in a fair and transparent manner.
21. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Corporation and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Corporation.
22. The Results declared alongwith the Scrutinizer's Report shall be placed on the Corporation's website www.bbtcl.com and on the website of CDSL within two(2) days of declaration of results at or after the AGM and communicated to the Stock Exchanges.
23. MEMBERS HOLDING EQUITY SHARES IN ELECTRONIC FORM, AND PROXIES THEREOF, ARE REQUESTED TO BRING THEIR DP ID AND CLIENT ID FOR IDENTIFICATION.

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

ANNEXURE I TO THE NOTICE

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 6

The Board of Directors on the recommendation of the Audit Committee have approved the appointment M/s. GLS & Associates, Cost & Management Accountants, Mumbai, (ICWA Registration No. 4482) as Cost Auditors at a remuneration of ₹ 2,00,000/- (Rupees Two Lakhs only) plus applicable service tax and reimbursement of travelling and out of pocket expenses incurred by them for the purpose of audit for the financial year 2014-15. A Certificate issued by the above firm regarding their eligibility for appointment as Cost Auditors will be available for inspection at the Registered office of the Corporation during 11.00 A.M. to 1.00 P.M. on all working days and shall also be available at the meeting.

Accordingly, consent of the shareholders is sought for passing an Ordinary Resolution as set out at Item No. 6 of the Notice for approval of the remuneration payable to Cost Auditors for the financial year ending 31st March, 2015.

None of the Directors and Key Managerial personnel of the Corporation or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

The Board of Directors recommends the resolution set out at Item No. 6 of the Notice for approval by the shareholders.

Item Nos. 7 to 11

Mr. A. K. Hirjee, Mr. M. L. Apte, Mr. D. E. Udawadia, Mr. P. K. Cassels and Mr. B. N. B. Tao (herein after collectively referred to as "Independent Directors of the Corporation") are Independent Directors of the Corporation.

The Securities and Exchange Board of India (SEBI) has proposed amendment to Clause 49 of the Listing Agreement inter alia stipulating the conditions for the appointment of independent directors by a listed company.

The Nomination and Remuneration Committee of the Board has recommended the appointment of Mr. A. K. Hirjee, Mr. M. L. Apte, Mr. D. E. Udawadia, Mr. P. K. Cassels and Mr. B. N. B. Tao as Independent Directors under Section 149 of the Companies Act, 2013 ("the Act") and Clause 49 of the Listing Agreement (including any statutory modification(s) or reenactment thereof) to hold office for a term 5 (five) consecutive years from 13th August, 2014 upto 12th August, 2019.

The Independent Directors of the Corporation are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

In the opinion of the Board, Mr. A. K. Hirjee, Mr. M. L. Apte, Mr. D. E. Udawadia, Mr. P. K. Cassels and Mr. B. N. B. Tao fulfill the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement.

The Corporation has received notices in writing from member(s) alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidatures of each of these Directors for the office of Independent Directors of the Corporation. The Corporation has also received declarations from the said Directors that they meet with the criteria of independence as prescribed both under section 149(6) of the Act and Clause 49 of the Listing Agreement.

The Board considers that each of the aforesaid Directors, by virtue of their respective experience and expertise, are in a position to render valuable service to the Corporation as they have done in the past. The Board accordingly recommends that their appointment as Independent Directors be approved by the members at the ensuing Annual General Meeting.

Brief resume of the aforesaid Directors, nature of their expertise in functional areas and names of companies in which they hold directorships and memberships/chairmanships of Board

The Bombay Burmah Trading Corporation, Limited

Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in Annexure II to the Notice. Copy of the draft letters for respective appointments of Mr. A. K. Hirjee, Mr. M. L. Apte, Mr. D. E. Udhwadia, Mr. P. K. Cassels and Mr. B. N. B. Tao as Independent Directors setting out the terms and conditions are available for inspection by members during normal business hours on working days at the Registered Office of the Corporation.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

The Independent Directors of the Corporation are interested in the resolutions set out respectively at Item Nos. 7 to 11 of the Notice with regard to their respective appointments. The relatives of these Independent Directors may be deemed to be interested in the resolutions set out respectively at Item Nos. 7 to 11 of the Notice, to the extent of their shareholding interest, if any, in the Corporation.

Save and except as above, none of the other Directors/Key Managerial Personnel of the Corporation/their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions. The Board recommends the Ordinary Resolutions set out at Item Nos. 7 to 11 of the Notice for approval by the shareholders.

Item Nos. 12 & 13

The Members of the Corporation, at the Annual General Meeting held on 31st July, 2007, had accorded by way of an Ordinary Resolution, their approval to the Board of Directors of the Corporation for borrowing monies from time to time, upto an aggregate amount (apart from temporary loans obtained from the Corporation's bankers in the ordinary course of business) of ₹ 400 crores over and above the aggregate of its paid up share capital and free reserves.

In order to provide for additional funds that may be required for expansion and/or diversification activities, it is proposed to increase the limit to Rs. 600 crores over and above the aggregate of the paid up Share Capital and free reserves.

However, after the applicability of the provisions of Section 180(1)(c) of the Companies Act, 2013, a company can borrow monies exceeding the aggregate of its paid up capital and free reserves (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) only with the approval of Members by way of a Special Resolution as set out at Item No. 12 of the Notice.

The borrowings of the Corporation may, if necessary, be secured by way of charge/mortgage/pledge/hypothecation on the Corporation's assets comprising of the movable and/or immovable, tangible/ intangible properties of the Corporation, present or future, in favour of the lender(s)/agent(s)/trustee(s) from time to time, in such form, manner and ranking as mentioned in the Resolution at Item No. 13. The documents relating to charge and/or mortgage and/or pledge and/or hypothecation in favour of the lender(s)/agent(s)/trustees may contain the provisions to take over substantial assets of the Corporation in certain events with a power to take over the management of the business and concern of the Corporation, which may be regarded as disposal of the Corporation's undertaking(s) within the meaning of Section 180(1)(a) of the Companies Act, 2013.

As per Section 180(1)(a) of the Companies Act, 2013, the Board of Directors of a Company shall exercise the power to sell, lease or otherwise dispose of the whole or substantially whole of the undertaking of the company, only with the consent of the Company by a Special Resolution.

The Resolution under Item No. 13 is therefore proposed to be passed to seek consent of shareholders for creation of charge/mortgage/pledge/hypothecation to secure borrowings subject to the limits approved under Section 180 (1) (a) of the Companies Act, 2013 apart from temporary loans obtained from the Corporation's Bankers in the ordinary course of business.

The Board of Directors recommends passing of the Special Resolutions at Item Nos. 12 and 13 of the Notice.

None of the Directors and the Key Managerial Personnel of the Corporation, including their relatives, is in any way, concerned or interested, financially or otherwise, in the said resolutions.

ANNEXURE II TO THE NOTICE

Brief resume of Directors proposed to be appointed as Directors Independent Directors

1. Mr. Jeh Wadia (Item No. 3)

Mr. Jeh Wadia, aged 40 years has been a director on the Board from July, 2001 and was the Deputy Managing Director of the Corporation between October 2002 and March 2011.

Mr. Jeh Wadia, is a well qualified professional with more than 21 years of extensive experience in business management. His vision is to create value through innovation, sustainable execution plan and maintenance strategies.

He is a Director in Wadia Techno-Engineering Services Ltd and Britannia Industries Ltd. besides being the Managing Director of Bombay Dyeing & Manufacturing Co. Ltd. and Go Airlines (India) Ltd. He is also a member of the Stakeholders' Relationship Committee of Britannia Industries Ltd.

Mr. Jeh Wadia holds 3,500 equity shares of the Corporation and is a relative of Mr. Nusli Wadia and Mr. Ness Wadia, being promoters of the Corporation.

2. Mr. A. K. Hirjee (Item No. 7)

Mr. A. K. Hirjee 75, is a Non-Executive Independent Director of the Corporation. He joined the Board of Directors of the Corporation in October, 1998. Mr. Hirjee is B.A. (Hons.), LL.B. (Hons.), Barrister-at-Law, SLOAN Fellow of London Business School. He has 49 years of experience in different areas of Business Management and his expertise extends to finance, banking, legal, commercial, industrial and general administration. He has been actively associated with leading Charitable Institutions. 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.

Mr. Hirjee holds 1,750 shares of the Corporation.

Other Directorships: Atlas Copco (India) Limited (Chairman), HDFC Trustee Co. Ltd. (Chairman), The Bombay Dyeing & Manufacturing Company Limited (Vice Chairman), Britannia Industries Limited and others.

Committee Membership: Audit Committee of the Boards of The Bombay Burmah Trading Corporation Limited, Atlas Copco (India) Limited (Chairman), HDFC Trustee Company Limited (Chairman) and Britannia Industries Limited; Stakeholders' Relationship Committee of The Bombay Burmah Trading Corporation Limited (Chairman), Atlas Copco (India) Limited, Britannia Industries Limited and The Bombay Dyeing & Manufacturing Company Limited and Nomination & Remuneration Committee of The Bombay Burmah Trading Corporation Limited, The Bombay Dyeing & Manufacturing Company Limited and Atlas Copco (India) Limited (Chairman).

3. Mr. M. L. Apte (Item No. 8)

Mr. M. L. Apte, 82, 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. He has been a Director of the Corporation for the past 24 years and has extensive experience and expertise in financial and general management.

Mr. Apte does not hold any shares of the Corporation.

The Bombay Burmah Trading Corporation, Limited

Other Directorships: Bajaj Hindustan Ltd., Kulkarni Power Tools Ltd., Standard Industries Ltd., Raja Bahadur International Ltd., Grasim Industries Ltd., and Zodiac Clothing Co. Ltd.

Committee Memberships: Audit Committee of Grasim Industries Ltd., Standard Industries Ltd., Zodiac Clothing Co. Ltd. and The Bombay Burmah Trading Corporation Limited; Stakeholders' Relationship Committee of The Bombay Burmah Trading Corporation Limited and Zodiac Clothing Co. Ltd. and; Nomination & Remuneration Committees of The Bombay Burmah Trading Corporation Limited, Bajaj Hindustan Ltd., Standard Industries Ltd., and the Compensation Committee of Zodiac Clothing Co. Ltd.

4. Mr. D. E. Udwardia (Item No. 9)

Mr. D. E. Udwardia, 74, M.A., LL.B., is a Solicitor and Advocate of the Bombay High Court. He is also a Solicitor of the Supreme Court of England. Mr. Udwardia is a founder partner of M/s Udwardia & Udeshi, Solicitors & Advocates, since July 1997. Prior to this, he was a partner of M/s Crawford Bayley & Co., Solicitors & Advocates, for over 20 years. His firm and he are legal advisors to many Indian companies, multinational companies and foreign banks having a presence in India.

Mr. Udwardia has spent nearly 50 years in active law practice and has a vast experience and expertise in areas like corporate law, mergers and acquisitions, takeovers, corporate restructuring, foreign collaboration, joint ventures and private equity, project and infrastructure finance, telecommunications, international loans and finance related transactions and instruments, real estate and conveyancing.

He does not hold any shares of the Corporation.

Other Directorships: AstraZeneca Pharma India Ltd. (Chairman), ABB India Ltd., IRD Mechanalysis Ltd., ITD Cementation India Ltd., Wyeth Ltd., WABCO India Ltd., J. M. Financial Ltd., J M Financial Products Ltd., Bombay Gymkhana Ltd. and MPS Ltd(Vice Chairman).

Committee Memberships: Audit Committee of ABB Ltd., ITD Cementation India Ltd., Wyeth Ltd., WABCO-TVS (INDIA) Ltd., The Bombay Burmah Trading Corporation, Limited, and MPS Ltd. He is the Chairman of Shareholders' Grievance Committee of ABB Ltd. and member of the Nomination & Remuneration Committee of the Bombay Burmah Trading Corporation, Ltd.

5. Mr. P. K. Cassels (Item No. 10)

Mr. P. K. Cassels, 76, originally a timber merchant from Malaysia, was the Managing Director of The North Borneo Timbers, Berhad, an erstwhile associate company of The Bombay Burmah Trading Corporation, Limited. Mr. Cassels has vast experience and expertise in plantation – related activities and has been a Director of the Corporation for the past 27 years. He is also a director in several overseas subsidiaries of the Corporation.

Mr. Cassels does not hold any shares of the Corporation.

Other Directorships (of companies incorporated in India): Nil.

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

6. Mr. B. N. B. Tao (Item No. 11)

Mr. B. N. B. Tao, 55, was appointed a Director in 2006. Mr. B. N. B. Tao, who was born in Myanmar, moved with his family to Singapore in 1963 and studied at Winchester College and then Cambridge University from which he matriculated in 1976. He further obtained a BFA in film production from New York University in 1984.

Mr. Tao has been executive manager of Shing Kwan Pte. Ltd., Singapore since November, 1990. The Company is engaged in property development in Singapore, Indonesia, China and Sri Lanka.

Since 1993, Mr. Tao has been the Manager of business development in the U.S., where in addition to real estate development, the Company has diversified into operation of recording studios.

Mr. B. N. B. Tao does not hold any shares of the Corporation.

Other Directorships (of companies incorporated in India): Nil.

Committee Membership: Mr. B. N. B. Tao is not a Member of any Committee of the Board.

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

DIRECTORS' REPORT

Your Directors hereby present their Report on the business and operations of the Corporation and the Audited Accounts for the year ended 31st March, 2014.

1. SUMMARISED STATEMENT OF PROFIT & LOSS:

	2013-2014	2012-2013
	₹ in Lakhs	₹ in Lakhs
Profit before depreciation, interest, exceptional items and tax	3,633.52	3,977.58
Less: Finance cost	2,151.01	1,490.07
Less: Depreciation	759.54	686.22
Profit before Tax	722.97	1,801.29
Less: Provision for Taxation	210.18	644.91
Profit for the year	512.79	1,156.38
Add: Profit of erstwhile EAPL for the year ended 31st March, 2012	—	736.72
	512.79	1,893.10
Add: Balance in Statement of Profit and Loss	17,203.00	17,488.66
Balance in Statement of Profit and Loss of erstwhile EAPL on 1st April, 2011	—	460.13
Amount available for Appropriation	17,715.79	19,841.89
Appropriations:		
Proposed Dividend	697.72	2,093.16
Corporate Dividend Tax thereon	118.58	355.73
Transferred to General Reserve	51.30	190.00
	867.60	2,638.89
Closing Balance carried to Balance Sheet	16,848.19	17,203.00

2. OPERATIONS:

During the year under review, the Corporation has achieved a gross Income of ₹ 29,146 Lakhs compared to ₹ 26,461 Lakhs which represents an increase of about 10% over the previous year.

However despite higher gross income, the Profit before Tax was significantly lower at ₹ 723 Lakhs compared to ₹ 1,801 Lakhs for the previous year.

Continued volatility in international prices of Coffee substantially affected our margins, which were lower by ₹ 15 per kg and despite higher sales volume, the profits diminished.

Increase in wage cost at Tea plantation coupled with statutory liabilities and rising fuel costs consumed the improved sales realization in Tea, leaving little to contribute to profits.

Rise in interest costs resulting from introduction of base rate policy by RBI against concessional interest rates on agricultural loans was a major set back.

Health Care Division performed satisfactorily and reported higher turnover and profitability. The increase in input cost was absorbed by the contribution from higher volume of sales.

Electromags Division, despite slow down in the Auto sector registered a modest growth in turnover and profitability has been maintained.

3. DIVIDEND:

Your Directors are pleased to recommend payment of dividend @ 50% ie Re. 1.00 per share of ₹ 2/- each (Previous year equivalent ₹ 1.50 per share and one time Special Dividend of ₹ 1.50 per share). The dividend, if approved by the shareholders at the Annual General Meeting, will be paid to those shareholders whose names appear on the Register of Members of the Corporation at the close of business on 1st August, 2014.

4. DIVISIONWISE PERFORMANCE:

(a) SOUTH INDIA ESTATES:

(i) Tea –

Production of Tea, including from Bought Leaf, for the year was marginally higher at 82.75 lakh kgs as against 78.42 lakh kgs in the previous year. The Sales Turnover was ₹ 93.27 Crores as against ₹ 83.10 Crores for the previous year. The increase in Sales Turnover was on account of increase in average selling price as the volume remained almost constant at 79.23 lakh kgs as against 80.60 lakh kgs in the previous year.

Despite increased Sales Turnover, the profits remained flat due to substantial increase in the cost of operation.

(ii) Coffee –

Production during the year was 1,303 Tonnes compared to 2,399 Tonnes for the previous year. Lower production was a result of lower intake of outsourced Beans.

However, the Sales Turnover was higher at ₹ 34.42 Crores as against ₹ 28.46 Crores in the previous year. This was due to higher sales volume of 2,247 Tonnes against 1,680 Tonnes in the previous year.

International selling prices remained under pressure and our average sales realization per kg was 10% lower compared to the previous year.

(b) TANZANIAN ESTATES:

The crop for the year under review at 8.02 Lakh kgs was comparable to the previous year crop of 8.14 Lakh kgs. in 2012-13. Sales were at ₹ 6.45 Crores as against ₹ 5.42 Crores in previous year.

(c) ELECTROMAGS – AUTO ANCILLARY DIVISION:

The turnover for the year was marginally higher at ₹ 111.77 Crores as against ₹ 105.91 Crores for 2012-13. Although the auto sector slow down persisted during the year, improved sales realization and the cost control resulted in improved gross margins compared to previous year.

(d) HEALTHCARE DIVISION:

The turnover for the year was ₹ 21.32 Crores as against ₹ 18.04 Crores for 2012-13. This was due to higher sales of own manufactured products, mainly Dental alloys and division was able to improve profits.

(e) WEIGHING PRODUCTS DIVISION:

Sale of balances for the year under review was ₹ 1.84 Crores as against ₹ 2.34 Crores for 2012-13. The Division continued to operate profitably.

(f) REAL ESTATE DEVELOPMENT:

The Corporation is examining various options for unlocking value at Kanjur Marg in Mumbai and Akurdi under its Real Estate Division.

5. SUBSIDIARY COMPANIES:

In view of the general exemption granted by the Ministry of Corporate Affairs under section 212(8) of the Companies Act, 1956, the copies of Balance Sheet, Profit and Loss Account, Cash Flow, Directors' Report and Auditors' Report of the Corporation's subsidiaries have not been attached to the Balance Sheet of the Corporation for the year under review. However, the disclosures required under the said exemption have been incorporated in the Annual Report and the Corporation undertakes to make available the annual accounts of the subsidiaries upon request by any member of the Corporation or any of its subsidiaries. Further, the said annual accounts of the subsidiary companies are also kept for inspection by any such member, at the registered office of the Corporation.

6. FINANCE:

The Corporation has repaid installments of term loans availed of from the banks/institutions on their respective due dates. There were no deposits which were due for repayment and remained unclaimed as on 31st March, 2014.

7. INSURANCE:

The Corporation's plant & machinery, buildings, stocks and assets are adequately insured.

8. INDUSTRIAL RELATIONS:

Relations with the workmen continue to remain cordial at all Divisions of the Corporation.

9. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

Information pursuant to Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in the Appendix to this Report.

10. REQUIREMENTS UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956:

The information required under Section 217 (2A) of the Companies Act, 1956 (the Act) read with the Rules framed thereunder forms part of this Report. However, as per provision of Section 219 (1)(b)(iv) of the Act, the Report and Accounts are being sent to all shareholders excluding the statement of particulars of employees under Section 217(2A) of the Act. Any shareholder interested in obtaining a copy of the statement may write to the Secretary at the Corporation's Registered Office.

11. DIRECTORS:

During the year under review, Mr. Keshub Mahindra stepped down as Director of the Corporation after a long association of more than four decades. The Directors place on record their deep appreciation of the noteworthy contribution and guidance of Mr. Mahindra in the growth of the Corporation's business.

In accordance with the provisions of the Act and the Corporation's Articles of Association, Mr. Jeh Wadia retires by rotation and is eligible for re-appointment.

Mr. A. K. Hirjee, Mr. M.L. Apte, Mr. D.E. Udhwadia, Mr. P.K. Cassels and Mr. B.N.B. Tao, Directors of the Corporation, are being appointed as Independent Directors for a term of five consecutive years from the date of the ensuing Annual General Meeting as per provisions of Section 149 and other applicable provisions of the Companies Act, 2013.

Necessary resolutions for the appointment/re-appointment of the aforesaid Directors have been included in the Notice convening

the ensuing Annual General Meeting and details of the proposal for appointment/re-appointment are mentioned in the Explanatory Statement of the Notice. The Board recommends their appointment/re-appointment. All the Directors of the Corporation have confirmed that they are not disqualified from being appointed as directors in terms of Section 274(1)(g) of the Companies Act, 1956 and Section 164(2) of the Companies Act, 2013.

12. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors, based on the representations from the Operating Management, confirm that:

1. in the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation with regard to material departures, if any;
2. appropriate accounting policies have been selected and applied consistently, and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Corporation as at 31st March, 2014 and of the profit for the year ended on that date;
3. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Corporation and for preventing and detecting fraud and other irregularities;
4. the annual accounts have been prepared on going concern basis.

13. CORPORATE GOVERNANCE:

A separate report on Corporate Governance and a certificate from the Auditors of the Corporation regarding compliance of the conditions of Corporate Governance are

annexed to the Directors' Report.

14. CONSOLIDATED FINANCIAL STATEMENTS:

The Consolidated Financial Statements of the Corporation and its subsidiaries prepared in accordance with the requirements of Accounting Standard AS-21 prescribed by Companies (Accounting Standards) Rules, 2006, are annexed to the Report.

15. APPOINTMENT OF COST AUDITOR:

Under Section 148 of the Companies Act, 2013 ("the Act") read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Board of Directors on the recommendation of Audit Committee, has appointed M/s GLS & Associates, as the Cost Auditor for the audit of the cost accounts relating to Electromags, WPD & Plantation Divisions for the financial year 2014-15. The remuneration payable to them is required to be ratified by the shareholders at the Annual General Meeting and is accordingly placed for your approval. They have confirmed that their appointment, if made, will be in accordance with the limits specified u/s 148 read with 141 of the Act.

16. AUDITORS:

Messrs. B S R & Co. LLP, Mumbai, Chartered Accountants, who are the Statutory Auditors of the Corporation, hold office upto the conclusion of the ensuing Annual General Meeting (AGM). Pursuant to the provisions of Section 139 of the Companies Act, 2013 ("the Act") and the Rules made thereunder, the Board recommends the re-appointment of Messrs. B S R & Co. LLP, as Auditors of the Corporation, for a term of five years to hold office from the conclusion of this AGM to the conclusion of the 6th consecutive AGM (subject to ratification of the appointment by the shareholders at every AGM held after this AGM). They have confirmed that their appointment, if made, would be in conformity with the limits specified in Section 139 of the Act.

M/s. Deloitte, Haskins & Sells, Chennai (Deloitte) who are the Branch Auditors of the

The Bombay Burmah Trading Corporation, Limited

Corporation for audit of accounts of branches of the Corporation in South India, hold office upto the conclusion of the ensuing AGM. Pursuant to the provisions of Section 139 of the Companies Act, 2013 ("the Act") and the Rules made thereunder, the Board recommends the re-appointment of M/s. Deloitte, Haskins & Sells, Chennai (Deloitte), as Branch auditors of the Corporation, for a term of three years to hold office from the conclusion of this AGM to the conclusion of the 4th consecutive AGM (subject to ratification of the appointment by the shareholders at every AGM held after this AGM). They have confirmed that their appointment, if made, would be in conformity with the limits specified in Section 139 of the Act.

17. ACKNOWLEDGEMENTS:

The Directors would like to thank all employees, customers, bankers, shareholders and other stakeholders for their continued support.

On behalf of the Board,

Nusli N. Wadia
Chairman

Mumbai, the 27th day of May, 2014

Notes : Official Rates of Exchange were as follows:

On 31st March, 2014		On 31st March, 2013	
(₹ 1)	(Foreign Currencies)	(₹ 1)	(Foreign Currencies)
Stg. £	0.01	Stg. £	1 - ₹ 99.85
Eur.	0.01	Eur.	1 - ₹ 82.58
Tanz. Sh.	27.90	Tanz. Sh.	1 - ₹ 0.04
RM.	0.05	RM.	1 - ₹ 18.27
U.S. \$	0.02	U.S. \$	1 - ₹ 60.10
H.K. \$	0.13	H.K. \$	1 - ₹ 7.74
S. \$	0.02	S. \$	1 - ₹ 47.48
Maur. Re.	0.5193	Maur. Re.	1 - ₹ 1.93
		Stg. £	0.01
		Eur.	0.01
		Tanz. Sh.	30.47
		RM.	0.06
		U.S. \$	0.02
		H.K. \$	0.14
		S. \$	0.02
		Maur. Re.	0.59
		Stg. £	1 - ₹ 82.32
		Eur.	1 - ₹ 69.54
		Tanz. Sh.	1 - ₹ 0.03
		RM.	1 - ₹ 17.52
		U.S. \$	1 - ₹ 54.39
		H.K. \$	1 - ₹ 6.99
		S. \$	1 - ₹ 43.72
		Maur. Re.	1 - ₹ 1.68

APPENDIX 'A'**STATEMENT CONTAINING PARTICULARS PURSUANT TO THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES 1998 AND FORMING PART OF DIRECTOR'S REPORT****CONSERVATION OF ENERGY:****(a) Energy conservation measures taken at Plantation:**

- (i) Commissioned a CCW, a new concept in withering technology which consumes 50% less energy when compared with the conventional withering systems.
- (ii) Replaced one conventional heater with a Hot water Generator to reduce firewood consumption.
- (iii) Use of 20% of briquettes (from bio-mass waste) to reduce dependence on firewood.
- (iv) Pneumatic wood splitting machines installed in the factories for better thermal efficiency.

(b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy at Plantation:

Bio gas plant installed in Thay Mudi Tea factory to generate gas and to use this gas to run generator.

(c) Impact of measures at (a) and (b) above for reduction of consumption and consequent impact on the cost of production of goods:

A reduction of around 15% in the energy consumption is expected which would be reflected in the coming years.

(d) Total energy consumption and energy consumption per unit of production:**(A) POWER AND FUEL CONSUMPTION**

		TEA		AUTO ANCILLARY	
		Current Year 2013-2014	Previous Year 2012-2013	Current Year 2013-2014	Previous Year 2012-2013
1.	ELECTRICITY				
	(a) Purchased:				
	Units (KWh in lakhs)	54.74	49.61	15.69	14.23
	Total amount (₹ in lakhs)	260.97	145.26	96.30	87.63
	Rate/Unit (in ₹)	4.76	2.92	6.14	6.16
	(b) Own Generation:				
	(i) Through Diesel Generator:				
	Units (KWh in lakhs)	2.91	5.35	1.18	2.14
	Unit per litre of Diesel Oil	2.60	2.63	—	—
	Total amount (₹ In lakhs)	62.15	96.58	19.41	32.43
	Cost/Unit (₹)	21.35	18.05	16.47	15.14
	(ii) Through steam turbine/ Generator:				
	Unit (KWh in lakhs)	—	—	—	—
	Unit per Litre of Fuel/gas	—	—	—	—

The Bombay Burmah Trading Corporation, Limited

		TEA		AUTO ANCILLARY	
		Current Year 2013-2014	Previous Year 2012-2013	Current Year 2013-2014	Previous Year 2012-2013
2.	COAL (Specify quality and where used) - LECO				
	Quantity (tonnes)	2504.34	2536.97	—	—
	Total cost (₹ in lakhs)	184.86	183.69	—	—
	Average rate (₹ Per tonne)	7381.78	7240.59	—	—
3.	FURNACE OIL (L.P.G.)				
	Quantity (K. Litres)	—	—	—	—
	Total cost (₹ in lakhs)	—	—	—	—
	Average rate (₹ Per K. Litre)	—	—	—	—
4.	Others/Internal generation (Firewood)				
	Quantity (tonnes)	12302.13	9191.13	—	—
	Total cost (₹ in lakhs)	272.52	210.97	—	—
	Average rate (₹ Per tonne)	2215.30	2295.41	—	—
	AGNI BRIQUETTES				
	Quantity (tonnes)	—	—	—	—
	Total cost (₹ in lakhs)	—	—	—	—
	Average rate (₹ Per tonne)	—	—	—	—

(B) CONSUMPTION PER UNIT OF PRODUCTION:

(i)	TEA	Standards If any	Current Year	Previous Year
	Electricity – KWh – per Tonne Made Tea		747.41	747.00
	Furnace Oil (K. Lit)		—	—
	Coal (Tonne) – LECO – Per Tonne M. Tea		0.324	0.344
	Others – FIREWOOD – Per Tonne		1.594	1.249

(ii)	AUTO ANCILLARY PRODUCTS	Standards If any	Current Year	Previous Year
	Electricity – KWh – per Tonne		0.068	0.063
	Furnace oil (K. Lit)		—	—
	Coal (Tonne)		—	—
	Others – FIREWOOD		—	—

TECHNOLOGY ABSORPTION:**(a) RESEARCH AND DEVELOPMENT (R & D):**

1	Specific areas in which R & D carried out by the Corporation:	At Plantation: i) Trials with alternate methods of plant protection to continue. ii) Large scale implementation of the timing of pruning. iii) Field trails on foliar nano nutrients initiated. iv) Improvement of soil health by inoculation of microbial populations. v) Effect of humic acid on soil health. At Electromags: i) Renewable Energy. ii) Sensors and Solenoids. iii) Design verification using finite element analysis. iv) Tolerance stack up analysis.
2	Benefits derived as a result of the above R & D:	At Plantation: i) Two estates put under altered pruning programme for large scale assessment. ii) Too early to infer from the other trials initiated. iii) Drip irrigation; yield increase with water economy. At Electromags: i) Additional business plan in current year arising out of research. ii) Intangible benefits of improved quality.
3	Future plan of action	At Plantation: i) Critical evaluation of foliar nutrients and contents. ii) Alternate measures for plant protection.
4	Expenditure on R & D	At Electromags: At Plantation: Capital ₹ 24 lakhs — Recurring Nil — Total ₹ 24 lakhs — Total R & D expenditure as a %age of turnover 0.19% —

(b) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:**1. Efforts, in brief, made towards technology absorption, adaptation and innovation:**

Expansion of altered pruning programme and Identification of new pesticide molecules at Plantation.

2. Benefits derived as a result of the above efforts e.g. Product improvement, cost reduction, product development, import substitution etc:

Already detailed.

3. Imported technology: Not Applicable**C. FOREIGN EXCHANGE EARNING AND OUTGO:**

Total foreign exchange used and earned:

Used : ₹ 1,340.95 lakhs

Earned : ₹ 8,517.42 lakhs

MANAGEMENT DISCUSSION AND ANALYSIS

Plantation Business:

(a) Tea:

Industry Structure and Developments:

The Indian Crop upto February, 2014 was 1,153 million kgs compared to 1088 million kgs in previous period. This has been the highest tea crop amongst major Tea growing nations.

Out of the above, North Indian crop was at 926 million kgs compared to 861 million kgs in previous period, an increase of 65 million kgs. Favourable growing conditions in North East has helped the harvesting of bumper crop from North Indian region.

South Indian crop was 227 million kgs at the same level compared to previous period. The weather conditions in South India with long spells of drought followed by excessive rainfall was not conducive for growth. This has resulted in stagnation in harvesting of crop in South India region.

Internal consumption of tea for the year as estimated has been 912 million kgs compared to 890 million kgs for previous year. India has been a surplus tea manufacturing country, and export of tea has significant impact on this business.

The exports upto December, 2013 were lower at 159 million kgs as against 167 million kgs in previous period. Exports to Iran and USA increased in terms of volume. However, exports to CIS and UK declined during the period.

The average price realization on Indian exports increased by ₹ 18.06 per kg. North Indian exports has reported an increase of ₹ 24.83 per kg over previous period and South Indian exports has reported an increase of ₹ 15.45 per kg.

Although India is a surplus tea manufacturing country, some teas are imported for various purposes including blending. Imports upto December, 2013 were lower at 16 million kgs as against 18 million kgs in the previous period. The average price of import was lower at

₹ 123.30 per kg. as against ₹ 128.74 per kg during previous period.

Opportunities

Increased sale of packaged teas and improved price points established by major packaged brands will help BBTCL to improve price realization by tapping demand from major packers.

BBTCL's expertise in producing Organic teas for over two decades will help BBTCL to consolidate its position in the major Organic markets around the Globe. It will also gain from better health awareness about benefits of Organic teas in the Indian market.

Threats

The large unsold stocks and lower export demand could put pressure on price realisations. Higher prices of packaged teas could also shift consumers' preference to more convenient beverages.

Performance Highlights:

Regular rainfall with good sunshine is required for harvesting tea. In the first quarter of FY 2014, excessive rainfall hampered harvest in South India. This was followed with long spells of dry windy weather. These adverse weather conditions were compounded further with the increased difference between the maximum and minimum temperatures, creating challenges to tea growth. Despite these challenges, BBTC produced 8.27 million kgs of tea in FY 2014 as compared to 7.84 million kgs in the previous year.

On the sales front, BBTCL channelized more teas through the South Indian Auctions to capitalize on the lower availability of good teas at the auctions.

BBTCL also increased its organic exports (volumes increasing by 39%).

This strategy helped BBTCL to increase its overall price realization by ₹ 15/- per kg as against the South Indian Auction average increase of ₹ 3.75 per kg.

Outlook:

Unsold stocks from the large North Indian crop in FY 2014, mainly comprising of plainer and medium teas will impact overall tea prices.

There would be pressure to supply better liquoring teas with strong demand from major Packers and Bazaar buyers.

As a result, medium and plainer teas would be neglected and price concertina between the plainer teas and “the Best” would widen to a significant extent.

There is considerable pressure on Indian exports with political unrest in a number of tea drinking nations. This would impact the offtake of teas by exporters which in turn could impact South Indian tea trade.

The investments made by BBTCL in upgrading quality of its tea in the last few years and its ability to make good liquoring teas will help BBTCL to improve the overall price realization for its teas.

(b) Coffee:**Industry structure and developments:**

Ongoing uncertainty over the Brazilian coffee crop has caused significant fluctuations in coffee prices during March, 2014 with monthly volatility of the International Coffee Organization (ICO) composite indicator price exceeding 10% in February and March, 2014.

The daily price of the ICO composite ranged from a high of 177.29 US cents/lb to a low of 153.33 US cents/lb. International prices remain unsteady and sensitive to weather events in Brazil.

In terms of fundamentals, world coffee consumption has continued to increase, with total demand in calendar year 2013 provisionally estimated at around 145.8 million bags. With total production in crop year 2013/14 estimated at 145.7 million bags, it seems likely that the market is heading towards Demand Supply Equilibrium.

The most important variable at this point in time is the size of the 2014/15 Brazilian crop, starting in April 2014. However, the

damage resulting from the recent drought has yet to be officially quantified.

Opportunities and Threats:

Increased climate change effect on world production results in sudden drop/or increase in production volatility in the markets.

Continued volatility in Arabica Coffee makes it a high risk product for long trades. High pest attack and erratic weather conditions continue to affect production.

Stability in production at the estates through balanced outsource purchases, has further enabled BBTCL to ensure consistent supplies to its buyers worldwide.

Pressure on pricing and quality of outsource procurement would however be required to be addressed.

Performance highlights:

BBTCL’s production including Outsourced purchase for 2013-14 Season was as follows:

Arabica	...	4,661 bags
Robusta	...	17,040 bags
TOTAL	...	<u>21,701 bags</u>

Though markets witnessed significant lower average price realization during the year 2013, BBTCL has managed to achieve a better than market average.

A comparison of average prices are as follows:

Grade	Indian Auction 2012-13 ₹/Kg.	BBTCL Average for Exports 2012/13 ₹/Kg.	Indian Auction 2013-14 ₹/Kg.	BBTCL Average for Exports 2013/14 ₹/Kg.
Washed Arabica	223.18	277.33	145.11	195.45
Washed Robusta	154.99	164.07	133.61	145.01

Outlook:

Steady increase in world consumption, coupled with drought in Brazil, may result in Arabica stock deficits in the coming year. This should lead to higher or more stable prices. The real picture will unfold when Brazil's current harvest is in by July, 2014.

Lower Robusta crops in India is holding the internal prices higher than international prices. With no major change anticipated in world Robusta production in the coming year, prices are expected to be stable.

Reasons and concerns:

Higher cost of production due to wage increases which has gone up by 19%, is eroding margins year on year.

Debilitating pest attack in Arabicas continues to reduce the number of productive plants per hectare.

(c) Auto Ancillary Business:

Industry Structure and Developments:

The Division has historically focused mainly on auto industry with 85% of total volume coming from this segment and balance 15% from non-auto segment primarily consisting of ATMs and Washing Machine parts. Auto industry therefore has a direct impact on the operations of the Division.

The year 2013-14 was one of the most difficult years for the Auto industry having witnessed tough conditions due to low growth of the economy, high interest rates, rise in fuel prices and low consumer sentiments.

Car sales in the country declined for the second successive year 2013-14 as the Auto Industry continued to struggle with the demand slump in a slowing economy. According to SIAM, domestic car sales for FY 2013-14 declined by 4.59% at 1,786,899 units from 1,874,055 units in the previous period. In 2012-13 sales fell by 6.69 per cent, which was the first decline in a decade. Car exports stood flat at 5.50 lakh units in 2013-14.

Sale of commercial vehicles also posted a decline of 20.23% at 632,738 units compared to 793,211 units in the previous period. The stalling of infrastructure development projects, ban on mining activities and overall slowdown in the economy continued to hit the Commercial Vehicles segment.

The only bright spot was the higher two-wheeler sales helping the industry as a whole to clock 3.53% growth in 2013-14 at 18,421,538 units compared to 17,793,701 units in 2012-13.

Opportunities and Threats:

Continuing localization drive of OEMs with more Joint Ventures leading to more global players setting shops in India and using India as a global base is an opportunity. However, rising raw material costs, grim power situation and increase in labour costs, are areas of concern.

Performance Highlights:

The current segment wise share of business for the Division is as follows:

Segment	FY 13-14
Four Wheelers	80%
ATM	10%
Two Wheelers	9%
Power Equipments	1%

The Division is ISO/TS 16949:2009 and ISO 14001 – Eco-Management and Audit System (EMAS) certified. The Division has also implemented ERP MS Ax. With these, the Division has adequate internal control systems in place.

The Division has implemented a series of productivity improvement initiatives through 'Lean Manufacturing' techniques and TQM tools during the last few years to achieve operational excellence, waste elimination and reduction in costs.

Outlook:

The downturn in the economy has however, not dented the confidence and spirit of the Automobile Industry. Major

OEMs continued to invest and increase capacities. Overall, the outlook for the Indian Auto Industry appears to be positive in the long term and a turnaround is expected during the latter part of the current FY.

The Division is actively pursuing opportunities for a largest share in the White Goods sector i.e. other than existing ATM and Washing Machine parts and exploring opportunities in Solar and Medical Components business in future.

The Division has accordingly projected sale of ₹ 136 crores for FY 2014-15. This includes growth in business from existing products and customers, as also from an internal drive towards rapid New Product Development and R&D initiatives towards diversification.

Risks and concerns:

There is no major risk at this point of time in the business. However, with the Unit being located within a major Auto hub with limited availability of trained personnel, lateral movement of personnel is cause for concern.

(d) Health Care Business:

Industry Structure and Development

Healthcare is one of the top priority sectors for India. Dentistry too has kept pace with these developments. Awareness on oral health has scaled great heights among the Indian population. Proper daily dental care and regular visits to the dentist are now part of the lifestyle practices.

For a population of over 1.2 billion, there are currently over 180000 Dentists including 35,000 specialists practicing in different disciplines in the country. The dentist population ratio is reported to be 1:9,000 in metros/urban and semi urban areas and 1:200000 in the rural areas.

The potential size of India's dental market is vast and is expected to become one of the largest single country market for overseas dental Products and materials. The total market for the Dental equipments and materials is estimated

to be around US\$ 90 million annually. However the market in which the dental Products Division of the Corporation operates is estimated at around US\$ 8 million annually.

Opportunities and Threats:

The Dental Products market has grown at a CAGR of 5% in the last 5 years. The number of Dentists is expected to go up 300,000 by 2018 and Dental Specialists to 50,000. Every year more than 24,500 Dental Graduates are added to the list of Dentists.

According to various reports, the growth rates is expected to go upto 15% in the coming years.

Some financial investment groups are building hospitals with dental specializations, offering general dental care, and specialty treatment.

Looking at India's rapidly growing dental market many multinationals have set up offices in India. A number of Indian Dental Product manufacturers are currently supplying quality dental equipment and materials. However a large part of it is still imported.

Performance Highlights:

The Dental Products division has performed well and registered an overall growth of 17% over previous year. The main product of the division, DPI Alloy has out performed other products with a growth rate of 31% over previous year and also captured 88% of the market share of Dental Alloy segment.

Outlook:

The products of the division are well accepted by the market and enjoy high brand equity due to high standard of quality products backed with efficient after-sales service. During 2014-15, the Division plans to market 'Alginate', one of its products, under the Brand "Chromatex" as a leading Chromatic alginate brand in India and to increase the export sales two fold.

Internal Control Systems and Adequacy:

The Corporation has adequate internal control procedures commensurate with the size and nature of business. These business control procedures ensure efficient use and protection of the resources and also compliance with the policies, procedures and statutory requirements. The internal control systems provide for well-documented guidelines, authorisation and approval procedures. The Corporation carries out audit through external agencies twice a year. The prime objective of such audit is to test the adequacy and effectiveness of all internal controls laid down by the management and to suggest improvements.

Human Resources:

The Corporation regards human resources as a valuable asset. Majority of its employees are based at the tea and coffee estates/factories where great attention is being paid to their living conditions, medical facilities and educational needs.

The training needs of staff at all Divisions are periodically assessed and training programmes are conducted using internal resources and/or by engaging external trainers/facilitators.

Dated : 27th May, 2014

Cautionary Statement:

Statements in the Management Discussion and Analysis describing the Corporation's objectives, projections, estimates, and expectations may be 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Corporation's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Corporation operates, changes in the Government regulations, tax laws, vagaries of nature and other incidental factors.

CORPORATE GOVERNANCE REPORT

A. MANDATORY REQUIREMENTS:

1. Corporation's Philosophy on Corporate Governance:

Corporate Governance is the process or structure through which a business entity sets and pursues its objectives. The Wadia Group of companies believe in transparency in their dealings and consider good corporate governance a prerequisite for meeting the needs and aspirations of all their stakeholders.

The Corporation is firmly committed to follow all the tenets of good corporate governance by placing due emphasis on regulatory compliances and adequate internal monitoring mechanisms.

2. Board of Directors:

The Board is headed by the Non-Executive Chairman, Mr. Nusli N. Wadia, and comprises of eminent persons with considerable experience in diverse business areas. The Board of Directors consists of 10 members. Of these, 2 are Executive Directors and 8 are Non-Executive Directors; and 50% of the Board consists of Independent Directors.

During the year under review, 5 Board Meetings were held, the dates being 28th May, 2013, 7th August, 2013, 14th November, 2013, 13th February, 2014 and 26th March, 2014.

The details of composition of Board, attendance at Board Meetings held during the year and at the last Annual General Meeting, number of Directorships and membership/ chairmanship of Committees in public companies are given below:

Name of the Directors	Whether Promoter, Executive OR Non-Executive/ Independent	No. of Outside Directorships held *	No. of shares held in the Corporation	No. of Board Committees of other companies in which he is a Member #.	No. of Board Meetings attended	Whether attended last AGM
Mr. Nusli N. Wadia, Chairman	Promoter & Non-Executive	7	61,41,505	—	5	Yes
Mr. A. K. Hirjee, Vice Chairman	Non-Executive & Independent	4	1,750	6 (Chairman of 2)	5	Yes
Mr. Keshub Mahindra (Resigned w.e.f. 13.2.2014)	Non-Executive & Independent	4	—	1 (Chairman of 1)	—	No
Mr. M. L. Apte	Non-Executive & Independent	7	—	4	5	Yes
Mr. D. E. Udhwadia	Non-Executive & Independent	11	—	6 (Chairman of 1)	3	Yes
Mr. P. K. Cassels	Non-Executive & Independent	—	—	—	—	No
Mr. B. N. B. Tao	Non-Executive & Independent	—	—	—	—	No
Mr. Jeh Wadia	Promoter & Non-Executive	4	3,500	—	5	Yes
Ms. Vinita Bali	Non-Executive & Non-Independent	5	—	1	5	Yes
Mr. Ashok Panjwani, Managing Director	Non-Independent & Executive Director	6	—	—	5	Yes
Mr. Ness Wadia	Promoter & Executive Director	6	5,000	1	5	Yes

* Excludes alternate directorship and directorship in foreign companies and private companies which are neither subsidiaries nor holding companies of public companies.

Excludes Committees other than Audit Committee and Shareholders'/Investors' Grievance Committee, and of companies other than public limited companies.

Note: Mr. Nusli N. Wadia, Mr. Jeh Wadia and Mr. Ness Wadia are relatives as per the provisions of the Companies Act, 2013.

The Board has adopted a Code of Conduct for all its Directors and members of senior management at its meeting held on 26th July, 2005. The same has also been displayed on the Corporation's website. All the Directors and members of senior management have affirmed compliance with the Code of Conduct for the financial year ended 31st March, 2014.

The Independent Directors have also undertaken to abide by the Code of Independent Directors as provided by Schedule IV of the Companies Act, 2013.

3. Committees of the Board:

The Board has four Committees: the Audit Committee, the Nomination & Remuneration Committee, the Stakeholders' Relationship Committee and the Corporate Social Responsibility (CSR) Committee.

(a) Audit Committee:

The Audit Committee comprises of 3 Independent Directors:

- Mr. M. L. Apte, *Chairman*
- Mr. D. E. Udawadia
- Mr. A. K. Hirjee

Mr. N. H. Datanwala, V P Corporate and Company Secretary, acts as the Secretary to the Committee.

The broad terms of reference of the Audit Committee include review of Internal Audit Reports and Statutory Auditors' Report on the Financial Statements, general interaction with the Internal Auditors and Statutory Auditors, review of related party transactions, review of adequacy of internal control systems, to approve the appointment of CFO, selection and establishment of Accounting Policies and review of quarterly and annual Financial Statements before submission to the Board, and other matters specified in Clause 49 of the Listing Agreement as also those brought within the purview of the Audit Committee's role from time to time.

During the year under review, 4 Meetings of the Audit Committee were held, the dates being 27th May, 2013, 7th August, 2013, 12th November, 2013 and 11th February, 2014. Mr. M. L. Apte, Mr. A. K. Hirjee and Mr. D. E. Udawadia attended all 4 meetings.

In accordance with the provisions of the Companies Act, 2013, the Audit Committee has been entrusted with additional responsibilities which have been detailed in the Audit Committee Charter adopted by the Board in terms of section 177 of the Act and the amended Clause 49 of the Listing Agreement.

(b) Nomination and Remuneration Committee:

The Remuneration Committee constituted as per the requirements of Clause 49 of the Listing Agreements with Stock Exchanges was reconstituted and renamed as 'Nomination and Remuneration Committee' in March 2014 as per the requirements of the Companies Act, 2013.

The broad terms of reference of the Committee include approval/finalization of salary, perquisites, retirement benefits etc. payable to the Corporation's Directors including any revision thereof, deciding service contracts, notice period etc. as also the performance criteria and the performance – linked incentive, if any, payable to them, finalization of Commission payable and formulation of stock options policy, if and when required.

The Nomination & Remuneration Committee comprises of 3 Independent Directors and 1 Non-executive Promoter Director:

- Mr. Keshub Mahindra, *Chairman (upto 13.2.2014)*
- Mr. M. L. Apte, *Chairman (w.e.f. 26.3.2014)*
- Mr. Nusli N. Wadia
- Mr. A. K. Hirjee
- Mr. D. E. Udwardia

During the year under review, 1 meeting of the Committee was held on 28th May, 2013. Mr. Nusli N. Wadia, Mr. A. K. Hirjee, Mr. M. L. Apte and Mr. D. E. Udwardia attended the meeting. Mr. Keshub Mahindra did not attend the meeting.

Remuneration Policy:

The remuneration of Managing Directors is decided by the Remuneration Committee based on criteria such as industry benchmarks, the Corporation's performance vis-à-vis the industry performance and track record of the appointees. The Corporation pays remuneration by way of salary, commission, perquisites and allowances to its Managing Directors. Annual increments and performance incentives are decided by the Remuneration Committee within the overall salary scale approved by the members and the notifications issued in this regard by the Ministry of Company Affairs from time to time.

The Non-Executive Directors do not draw any remuneration from the Corporation other than sitting fees and such commission not exceeding 1% of the net profits of the Corporation as approved by the Shareholders and computed in the manner laid down in Section 198 of the Companies Act, 1956 as may be determined by the Board from time to time. In view of inadequacy of profits, no commission has been paid to the Non-Executive Directors.

In accordance with the provisions of the Companies Act, 2013, the Nomination & Remuneration Committee has been entrusted with responsibilities which have been detailed in the Nomination & Remuneration Committee Charter adopted by the Board in terms of section 178 of the Act and the amended Clause 49 of the Listing Agreement.

During the year ended 31st March, 2014, the Corporation paid ₹ 14,55,205/- to the law firm M/s Udwardia, Udeshi & Argus Partners as fees for professional services provided by them from time to time. Mr. D. E. Udwardia is a founder partner of the above firm. The Board does not consider the firm's association with the Corporation to be of a material nature so as to affect the independence of judgment of Mr. Udwardia as a director of the Corporation.

Remuneration to Directors:

- (i) Details of payments made to Non-Executive Directors during the year 2013-14 are given below:

(In ₹)

Name	Sitting fees
Mr. Nusli N. Wadia	120,000
Mr. A. K. Hirjee	280,000
Mr. Keshub Mahindra	Nil
Mr. M. L. Apte	280,000
Mr. D. E. Udwardia	160,000
Mr. P. K. Cassels	Nil
Mr. B. N. B. Tao	Nil
Mr. Jeh Wadia	180,000
Ms. Vinita Bali	100,000

The Bombay Burmah Trading Corporation, Limited

- (ii) Details of remuneration paid to Managing Directors during the year 2013-2014 are given below:

(In ₹)

	Salary (including allowances and bonus)	Contribution to Provident & other Funds	Perquisites in cash or kind
Mr. Ashok Panjwani	17,126,000	2,869,020	3,087,867
Mr. Ness Wadia	20,196,000	3,635,280	520,225

- (iii) Although Mr. Ness Wadia's remuneration is in accordance with the approval granted by the shareholders as Minimum Remuneration, it is in excess of the limits prescribed by the Companies Act, 1956 in view of inadequacy of profits as computed under sections 349/350 of the Act. The Corporation has applied to the Central Government for approval of increase in remuneration of Mr. Ness Wadia and is expecting approval shortly. In respect of remuneration paid to Mr. Ashok Panjwani in terms of shareholders' resolution dated 8th August, 2012, Central Government approval is not required in view of exemption granted vide Gen Circular no. 46/2011 dated 14.07.2011 of the Ministry of Corporate Affairs to professional directors not having any interest in the share capital of the Corporation.

- (iv) The Corporation has not granted any stock options to its wholetime directors during the year.

(c) Stakeholders' Relationship Committee:

The Shareholders'/Investors' Grievance Committee was renamed as the Stakeholders' Relationship Committee in March, 2014 as per the requirements of the Companies Act, 2013.

The Stakeholders' Relationship Committee comprises of:

- Mr. A. K. Hirjee, *Chairman*
- Mr. M. L. Apte
- Mr. Jeh Wadia (*upto 26.3.2014*)
- Mr. Ness Wadia (*w.e.f. 26.3.2014*)

During the year under review, four meetings of this Committee were held, the dates being 28th May, 2013, 7th August, 2013, 12th November, 2013 and 13th February, 2014. Mr. A. K. Hirjee, Mr. M. L. Apte and Mr. Jeh Wadia attended all the 4 meetings.

This Committee looks into redressal of shareholders' and investors' complaints with respect to transfer/transmission of shares, non-receipt of annual report, dividend warrants etc.

(d) Share Transfer Committee:

The Board has given authority to any 2 directors residing in Mumbai to approve the transfer deeds presented in respect of transfer of shares of the Corporation. The transfer deeds received are sent to the directors every week for their approval and the same are confirmed at the subsequent Board Meeting.

All shares received for transfer were registered and dispatched within 15 days of receipt, if the documents were correct and valid in all respects. During the year under review, Transfer Deeds were sent 42 times for approval of the Directors.

Name and designation of Compliance Officer : Mr. Nitin H. Datanwala, Vice President
Corporate & Company Secretary.

No. of Shareholders' complaints received during the year : 11

No. of Complaints not resolved to the satisfaction of shareholders : Nil

No. of pending complaints : Nil

4. General Body Meetings:**Details of Annual General Meetings held in the three previous years and Special resolutions passed thereat:**

Sr. No.	Date and Time of AGM	Venue	Special Resolutions passed
1.	5th August, 2011 at 11.30 a.m.	Patkar Hall, Sir Vithaldas Thackersey Marg, Mumbai 400 020	Consent of the Corporation under sections 198,269,309 and 311 and other related provisions of the Companies Act, 1956, for the appointment of Mr. Ness Wadia as a Managing Director of the Corporation, for a period of 5 years w.e.f. 01.04.2011 as per the terms and conditions detailed in the resolution read together with the Explanatory Statement thereto.
2.	8th August, 2012 at 3.45 p.m.	Y. B. Chavan Auditorium, Gen Jagannath Bhosle Marg, Mumbai 400 021	Consent of the Corporation under sections 198,269,309 and 311 and other related provisions of the Companies Act, 1956, for the appointment of Mr. Ashok Panjwani as a Managing Director of the Corporation, for a period of 5 years w.e.f. 24.06.2012 as per the terms and conditions detailed in the resolution read together with the Explanatory Statement thereto.
3.	7th August, 2013 at 3.45 p.m.	Rama Watumull Auditorium, Dinshaw Vachha Road, Mumbai 400 020	Approval under section 309(4) read with Section 309(7) of the Companies Act, 1956 to pay its Directors (other than Managing Director or the Whole time director) commission not exceeding 1% of the net profits of the Corporation for each of five financial years commencing from 1st April, 2013.

5. Other Disclosures:

- (a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Corporation at large:
None.
- (b) Disclosure of Accounting Treatment:
In the preparation of financial statements, no treatment materially different from that prescribed in Accounting Standards had been followed.
- (c) Board Disclosures – Risk Management:
The Corporation has adopted and implemented Risk Management Systems and Procedures as structured by a Consultant, in respect of its Corporate Office and major unit viz. South India Plantations.
- (d) The Corporation has adopted a Code of Conduct for prevention of Insider Trading in terms of Regulation 12(1) of the SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended, for prevention of Insider Trading in the shares of the Corporation by its Directors and Designated Employees.
- (e) Details of non-compliance by the Corporation, penalties, strictures imposed on the Corporation by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last 3 years:
None.

- (f) Whistle Blower Policy and affirmation that no personnel has been denied access to the Audit Committee:

The Corporation adopted the Whistle Blower Policy in May, 2014 which provides a mechanism for employees of the Corporation to approach the Ethics Counsellor or Chairman of the Audit Committee of the Corporation for raising concerns about any actual or perceived irregularities within the Corporation and to protect such employee(s) against any kind of victimization that may arise on account of such disclosure.

- (g) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause:

The Corporation has complied with all the mandatory requirements of this Clause. As regards the non-mandatory requirements, the extent of compliance has been stated in this report against each item.

6. Means of Communication:

- (i) The quarterly, half-yearly and yearly financial results of the Corporation are sent to the Stock Exchanges immediately after these are approved by the Board.
- (ii) Quarterly results: Quarterly results are published in newspapers such as Free Press Journal in English and Navshakti in Marathi.
- (iii) Any Website displayed: Yes - <http://www.bbtcl.com>
- (iv) Whether it also displays official news releases: No.
- (v) Whether presentations made to institutional investors or to the analysts: No.
- (vi) Whether Management Discussion and Analysis Report is a part of Annual Report or not: Yes.

7. General Shareholder Information:

- (a) **AGM: Date, Time and Venue:**

13th August, 2014 at 4.00 p.m. at Y.B. Chavan Auditorium, Gen. J. Bhosale Marg, Mumbai 400 021.

- (b) **Financial Calendar (tentative):**

Financial reporting for the quarter ending June, 2014	By 15th August, 2014
Financial reporting for the quarter ending September, 2014	By 15th November, 2014
Financial reporting for the quarter ending December, 2014	By 15th February, 2015
Financial reporting for the year ending March 31, 2015	By 30th May, 2015
Annual General Meeting for the year ending March 31, 2015	Last week of July/First week of August, 2015

- (c) **Book closure period:** 2nd August, 2014 to 13th August, 2014 (both days inclusive).
- (d) **Dividend payment date:** 20th August, 2014.

(e) **Listing on Stock Exchanges:** The Corporation's Securities are listed at:

- (1) BSE Limited, Mumbai; and
- (2) The National Stock Exchange of India Ltd., Mumbai.

Listing fees as prescribed, have been paid to the aforesaid Stock Exchanges upto March, 2015.

(f) **Stock Code** : BSE National Stock Exchange (NSE)
501425 BBTC EQ.

(g) **Stock Market Data** : Please see Annexure 1.

(h) **Stock Performance** : Please see Annexure 2.

(i) **Registrar & Transfer Agents** : **Sharepro Services (India) Private Ltd.**

Unit:

The Bombay Burmah Trading Corporation, Limited
13AB, Samhita Warehousing Complex,
2nd Floor, Sakinaka Telephone Exchange Lane,
Off Andheri Kurla Road, Sakinaka,
Andheri (E), Mumbai 400 072

Tel: 67720316 • Fax: 2837 5646

E-mail: sharepro@vsnl.com

Investor Relation Centre:

912, Raheja Centre, Free Press Journal Road,
Nariman Point, Mumbai 400 021

(j) **Share Transfer System:**

Share Transfers in physical form are registered and returned within a period of 15 days from the date of receipt in case documents are complete in all respects. The total number of transfers/transmissions received and total number of shares transferred/transmitted during the year 1st April, 2013 to 31st March, 2014 were:

Particulars	No. of Transfers	No. of Shares
Transfers	66	40,200
Transmission	40	111,150
Total	106	151,350

(k) **Dematerialisation of shares and liquidity:**

87.31% of the paid-up capital of the Corporation has been dematerialised as on 31st March, 2014.

Trading in Equity Shares of the Corporation is permitted only in dematerialised form.

The Bombay Burmah Trading Corporation, Limited

(l) (i) **Distribution of Shareholding as on 31st March, 2014.**

Group of Shares	No. of Shareholders	No. of Shares held	% of Total Shares
1 to 500	10108	20,14,193	2.89
501 to 1000	1507	12,72,948	1.82
1001 to 2000	997	15,22,392	2.18
2001 to 3000	539	13,79,884	1.98
3001 to 4000	246	8,61,813	1.23
4001 to 5000	159	7,43,374	1.06
5001 to 10000	298	20,61,205	2.95
10001 and above	230	599,16,131	85.87
Total	14,084	6,97,71,900	100.00

(ii) **Shareholding pattern as on 31st March, 2014.**

	No. of Shares held	% of Shares
Promoter Group	4,59,80,745	65.90
Financial Institutions	6,75,400	0.96
Nationalised Banks	88,850	0.13
Mutual Fund & UTI	20,01,103	2.87
FII's	1,38,639	0.20
Others	20,887,163	29.94
Total	697,71,900	100.00

(m) **Plant Locations:**

- 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 Udham Singh Nagar Uttarakhand 263 153.
Auto Ancillary Division	: Plot no. 128-133, Illrd Cross Street, Nehru Nagar, Kottivakkam, Tiruvanmiyur, Chennai, Tamil Nadu - 600 041.
Malaysian Branch	: Suite 628, 6th Floor, Pan Global Plaza, Jalan Wong Ah Fook 80000, Johor Bahru, Malaysia.
Address for Correspondence	: 9, Wallace Street, Fort, Mumbai - 400 001.
E-Mail	: bbtcl@bom2.vsnl.net.in

B. NON-MANDATORY REQUIREMENTS:

1. Whether Chairman of the Board is entitled to maintain a Chairman's office at the Corporation's expense and also allowed reimbursement of expenses incurred in performance of his duties:
Yes.
2. Independent Directors:
All independent directors have the requisite qualifications and experience to contribute effectively to the Corporation.
3. Remuneration Committee:
Please refer para 3(b) of this Report.
4. Shareholder rights:
As the Corporation's quarterly and half yearly results are published in English and regional newspapers having adequate circulation and are also posted on its website, they are not sent separately to the shareholders other than on receipt of specific request from any shareholder in this regard.
5. Qualifications in Financial Statements:
There are no qualifications in the Auditors' Report on the accounts for the year 2013-2014.

The Bombay Burmah Trading Corporation, Limited

DECLARATION

As provided under Clause 49 of the Listing agreement with the Stock Exchanges, this is to confirm that all the Directors and Members of Senior Management have affirmed compliance with the Code of Conduct for the financial year ended 31st March, 2014.

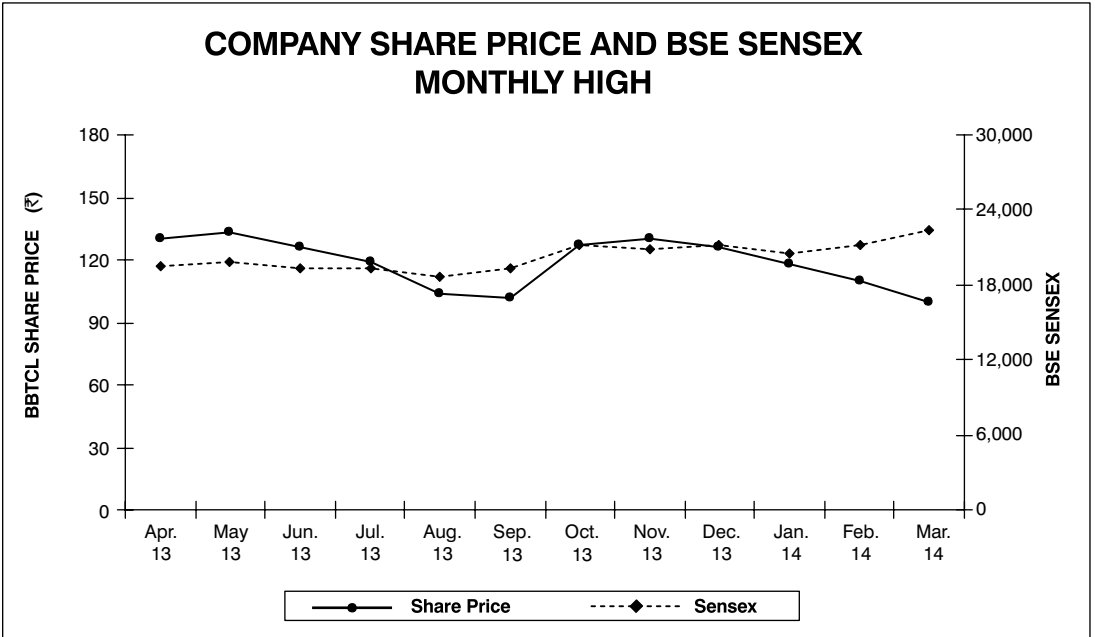
For The Bombay Burmah Trading Corporation Limited

Ashok Panjwani
Managing Director

Mumbai, 27th May, 2014

Annexure 1**BSE NSE Market Data 2014**

Month	Month's High Price (In ₹)		Month's Low Price (In ₹)		No. of Shares Traded		Value ₹ (In Lakhs)	
	BSE	NSE	BSE	NSE	BSE	NSE	BSE	NSE
April, 2013	129.90	130.40	108.60	108.05	567233	950154	683.81	1187.13
May, 2013	132.90	133.15	116.60	116.00	583507	812443	736.26	895.19
June, 2013	126	125.70	100.30	100.20	202034	250733	229.66	309.89
July, 2013	119.00	117.50	86.20	86.00	209692	333210	220.55	290.97
August, 2013	103.75	103.50	83.05	82.30	256652	416276	235.53	398.19
September, 2013	102.00	102.05	86.00	86.50	159679	338844	152.53	329.04
October, 2013	126.90	126.90	95.35	95.60	684254	1406876	789.84	1622.12
November, 2013	129.90	129.90	110.00	109.50	740775	1376426	897.53	1709.72
December, 2013	126.00	126.30	108.85	108.60	596926	935433	691.17	1090.75
January, 2014	117.75	117.35	96.25	95.50	358103	405606	389.17	471.90
February, 2014	110.00	109.80	92.60	92.35	536456	897117	546.48	917.27
March, 2014	99.25	99.30	91.00	91.20	357675	569681	340.99	543.05

Annexure 2**STOCK PERFORMANCE**

CERTIFICATE

Certificate of Compliance with the Corporate Governance requirements under Clause 49 of the Listing Agreement

To the Members of The Bombay Burmah Trading Corporation, Limited

We have examined the compliance of conditions of corporate governance by The Bombay Burmah Trading Corporation, Limited ("the Company") for the year ended 31 March 2014, as stipulated in Clause 49 of the Listing Agreements entered into by the Company with Stock Exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W

Vinayak Padwal
Partner
Membership No: 049639

Mumbai,
27 May 2014

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
THE BOMBAY BURMAH TRADING CORPORATION, LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of The Bombay Burmah Trading Corporation, Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2014, and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, in which are incorporated the returns from branches outside India, namely Johor Bahru in Malaysia and Usambara in Tanzania and Plantations division - South India branches audited by branch auditors appointed under section 228 of the Companies Act, 1956 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ('the Act'). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i. in case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2014;
- ii. in case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- iii. in case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Emphasis of matter

Without qualifying our opinion, we draw attention to note 36 to the financial statements, regarding remuneration paid by the Company to its Managing Director during the year ended 31 March 2014 in excess of the limits specified in relevant provisions of the Companies Act, 1956 ("the Act") by ₹ 192.85 lakhs. We are informed that as required by the relevant provisions of the Act, the Company

has applied to seek approval from the Central Government for excess remuneration paid. Pending the said approvals in this regard, the excess remuneration paid to the Managing Director has been charged to the statement of profit and loss.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ('the Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. As required by Section 227 (3) of the Act, we report that:
 - a. we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of these books and proper returns adequate for the purpose of our audit have been received from the branches outside India namely, Johor Bahru in Malaysia and Usambara in Tanzania and Plantations division – South India branches audited by branch auditors;
 - c. the audit reports of the Johor Bahru in Malaysia, Usambara in Tanzania and Plantations division – South India branches audited by branch auditors has been forwarded to us and has been dealt with by us in preparing this report;
 - d. the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account and with the audited branch returns;
 - e. in our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act; and
 - f. on the basis of written representations received from the directors of the Company, as of 31 March 2014, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31 March 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W

Vinayak Padwal
Partner
Membership No: 049639

Mumbai
27 May 2014

ANNEXURE TO INDEPENDENT AUDITORS' REPORT – 31 MARCH 2014

With reference to the Annexure referred to in our report of even date, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed in respect of assets verified during the year.
- (c) Fixed assets disposed off during the year were not substantial and, therefore, do not affect the going concern assumption.
- ii. (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable.
- (b) The procedures for the physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii. (a) The Company has granted unsecured loan to a company covered in the register maintained under section 301 of the Companies Act, 1956 ('the Act'). The maximum amount outstanding during the year was ₹ 6,800 lakhs and the year-end balance of such loans was ₹ 3,870 lakhs.
- (b) In our opinion, the rate of interest and other terms and conditions on which loans have been granted to the Company listed in the register maintained under section 301 of the Act are not, prima facie, prejudicial to the interest of the company.
- (c) In the case of loans granted to the Company listed in the register maintained under section 301, the borrowers have been regular in repaying the principal amounts as stipulated and in the payment of interest.
- (d) There is no overdue amount of more than Rupees one lakh in respect of loans granted to the companies, firms or other parties listed in the register maintained under section 301.
- (e) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, paragraphs 4 (iii) (f) and (g) of the Order are not applicable.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and with regard to the sale of goods and services. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in internal control system in respect of these areas.
- v. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred to in (a) above and exceeding the value of ₹ 5 lacs with any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi. The Company has not accepted any deposits from the public.

The Bombay Burmah Trading Corporation, Limited

- vii. In our opinion, the Company has an internal audit system commensurate with the size and the nature of its business.
- viii. We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under section 209(1)(d) of the Act in respect of products manufactured by the Company and the branch auditors have reviewed the said records in respect of South India branches in regard to tea and coffee plantations products and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.

- ix. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident fund, Income-tax, Sales-tax, Wealth tax, Service tax, Customs duty, Investor Education and Protection Fund, Employees' State Insurance, Excise duty and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Investor Education and Protection Fund, Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty and other material statutory dues were in arrears as at 31 March 2014 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of Income tax, Sales tax, Wealth tax, Service tax, Customs duty and Excise duty which have not been deposited with the appropriate authorities on account of any dispute, except as stated below:

Name of the Statute	Nature of the dues	Amount (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act	Tea cess	1.47 12.64	2005-06 2006-2013	High Court CESTAT
Central Excise Act	Excise duty	37.65	May 2004 to December 2005	Appellate tribunal of Central Excise
Central Excise Act	Excise duty	3.45	September 2004 to January 2007	Appellate tribunal of Central Excise
Central Excise Act	Excise duty	3,728.24	September 2006 to October 2011	Appellate tribunal of Central Excise
Income tax Act	Income tax	64.26	2008-09	Commissioner of Income tax (Appeals)

- x. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- xi. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers. The Company did not have any outstanding dues to any debenture holders and financial institutions.
- xii. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. The Company is not a chit fund / nidhi / mutual benefit fund / society.
- xiv. The Company is not dealing or trading in shares, securities, debentures and other investments.
- xv. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

- xvi. In our opinion and according to the information and explanations given to us, the term loans taken by the company have been applied for the purpose for which they were raised.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that the funds raised on short-term basis have not been used for long-term investment.
- xviii. The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Act.
- xix. The Company did not have any outstanding debentures during the year.
- xx. The Company has not raised any money by public issues during the year.
- xxi. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W

Vinayak Padwal
Partner
Membership No: 049639

Mumbai
27 May 2014

The Bombay Burmah Trading Corporation, Limited

BALANCE SHEET AS AT 31ST MARCH, 2014

	Notes	(₹ in Lakhs) As at 31st March, 2014	As at 31st March, 2013
A. EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share capital	1	1,396.27	1,396.27
Reserves and surplus	2	25,198.69	25,459.42
		26,594.96	26,855.69
NON-CURRENT LIABILITIES			
Long-term borrowings	3	6,318.38	8,344.81
Deferred tax liabilities (net)	4	121.39	65.22
Other long-term liabilities	5	45.79	46.48
Long-term provisions	6	294.38	238.11
		6,779.94	8,694.62
CURRENT LIABILITIES			
Short-term borrowings	7	12,232.73	4,471.55
Trade payables	8	2,295.54	2,037.32
Other current liabilities	9	2,191.17	5,259.40
Short-term provisions	10	1,243.59	2,796.14
		17,963.03	14,564.41
	TOTAL	51,337.93	50,114.72
B. ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
- Tangible assets	11	10,656.63	9,916.26
- Intangible assets	11	11.64	16.44
- Capital work-in-progress	11	318.37	513.02
		10,986.64	10,445.72
Non-current investments	12	16,553.30	16,549.14
Long-term loans and advances	13	7,339.55	1,233.67
Other non-current assets	14	27.87	23.26
		23,920.72	17,806.07
CURRENT ASSETS			
Inventories	15	8,406.61	9,443.47
Trade receivables	16	4,332.62	3,986.17
Cash and bank balance	17	589.90	5,651.40
Short-term loans and advances	18	2,761.65	2,349.77
Other current assets	19	339.79	432.12
		16,430.57	21,862.93
	TOTAL	51,337.93	50,114.72
SIGNIFICANT ACCOUNTING POLICIES	I		

The notes referred to above form an integral part of the Balance Sheet

As per our attached report of even date.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No. 101248W

Vinayak Padwal

Partner

Membership No. 049639

Mumbai,

27th May, 2014

For and on behalf of the Board

NUSLI N. WADIA *Chairman*

A. K. HIRJEE *Vice Chairman*

M. L. APTE *Director*

D. E. UDWADIA *Director*

JEH WADIA *Director*

VINITA BALI *Director*

A. PANJWANI *Managing Director*

N. H. DATANWALA *Vice President Corporate & Co. Secretary*

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in Lakhs)

	Notes	For the year ended 31st March, 2014	For the year ended 31st March, 2013
INCOME			
Revenue from Operations			
Sale of Product	20	27,464.30	24,354.97
Less: Excise duty	20	767.24	858.44
		<u>26,697.06</u>	<u>23,496.53</u>
Sale of Service	20	25.04	22.60
Other Operating Revenues	20	755.16	830.12
		<u>27,477.26</u>	<u>24,349.25</u>
Other income	21	1,669.07	2,111.90
		<u>29,146.33</u>	<u>26,461.15</u>
EXPENDITURE			
Cost of materials consumed	22	8,655.57	8,328.05
Purchases of stock-in-trade	22	845.05	2,938.28
Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	1,003.23	(2,245.53)
Employee benefits	23	7,217.84	6,155.38
Finance costs	24	2,151.01	1,490.07
Depreciation and amortisation		766.13	692.81
Less: Transfer from Revaluation Reserve		(6.59)	(6.59)
Other expenses	25	7,765.91	7,294.49
Cost relating to Real estate under development	26	25.21	12.90
		<u>28,423.36</u>	<u>24,659.86</u>
Profit before Exceptional Items and Tax		<u>722.97</u>	<u>1,801.29</u>
Exceptional items			
Profit of erstwhile EAPL for the year ended 31st March, 2012	I-(T)	—	736.72
Profit after exceptional items and before tax		<u>722.97</u>	<u>2,538.01</u>
Current tax expense for current year		177.00	514.00
Tax expense relating to profit of erstwhile EAPL for the year ended 31st March, 2012	I-(T)	—	121.20
Current tax expense relating to prior years		(22.99)	—
Deferred tax		56.17	9.71
		<u>210.18</u>	<u>644.91</u>
Profit after tax		<u>512.79</u>	<u>1,893.10</u>
Earnings per Share of Face Value of ₹ 2/- each	27		
Basic and Diluted			
Continuing Operations		0.73	2.71
Total Operations		0.73	2.71
SIGNIFICANT ACCOUNTING POLICIES	I		

The notes referred to above form an integral part of the Statement of Profit and Loss

As per our attached report of even date.

For and on behalf of the Board

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No. 101248W

Vinayak Padwal

Partner

Membership No. 049639

Mumbai,

27th May, 2014

A. PANJWANI Managing Director

N. H. DATANWALA Vice President Corporate & Co. Secretary

NUSLI N. WADIA Chairman

A. K. HIRJEE Vice Chairman

M. L. APTE Director

D. E. UDWADIA Director

JEH WADIA Director

VINITA BALI Director

The Bombay Burmah Trading Corporation, Limited

CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR YEAR ENDED 31ST MARCH, 2014

	(₹ in Lakhs)	
	2013-14	2012-13
A. Cash flows from operating activities:		
Profit/(Loss) before Taxation	722.97	2,538.01
Less: Exceptional Item: Profit of erstwhile EAPL for the year ended 31st March, 2012	—	(736.72)
Profit/(Loss) before Exceptional Item and Taxation	722.97	1,801.29
Adjustments for:		
Depreciation	759.54	686.22
Provision for Contingencies	—	65.00
Profit on Sale of Investments	—	(59.54)
Profit on Sale of Fixed Assets (Net)	(88.86)	(29.54)
Provision for Doubtful Debts, Advances/Doubtful Debts written off, written back (Net)	(54.34)	27.15
Excess Provision written back	(146.00)	(29.77)
Interest expense	2,102.49	1,486.25
Interest income	(977.60)	(1,340.59)
Dividend income	(296.64)	(298.04)
	1,298.59	507.14
Operating Profit before working capital changes	2,021.56	2,308.43
Adjustments for:		
Decrease/(Increase) in Trade and other receivables	60.27	(3,118.56)
Decrease/(Increase) in Inventories	1,036.86	(3,331.17)
Increase in Trade Payables and Provisions	383.39	1,617.06
	1,480.52	(4,832.67)
Cash from operations	3,502.08	(2,524.24)
Currency alignment on conversion of accounts of non-integral foreign branches & on fixed assets	31.71	16.23
Direct taxes paid (Net)	(351.21)	(739.46)
Cash flow before extraordinary items	3,182.58	(3,247.47)
Exceptional Item:		
Profit of erstwhile EAPL for the year ended 31-3-12	—	736.72
Tax expense of Profit of erstwhile EAPL for the year ended 31-3-12	—	(121.20)
Cash flow before extraordinary items	3,182.58	(2,631.95)
Extraordinary items	—	—
Net cash (used in)/from operating activities	3,182.58	(2,631.95)
B. Cash flows from investing activities:		
Purchase of fixed assets	(1,317.76)	(4,782.40)
Proceeds from sale of fixed assets	117.23	80.14
Purchase of Investments	(4.16)	617.88
Proceeds from sale of investments	—	558.88
Advances & Loans to Subsidiaries (Net)	(30.09)	2,995.38
Bank Deposits withdrawn during the year (net)	—	6.94
Interest income	1,055.97	1,240.66
Dividend income	296.64	298.04
Net cash from investing activities	117.83	1,015.52

CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR YEAR ENDED 31ST MARCH, 2014 (Contd.)

		(₹ in Lakhs)	
		2013-14	2012-13
C. Cash flows from financing activities:			
Repayment of Short term loan			(2,708.82)
Repayment of Hire Purchase loan (Net)	(34.19)		(17.95)
Proceeds of working capital loans, cash credit and overdraft	7,594.18		2,995.00
Repayment of term loans	(5,022.06)		(2,704.16)
Intercorporate Deposits placed	(6,600.00)		—
Intercorporate Deposits taken	132.00		—
Interest paid	(2,009.77)		(1,549.49)
Dividends paid (including Corporate Dividend Tax)	(2,422.07)		(1,124.01)
Net cash used in financing activities		(8,361.91)	(2,400.61)
Net increase in cash and cash equivalents	(A + B + C)	(5,061.50)	(4,017.04)
Cash and cash equivalents as at the commencement of the year		5,651.40	9,668.44
Cash and cash equivalents as at the end of the year in respect of continuing operations		589.90	5,651.40
Net increase as disclosed above		(5,061.50)	(4,017.04)
Components of Cash and Cash Equivalents as at		31-03-2014	31-03-2013
Cash on hand		26.48	32.94
Balances with Banks – in Current Accounts		506.60	5,600.61
– in EEFC Accounts		54.85	15.88
– in Deposit Accounts		1.97	1.97
		589.90	5,651.40

Notes:

- (1) The above Cash Flow Statement has been prepared under the "Indirect Method" set out in Accounting standard (AS - 3) "Cash Flow Statements" as notified under the Companies (Accounting Standards) Rules, 2006.
- (2) Component of Cash and Cash Equivalents exclude bank deposits with maturity of more than 3 months aggregating to ₹ Nil (Previous Year ₹ 23.35 lakhs).
- (3) Figures relating to previous year have been recast where necessary to conform to figures of the current year.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W

Vinayak Padwal
Partner
Membership No. 049639

Mumbai,
27th May, 2014

For and on behalf of the Board

	NUSLI N. WADIA <i>Chairman</i>
	A. K. HIRJEE <i>Vice Chairman</i>
	M. L. APTE <i>Director</i>
	D. E. UDWADIA <i>Director</i>
A. PANJWANI <i>Managing Director</i>	JEH WADIA <i>Director</i>
N. H. DATANWALA <i>Vice President Corporate & Co. Secretary</i>	VINITA BALI <i>Director</i>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

I. Significant Accounting Policies:

A. Basis of Accounting

The financial statements are prepared under the historical cost convention on an accrual basis and in accordance with generally accepted accounting principles in India (GAAP) and in compliance with the applicable accounting standards and provisions of the Companies Act, 1956.

The preparation of financial statements in conformity with GAAP requires that the management of the Corporation makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Examples of such estimates include the useful lives of fixed assets, provision for doubtful debts/advances, future obligations in respect of retirement benefit plans, etc. Difference between actual results and estimates are recognised in the period in which the results are known/materialise.

B. Current-Non-Current Classification

The Revised Schedule VI to the Companies Act, 1956 requires assets and liabilities to be classified either Current or Non-current.

a. An asset shall be classified as current when it satisfies any of the following criteria:

- i. it is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;
- ii. it is held primarily for the purpose of being traded;
- iii. it is expected to be realized within twelve months after the reporting date; or
- iv. it is Cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Current assets include the current portion of non-current financial assets.

b. All assets other than current assets shall be classified as non-current.

c. A liability shall be classified as current when it satisfies any of the following criteria:

- i. it is expected to be settled in the company's normal operating cycle;
- ii. it is held primarily for the purpose of being traded;
- iii. it is due to be settled within twelve months after the reporting date; or
- iv. the company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Current liabilities include the current portion of non-current financial liabilities.

d. All liabilities other than current liabilities shall be classified as non-current.

C. Method of Depreciation, Deletion and Amortisation of Tangible Fixed Assets:

(i) Depreciation on Fixed Assets is provided on Straight Line basis at the rates specified in Schedule XIV to the Companies Act, 1956. Depreciation on Moulds and Dies of Weighing Products Division is provided on straight line basis at the rate of 20% based on the useful life as estimated by the Corporation.

(ii) Depreciation on revalued assets of Sunmica Division, South India branches (Plantations) and Auto Ancillary division (erstwhile Electromags Automotive Products Private Limited) for the year have been calculated on the revalued cost on the basis of their expected future life as estimated by the valuers. The difference between depreciation on revalued cost and original cost has been withdrawn from Revaluation Reserve and credited to Statement of Profit and Loss.

(iii) Cost of Leasehold Land is amortised over the period of lease.

(iv) Assets costing less than ₹ 5000 are fully depreciated in the year of purchase.

(v) Auto ancillary division (erstwhile Electromags Automotive Products Private Limited) carries out at every year end, technical evaluation of the moulds and dies for revising the economic useful life/ usability of the assets and based on which, it writes down the moulds and dies which are not usable due to change in models, customer order etc.

D. Valuation of Tangible Fixed Assets:

(i) Fixed Assets are valued at cost of acquisition or construction. They are stated at historical costs or other amounts substituted for historical costs (vide note (ii) below). In respect of new projects pre-operative expenses including financing costs attributable to the acquisition/construction of fixed assets (net of income during trial run) upto the date of commencement of commercial production is included in cost.

(ii) The Land and Building of the Auto-Ancillary division (erstwhile Electromags Automotive Products Private Limited) as on 1st April, 2006 and the Plant and Machinery of Electronics Division and South India Branches (Plantations) as on 30th September, 1985 other than additions during that year were revalued on the basis of the then present worth as per valuation made by the external valuers and

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

are stated at revalued amounts. The resultant increase was credited to Revaluation Reserve on the respective dates.

- (iii) Expenditure in respect of new crops including cost of development is capitalised until the year of maturity of the Plantation.
- (iv) Fixed Assets held by non-integral foreign branches are stated at cost by converting at the closing rate of exchange at the balance sheet date.

E. Intangible Assets :

Intangible assets are recognised as per the criteria specified in Accounting Standard (AS 26) "Intangible Assets" as notified under the Companies (Accounting Standards) Rules, 2006 and amortized as follows:

(i) Technical Know How Fees

Technical know-how fees for new product development is amortised over the period not exceeding five years, of agreement with supplier of technology.

(ii) Goodwill

Goodwill represents the excess of costs of business acquired over the fair market value of net tangible and identifiable intangible assets.

Goodwill is amortised proportionately over the period not exceeding five years from the date of acquisition of the business.

(iii) Computer Software

In respect of auto ancillary division (erstwhile Electromags Automotive Products Private Limited), ERP related costs are amortised over a period of 5 years. For other divisions, computer software costs are amortised over the period not exceeding ten years based on the management's estimate of its useful life.

F. Impairment of Assets:

Management evaluates at regular intervals, using external and internal sources whether there is an impairment of any asset. Impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its net realisable value on eventual disposal. Any loss on account of impairment is expensed as the excess of the carrying amount over the higher of the asset's net realisable value or present value as determined.

G. Valuation of Investments:

- (i) Long Term Investments are shown at cost. However, when there is a decline, other than temporary, in the value of a long term investment, the carrying amount is reduced to recognise the decline.
- (ii) Current Investments are valued at cost or fair/market value whichever is lower.
- (iii) Long Term Investments include investments in shares of companies registered outside India. They are stated at cost by converting at the rate of exchange prevalent at the time of acquisition thereof, except in case of investment by non-integral foreign branches. Investments made by such foreign branches, are stated at cost by converting at the closing rate of exchange at the balance sheet date.

H. Employee Benefits :**(a) Short term employee benefits:**

Short term employee benefits are recognised as an expense at the undiscounted amount in the statement of profit and loss for the year in which the related service is rendered.

(b) Post-employment benefits:**(i) Provident and Family Pension Fund**

The eligible employees of the Corporation are entitled to receive post employment benefits in respect of provident and family pension fund, in which the Corporation make monthly contributions at a specified percentage of the employees' eligible salary (currently 12% of employees' eligible salary). Employees contribute a minimum of 12%, the excess being voluntary contribution.

The contributions are made to the provident fund managed by the trust set up by the Corporation or to the Regional Provident Fund Commissioner (RPFC) which are charged to the Statement of Profit and Loss as incurred. The schemes are considered as defined contribution plan.

(ii) Superannuation

The eligible employees of the Corporation are entitled to receive post employment benefits in respect of superannuation fund in which the Corporation makes annual contribution at a specified percentage of the employees' eligible salary. The contributions are made to the ICICI Prudential Life Insurance Co. Ltd. Superannuation is classified as Defined Contribution Plan as the Corporation has no further obligations beyond making the contribution. The Corporation's contribution to Defined Contribution Plan is charged to statement of profit and loss as incurred.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(iii) Gratuity

The Corporation has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees.

The plan provides a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service. The Corporation accounts for gratuity benefits payable in future based on an independent external actuarial valuation carried out at the end of the year. Actuarial gains and losses are recognised in the Statement of Statement of Profit and Loss.

(c) Other Long-Term Employee Benefits – Compensated Absences:

The Corporation provides for encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment/availment. The Corporation makes provision for compensated absences based on an independent actuarial valuation carried out at the end of the year. Actuarial gains and losses are recognised in the Statement of Profit and Loss.

I. Provisions, Contingent Liabilities And Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the financial statements. Contingent Assets are neither recognised nor disclosed in the financial statements.

J. Valuation of Inventories:

(i) Stores and spare parts are valued at lower of cost or net realisable value. Cost is calculated on weighted average basis.

(ii) Raw materials are valued at lower of cost or net realisable value. The cost includes purchase price as well as incidental expenses and is calculated on weighted average basis.

(iii) Tea stock is valued at cost or net realizable value whichever is lower and inclusive of cess on excise duty. Timber, coffee, pepper and cardamom in stock are valued at since realized/contracted rates or realizable value.

(iv) Work-in-progress is valued at cost or net realisable value whichever is lower. Cost is arrived on the basis of absorption costing.

(v) Manufactured finished goods of all divisions are valued at cost or net realisable value whichever is lower. Cost is determined on the basis of absorption costing including excise duty paid/provided on packed finished goods.

(vi) Traded Finished goods of all divisions are valued at cost or net realisable value whichever is lower.

(vii) Real Estate under development comprises of Freehold/Leasehold Land and Buildings at cost, converted from Fixed Assets into Stock-in-Trade and expenses related/attribution to the development/ construction of the said properties. The same is valued at lower of cost or net realizable value.

K. Foreign Currency Transactions:

(i) Foreign Branches: (Non-integral operations)

(a) All assets and liabilities, both monetary and non-monetary are translated at the closing rate;

(b) Income and expense items are translated at the average rate prevailing during the year; and

(c) All resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment in the branch.

(ii) Other Transactions:

(a) Initial recognition:

Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(b) Conversion:

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

(c) Exchange Differences:

The premium or discount arising at the inception of forward exchange contracts is amortised as expenses or income over the life of the respective contracts. The difference between year-end conversion rate and rate on the date of contract is recognized as exchange difference. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or expense for the year.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS**L. Export Benefits/Incentives:**

Export benefits/incentives in respect of import duty benefits under DEPB scheme are accounted on accrual basis on the basis of exports made under DEPB scheme.

M. Revenue Recognition:

- (i) Revenue in respect of insurance/other claims, interest etc., is recognised only when it is reasonably certain that the ultimate collection will be made.
- (ii) Sale of products is recognised when the risks and rewards of ownership are passed on to the customers and no significant uncertainty as to its measurability and collectability exists.
- (iii) Sale of timber is accounted based on sale agreement/sale in auction.
- (iv) Sale of pepper is accounted based on confirmed contract of sale.
- (v) Dividend income is accounted when the right to receive payment is established and known. Interest income is recognised on the time proportion basis.

N. Borrowing Cost:

Interest and other costs in connection with the borrowing of the funds to the extent related/attributed to the acquisition/construction of qualifying fixed assets are capitalised up to the date when such assets are ready for its intended use and all other borrowing costs are recognised as an expense in the period in which they are incurred.

O. Segment Accounting Policies:**(a) Segment assets and liabilities:**

All Segment assets and liabilities are directly attributable to the segment.

Segment assets include all operating assets used by the segment and consist principally of fixed assets, inventories, sundry debtors, loans and advances and operating cash and bank balances. Segment assets and liabilities do not include inter-corporate deposits, share capital, reserves and surplus, borrowings, and income tax (both current and deferred).

(b) Segment revenue and expenses:

Segment revenue and expenses are directly attributable to segment. It does not include interest income on inter-corporate deposits, interest expense and income tax.

P. Financial Derivatives and commodity hedging transactions:

Outstanding derivative contracts are not marked to market at each balance sheet date. The Corporation assesses the foreseeable losses in respect of such contracts and provision is made for such estimated losses, wherever necessary. Realized gains and losses on such contracts and interest costs in foreign currencies are accounted for at the time of settlement of the underlying transactions.

Q. Taxes on Income:

Income Taxes are accounted for in accordance with Accounting Standard (AS 22) – “Accounting for Taxes on Income”, as notified under the Companies (Accounting Standards) Rules, 2006. Income Tax comprises both current and deferred tax.

Current tax is measured on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961.

The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or deferred tax liability. They are measured using the substantively enacted tax rates and tax regulations as of the Balance Sheet date.

Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognised, only if there is virtual certainty of its realisation, supported by convincing evidence. Deferred tax assets on account of other timing differences are recognised only to the extent there is a reasonable certainty of its realisation.

R. Earnings per Share:

The basic and diluted earnings per share (EPS) is computed by dividing Net Profit after tax for the year by weighted average number of equity shares outstanding during the year.

S. Leases:**i. Lease transactions entered into prior to 1st April, 2002:**

Lease rentals in respect of assets acquired under lease are charged to Statement of Profit & Loss.

ii. Lease transactions entered into on or after 1st April, 2002:

- (a) Assets acquired under lease where the Corporation has substantially all the risks and rewards incidental to ownership are classified as finance leases. Such assets are capitalised at the inception of the lease at the lower of the fair value or the present value of minimum lease

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

- (b) Assets acquired on leases where significant portions of the risks and rewards incidental to ownership are retained by the lessors, are classified as operating leases. Lease rentals are charged to the Statement of Profit & Loss on accrual basis.

T. Amalgamation of Corporation's wholly owned subsidiary, Electromags Automotive Products Private Limited (EAPL):

The Scheme of Amalgamation ('the Scheme') of Electromags Automotive Products Private Limited ('the Amalgamating Company') with the Corporation was sanctioned by the Hon'ble High Court of Judicature at Madras on 24th August 2012. The Company has filed the certified copy of the Order with Registrar of Companies on 3rd September 2012.

In accordance with the scheme, all assets and liabilities of the Amalgamating Company were transferred to and vested in the Corporation with effect from 1st April 2011 ('The Appointed Date') and recorded by the Company at their book values. The Scheme has accordingly been given effect to in these financial statements which include the assets and liabilities of the Amalgamating Company with effect from 1st April 2011 and the results of operations for the year ended 31st March 2012. In terms of the Scheme, the book value of assets and liabilities are required to be adopted as at 1st April 2011.

The details of the assets and liabilities acquired pursuant to the said business transfer and resultant goodwill is ascertained as below:

Particulars	(₹ in Lakhs) Amount
(A) Assets:	
– Tangible assets	3,244.71
– Intangible assets	18.96
Investments	0.48
Loans and advances	351.10
Inventories	1,067.78
Trade receivables	2,332.55
Cash and bank balance	60.72
	7,076.30
(B) Liabilities:	
Borrowings	4,018.60
Deferred tax liabilities (net)	87.27
Provisions	36.60
Trade payables	1,274.53
Other current liabilities	687.09
	6,104.09
(C) Net Assets Acquired [(A) - (B)]:	972.21
Less: Reserves & Surplus transferred to Amalgamated Company:-	
Revaluation Reserve as on 1st April, 2011	462.37
General Reserve	20.00
Surplus in Statement of Profit and Loss	460.13
	<u>942.50</u>
(D) Equity Share Capital	29.71
(E) Investment at cost	534.60
(F) Goodwill [(E) - (D)]	504.90

Net Profit for the year ended 31st March 2012 amounting to ₹ 736.72 lakhs and tax thereon of ₹ 121.20 lakhs have been taken to the statement of Profit and Loss for the year.

Accordingly these accounts include the accounts of the Amalgamating Company from 1st April 2011 to 31st March 2012. In view of the above, the current year's figures are not comparable with those of the previous years.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Lakhs)

	As at 31st March, 2014	As at 31st March, 2013
1. SHARE CAPITAL		
Authorised Capital		
7,50,00,000 Equity shares of ₹ 2/- each (Previous Year 7,50,00,000 of ₹ 2/- each)	1,500.00	1,500.00
	1,500.00	1,500.00
Issued, Subscribed and paid-up		
6,97,71,900 Equity shares of ₹ 2/- each (Previous Year 6,97,71,900 of ₹ 2/- each)	1,395.44	1,395.44
Forfeited shares amount paid-up	0.83	0.83
TOTAL	1,396.27	1,396.27

- (a) The Corporation has only one class of equity share having par value of ₹ 2/- (Previous Year ₹ 2/-) per share.
- (b) Each holder of equity shares is entitled to one vote per share.
- (c) The Corporation declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- (d) During the year ended 31st March, 2014, the amount of per share dividend recognised as distributions to equity shareholders was ₹ 1/- for every share of ₹ 2/- each (Previous Year - ₹ 3/- for every share of ₹ 2/- each). The total dividend appropriation for the year ended 31st March, 2014 amounted to ₹ **816.30 lakhs** (Previous Year ₹ 2,448.89 lakhs) including corporate dividend tax of ₹ **118.58** (Previous Year ₹ 355.73 lakhs).
- (e) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- (f) Reconciliation of the shares outstanding at the beginning and at the end of reporting year.

	31st March, 2014		31st March, 2013	
	No. of shares	₹ in lakhs	No. of shares	₹ in lakhs
Equity shares				
At the beginning of the year	69,771,900	1,395.44	13,954,380	1,395.44
Add: Issued during the year	—	—	—	—
Outstanding at the end of the year	69,771,900	1,395.44	69,771,900	1,395.44

- (g) Details of shares held by each shareholder holding more than 5% shares

Sr. No.	Name of Shareholders	As at 31st March, 2014		As at 31st March, 2013	
		No.	% holding	No.	% holding
1	Archway Investment Co. Ltd.	13,038,600	18.69	13,038,600	18.69
2	N. W. Exports Ltd.	9,817,275	14.07	9,817,275	14.07
3	Naperol Investments Ltd.	4,208,400	6.03	4,208,400	6.03
4	Mr. Nusli N. Wadia	6,141,505	8.80	6,141,505	8.80
5	Wallace Bros. Trading & Industrial Ltd., U.K.	5,660,700	8.11	5,660,700	8.11
		38,866,480	55.70	38,866,480	55.70

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	(₹ in Lakhs)	
	As at 31st March, 2014	As at 31st March, 2013
2. RESERVES AND SURPLUS		
Capital reserve		
At the commencement and end of the year	89.47	89.47
Securities premium account		
At the commencement and end of the year	3,637.21	3,637.21
Revaluation reserve		
Opening balance	446.85	—
Add: Taken over from the erstwhile EAPL consequent to amalgamation (Refer Note I-(T))	—	453.44
Less: Utilised for set off against depreciation	(6.59)	(6.59)
Closing balance	440.26	446.85
General reserve		
Opening balance	4,034.56	4,329.46
Add: Taken over from the erstwhile EAPL consequent to amalgamation (Refer Note I-(T))	—	20.00
Less: Goodwill on amalgamation of the erstwhile EAPL	—	(504.90)
Add: Transfer from Surplus in Statement of Profit and Loss	51.30	190.00
Closing balance	4,085.86	4,034.56
Foreign currency translation reserve		
Opening balance	48.33	28.17
Add: Effect of foreign exchange rate variations during the year	49.37	20.16
Closing balance	97.70	48.33
Surplus in Statement of Profit and Loss		
Opening balance	17,203.00	17,488.66
Add: Taken over from the erstwhile EAPL consequent to amalgamation (Refer Note I-(T))	—	460.13
Add: Profit for the year	512.79	1,893.10
Less : Appropriations		
Proposed Dividend (dividend per share ₹ 1/- for every share of ₹ 2/- each (Previous Year - ₹ 3/- for every share of ₹ 2/- each)	697.72	2,093.16
Corporate Dividend Tax thereon	118.58	355.73
Transferred to General Reserve	51.30	190.00
Closing balance	16,848.19	17,203.00
TOTAL	<u>25,198.69</u>	<u>25,459.42</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	(₹ in Lakhs)	
	As at 31st March, 2014	As at 31st March, 2013
3. LONG-TERM BORROWINGS		
Term loans		
From banks – Secured	6,300.00	8,300.00
Other loans		
Loan against vehicles – Secured	18.38	44.81
TOTAL	<u>6,318.38</u>	<u>8,344.81</u>

Note

(i) Details of terms of repayment and security provided

Particulars	Terms of repayment and security	(₹ in Lakhs)	
		As at 31st March, 2014	As at 31st March, 2013
		Secured	Secured
Term loans from banks:			
AXIS Bank – Rupee Term Loan	Refer note (a)	6,300.00	7,800.00
HDFC Bank – Rupee Term Loan	Refer note (b)	—	500.00
Total – Term loans from banks		<u>6,300.00</u>	<u>8,300.00</u>
Other loans and advances:			
Loan against vehicles	Refer note (c)	18.38	44.81
Total – Other loans and advances		<u>18.38</u>	<u>44.81</u>
TOTAL		<u>6,318.38</u>	<u>8,344.81</u>

(a) Rupee Agri loan from Axis bank of ₹ 10,000 Lakhs, - current outstanding ₹ 6,300 Lakhs is repayable on 1st April 2015. The loan is secured by exclusive charge over Elkhill Estate. The rate of interest on the loan is ranging from 7.5% to 10%.

(b) Rupee loan from HDFC bank of ₹ 500 Lakhs, - current outstanding - ₹ 500 Lakhs is repayable on 31st March 2015. The loan is to be secured by extension of charge of an Equitable Mortgage by deposit of title deeds of Mudis and Singampatti estates together with Buildings and structures thereon in favour of HDFC Bank. The rate of interest on the loan is ranging from 7.5% to 10.5%.

(c) Loan against vehicles are secured by lien on vehicle purchased.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	(₹ in Lakhs)	
	As at 31st March, 2014	As at 31st March, 2013
4. NET DEFERRED TAX (ASSET)/LIABILITY:		
Timing difference on account of:		
Deferred Tax Liability (Refer note below)		
– Difference between book written down value and written down value under the Income-Tax act, 1961	414.84	363.52
– Difference between book written down value and written down value under the Karnataka Agricultural Income-tax Act 1957	119.12	49.59
Less: Deferred Tax Asset		
– Provision for Doubtful Debts, Advances, Contingencies	(412.57)	(347.89)
Net Deferred Tax (Asset)/Liability	<u>121.39</u>	<u>65.22</u>
Note: Includes deferred tax liability takeover from erstwhile EAPL consequent to amalgamation (Refer Note I - (T))		

5. OTHER LONG-TERM LIABILITIES

Rental/Trade Deposit	45.79	46.48
TOTAL	<u>45.79</u>	<u>46.48</u>

6. LONG-TERM PROVISIONS

Provision for employee benefits:

– Compensated absences	21.29	7.43
– Pension fund	80.93	37.02
	<u>102.22</u>	<u>44.45</u>

Provision – Others:

– Fringe Benefit Taxation (Net of Advance tax ₹ Nil (Previous Year - ₹ 40.50 lakhs)	2.16	3.66
– Provision for other contingencies (Refer Note 40)	190.00	190.00
TOTAL	<u>294.38</u>	<u>238.11</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

7. SHORT-TERM BORROWINGS

		(₹ in Lakhs)	
		As at 31st March, 2014	As at 31st March, 2013
Loans repayable on demand (Refer Note below)			
Secured			
– From Banks		5,417.97	1,441.55
Unsecured			
– From Banks		6,617.76	3,000.00
Intercorporate deposits			
Unsecured			
– From Others		132.00	—
– From Related Parties (Refer Note 34)		65.00	30.00
	TOTAL	<u>12,232.73</u>	<u>4,471.55</u>

Note: Details of security for the secured short-term borrowings:

		(₹ in Lakhs)	
Particulars	Nature of security	As at 31st March, 2014	As at 31st March, 2013
Secured Loans from banks:			
Axis Bank – Cash Credit	Refer note (a)	1,031.81	436.14
HDFC Bank – Cash Credit	Refer note (b)	1,532.33	21.24
HDFC Bank – Short term	Refer note (c & d)	2,853.83	984.17
		<u>5,417.97</u>	<u>1,441.55</u>

- (a) Cash Credit from Axis Bank of ₹ **1,031.81 Lakhs** (*Previous Year ₹ 436.14 Lakhs*), is secured by hypothecation of present and future stocks, book debts and other current assets on pari-passu basis and a collateral on Elkhill Estates. The rate of interest on the loan is ranging from 11% to 13%.
- (b) Cash Credit from HDFC Bank of ₹ **1,532.33 Lakhs** (*Previous Year ₹ 21.24 Lakhs*) is secured by hypothecation of present and future stocks, book debts and other current assets on pari-passu basis and a collateral on Singampatti & Mudis Estates. The rate of interest on the loan is ranging from 11% to 13%.
- (c) Short term loan from HDFC Bank of ₹ **2,500.00 Lakhs** (*Previous Year ₹ Nil*) is secured by hypothecation of present and future stocks, book debts and other current assets on pari-passu basis and a collateral on Singampatti & Mudis Estates. The rate of interest on the loan is ranging from 10% to 11%.
- (d) Short term Agri loan from HDFC Bank of ₹ **353.83 Lakhs** (*Previous Year ₹ Nil*) is secured by hypothecation of present and future stocks, book debts and other current assets on pari-passu basis and a collateral on Singampatti & Mudis Estates. The rate of interest on the loan is ranging from 9% to 10%.

8. TRADE PAYABLES

Trade payables:			
– Due to Micro, Small and Medium Enterprises (Refer Note 41)		—	—
– Others		2,295.54	2,037.32
	TOTAL	<u>2,295.54</u>	<u>2,037.32</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

9. OTHER CURRENT LIABILITIES

	(₹ in Lakhs)	
	As at 31st March, 2014	<i>As at 31st March, 2013</i>
Current maturities of long-term debt (Refer Note below)	526.41	<i>3,556.23</i>
Interest accrued but not due on borrowings	118.07	<i>25.35</i>
Unpaid dividends	86.88	<i>60.06</i>
Other payables:		
– Provision for bonus	161.78	<i>21.91</i>
– Provision for leave travel assistance	—	<i>11.26</i>
– Statutory liabilities *	144.78	<i>126.90</i>
– Trade/security deposits received	320.45	<i>319.75</i>
– Related parties	35.57	<i>48.19</i>
– Employees	94.78	<i>—</i>
– Advances from customers	19.71	<i>37.54</i>
– Other liabilities	682.74	<i>1,052.21</i>
TOTAL	2,191.17	<i>5,259.40</i>
* Includes Service Tax, VAT, TDS, Excise, Provident Fund and ESIC.		
Note: Current maturities of long term debts are secured as under:		
From Banks (Refer Note 3b for security)	500.00	<i>3,522.06</i>
Others – Loan against vehicle (Refer Note 3c for security)	26.41	<i>34.17</i>
TOTAL	526.41	<i>3,556.23</i>

10. SHORT-TERM PROVISIONS

Provision for employee benefits:

– Provision for gratuity	273.33	<i>—</i>
– Provision for compensated absences	153.96	<i>122.25</i>
	427.29	<i>122.25</i>

Provision Others:

– Provision for other contingencies (Refer Note 40)	—	<i>225.00</i>
– Provision for proposed equity dividend	697.72	<i>2,093.16</i>
– Provision for tax on proposed dividends	118.58	<i>355.73</i>
	816.30	<i>2,673.89</i>
TOTAL	1,243.59	<i>2,796.14</i>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

11. FIXED ASSETS

	Original/ Revalued Cost or Balance as at 31st April, 2013		Assets taken over during the year	Cost Additions during the year	Cost of Disposals/ Transfers during the year	Currency Alignment on Opening Balance	Cost/ Revalued Balance as at 31st March, 2014	Accumulated Depreciation/ Amortisation as on 31st April 2013	Accumulated Depreciation/ Amortisation on Balance	Currency Alignment on Opening Balance	Depreciation/ Amortisation for the year	Deduction during the year	Depreciation/ Amortisation to 31st March, 2014	(Rupees in Lakhs)		
	Rupees	Rupees												Rupees	Rupees	Rupees
TANGIBLE ASSETS:																
Land:																
Freehold	1,687.51	—	—	1,687.51	—	—	—	—	—	—	—	—	—	1,687.51	1,687.51	
Leasehold	4.85	—	—	4.89	3.52	0.04	4.89	—	0.01	0.07	—	—	3.60	1.29	1.33	
Roads	233.75	—	135.00	368.75	62.44	—	368.75	—	—	7.56	—	—	70.00	298.75	171.31	
Development - Plantations	2,461.08	—	242.17	2,682.12	37.01	1.05	2,682.12	—	—	5.33	—	—	42.34	2,639.78	2,424.07	
Buildings	* 2,700.14	—	180.52	2,877.79	1,167.85	5.18	2,877.79	1,167.85	1.44	167.28	(2.99)	—	1,333.58	1,544.21	1,532.29	
Plant and Machinery	6,945.32	—	792.13	7,764.72	4,175.91	31.55	7,764.72	4,175.91	18.86	388.25	(3.42)	—	4,579.60	3,185.12	2,769.41	
Moulds and Dies	1,141.59	—	99.72	1,241.31	464.01	—	1,241.31	464.01	—	121.85	—	—	585.86	655.45	677.58	
Motor Vehicles and Tractors	# 668.50	—	30.92	# 703.68	361.46	4.26	# 703.68	361.46	4.13	44.10	—	—	409.69	293.99	307.04	
Office Equipments	105.63	—	6.43	111.76	43.13	—	111.76	43.13	—	4.50	(0.03)	—	47.60	64.16	62.50	
Furnitures and Fixtures	624.38	—	25.52	650.18	341.16	0.28	650.18	341.16	0.26	22.39	—	—	363.81	286.37	283.22	
INTANGIBLE ASSETS:																
Goodwill	1,280.47	—	—	1,280.47	1,280.47	—	1,280.47	1,280.47	—	—	—	—	1,280.47	—	—	
Computer Software	53.38	—	—	53.38	36.94	—	53.38	36.94	—	4.80	—	—	41.74	11.64	16.44	
TOTAL	17,906.60	—	1,512.41	19,426.56	7,973.90	42.36	19,426.56	7,973.90	24.70	766.13	(6.44)	—	8,758.29	10,668.27	9,932.70	
PREVIOUS YEAR TOTAL	11,233.34	5,148.62	1,568.75	17,906.60	5,311.34	8.06	17,906.60	5,311.34	1,967.20	4.13	692.81	(1.58)	7,973.90	318.37	513.02	
CAPITAL WORK-IN-PROGRESS																
TOTAL :																

* Includes ₹ 4.15 lakhs (Previous Year ₹ 4.15 lakhs) in respect of which documents evidencing title are held in the name of the Corporation's nominee, which includes cost of 160 shares of ₹ 50 each fully paid-up of the New Cosmopolitan Housing Society Ltd.

Motor Vehicles and Tractors include ₹ 209.47 lakhs (Previous Year - ₹ 227.94 lakhs) being cost of Assets purchased on Hire Purchase basis on which the lender has a lien.

The Bombay Burmah Trading Corporation, Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	(₹ in Lakhs)					
	As at 31st March, 2014			As at 31st March, 2013		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
12. NON-CURRENT INVESTMENTS						
Long Term Investments (At cost):						
A. TRADE						
Fully paid at Cost –						
1,774 Ordinary Shares of Anamallais Ropeway Co. Limited of ₹ 100 each	—	0.01	0.01	—	0.01	0.01
5 Ordinary Shares of The Nilgiris Co-operative Central Stores Limited of ₹ 50 each (Face Value ₹ 250, Book Value ₹ 255)	—	—	—	—	—	—
250 Shares of The Valparai Co-operative Wholesale Stores Limited of ₹ 10 each	—	0.03	0.03	—	0.03	0.03
1 Share of The Coorg Orange Growers' Co-operative Society Limited of ₹ 100 (Face Value ₹ 100, Book Value ₹ 100)	—	—	—	—	—	—
50 "Member" Shares of The Tanganyika Farmers' Co-operative Association Limited of Shs. 1,000 each (Face Value Shs. 50,000 Book Value ₹ 3,090)	—	0.02	0.02	—	0.02	0.02
	—	0.06	0.06	—	0.06	0.06
Total – Trade (A)	—	0.06	0.06	—	0.06	0.06
B. OTHER INVESTMENTS						
(a) Investment in equity instruments						
(i) Of Subsidiaries						
76,050 Ordinary Shares of Afco Industrial & Chemicals Limited of ₹ 100 each	—	60.02	60.02	—	60.02	60.02
20,000 Ordinary Shares of DPI Products & Services Limited of ₹ 100 each	—	73.62	73.62	—	73.62	73.62
4,71,13,550 Ordinary Shares of Leila Lands Sdn. Bhd. of RM. 1 each	—	6,487.08	6,487.08	—	6,482.92	6,482.92
5,982 Equity Shares of Sea Wind Investment And Trading Company Limited of ₹ 100 each	—	5.98	5.98	—	5.98	5.98
	—	6,626.70	6,626.70	—	6,622.54	6,622.54
(ii) Of Associates						
48,000 Equity Shares of Inor Medical Products Limited of ₹ 10 each	—	0.29	0.29	—	0.29	0.29
4,999 Equity Shares of Lima Investment & Trading Company Private Limited of ₹ 100 each	—	5.00	5.00	—	5.00	5.00
2,44,991 Equity Shares of Lotus Viniyog Private Limited of ₹ 10 each	—	24.50	24.50	—	24.50	24.50
4,999 Equity Shares of Cincinnati Investment & Trading Company Private Limited of ₹ 100 each	—	5.00	5.00	—	5.00	5.00
4,999 Equity Shares of Roshnara Investment & Trading Company Private Limited of ₹ 100 each	—	5.00	5.00	—	5.00	5.00

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

		(₹ in Lakhs)					
		As at 31st March, 2014			As at 31st March, 2013		
		Quoted	Unquoted	Total	Quoted	Unquoted	Total
	1 Equity Share of The Bombay Burmah Trading Employees' Welfare Co. Limited, of ₹ 100 (Face Value ₹ 100, Book Value ₹ 100)	—	—	—	—	—	—
	1 Equity Share of National Peroxide Employees' Welfare Company Limited of ₹ 100 (Face Value ₹ 100, Book Value ₹ 100)	—	—	—	—	—	—
		—	39.79	39.79	—	39.79	39.79
(iii)	Of Other Entities						
	29,644,375 Equity Shares of The Bombay Dyeing and Manufacturing Co. Limited, (BDMC) of ₹ 2 each (Previous Year ₹ 10 each).	9,868.91	—	9,868.91	<i>9,868.91</i>	—	<i>9,868.91</i>
	4,704 Equity Shares of Citurgia Biochemicals Limited, of ₹ 10 each	0.47	—	0.47	<i>0.47</i>	—	<i>0.47</i>
	16 Equity Shares of The Associated Cement Company Limited, of ₹ 10 each (Face Value ₹ 160, Book Value ₹ 160)	—	—	—	—	—	—
	11,580 Equity Shares of B.R.T. Limited of ₹ 100 each	—	15.87	15.87	—	<i>15.87</i>	<i>15.87</i>
	500 Equity Shares of State Bank of Travancore ₹ 10 each	0.30	—	0.30	<i>0.30</i>	—	<i>0.30</i>
	500 Equity Shares of Canara Bank ₹ 10 each	0.18	—	0.18	<i>0.18</i>	—	<i>0.18</i>
	1 Ordinary Share of Daisylea Apartment Owners' Association of ₹ 100 (Face Value ₹ 100, Book Value ₹ 100)	—	—	—	—	—	—
	15 Shares of Hermes Park Co-operative Housing Society Limited of ₹ 50 each	—	0.01	0.01	—	<i>0.01</i>	<i>0.01</i>
	10 Shares of Reena Park Co-operative Housing Society Limited of ₹ 50 each (Face Value ₹ 500, Book Value ₹ 500)	—	—	—	—	—	—
		9,869.86	15.88	9,885.74	<i>9,869.86</i>	<i>15.88</i>	<i>9,885.74</i>
(b)	Investment in Government Securities		1.01	1.01		<i>1.01</i>	<i>1.01</i>
		—	1.01	1.01	—	<i>1.01</i>	<i>1.01</i>
	Total – Other investments (B)	9,869.86	6,683.38	16,553.24	<i>9,869.86</i>	<i>6,679.22</i>	<i>16,549.08</i>
	Total (A+B)	9,869.86	6,683.44	16,553.30	<i>9,869.86</i>	<i>6,679.28</i>	<i>16,549.14</i>
	Less: Provision for diminution in value of investments	—	—	—	—	—	—
	Total	9,869.86	6,683.44	16,553.30	<i>9,869.86</i>	<i>6,679.28</i>	<i>16,549.14</i>
	Aggregate amount of quoted investments			9,869.86			<i>9,869.86</i>
	Aggregate market value of listed and quoted investments			16,404.43			<i>25,950.97</i>
	Aggregate amount of unquoted investments			6,683.44			<i>6,679.28</i>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	(₹ in Lakhs)	
	As at 31st March, 2014	As at 31st March, 2013
13. LONG-TERM LOANS AND ADVANCES		
Unsecured		
Considered good		
– Loans due from a Company in which a Director is interested	3,870.00	—
– Loans due from a Director (Refer Note 34)	50.00	50.00
Others		
– Security deposits	131.69	131.10
– Capital advances	6.26	8.74
– Advances to employees	92.02	91.26
– Advance income tax (net of provisions ₹ 5,093.99 lakhs (Previous Year ₹ 7,062.58 lakhs))	378.22	182.52
– Balances with government authorities	19.26	196.63
– Other loans and advances		
– Intercompany deposit	2,730.00	—
– Prepaid expenses	20.00	—
– Others	42.10	573.42
Considered Doubtful		
– VAT credit receivable	1.86	1.86
– Deposit towards contingent liabilities (Refer Note 28D)	25.00	25.00
– Excise duty receivable	122.47	122.47
– Other loans and advances	124.86	124.86
	<u>7,613.74</u>	<u>1,507.86</u>
<i>Less: Provision for doubtful Loans and Advances</i>	274.19	274.19
TOTAL	<u><u>7,339.55</u></u>	<u><u>1,233.67</u></u>
<hr/>		
14. OTHER NON CURRENT ASSETS		
– Non current portion of other Bank balances	27.87	23.26
TOTAL	<u><u>27.87</u></u>	<u><u>23.26</u></u>
<hr/>		
15. INVENTORIES		
(At Lower of Cost and net realisable value)		
Raw materials	476.74	684.62
Work-in-progress	295.24	438.19
Finished goods (other than those acquired for trading)	3,880.41	3,181.21
Stock-in-trade (acquired for trading)	1,001.89	2,561.37
Stores and spares including Loose Tools	612.21	590.70
Others - Real Estate under development	2,140.12	1,987.38
TOTAL	<u><u>8,406.61</u></u>	<u><u>9,443.47</u></u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Lakhs)

	As at 31st March, 2014	As at 31st March, 2013
16. TRADE RECEIVABLES		
Unsecured		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
– considered good	212.16	308.78
– considered doubtful	344.85	400.34
	<u>557.01</u>	<u>709.12</u>
Less: Provision for doubtful trade receivables	344.85	400.34
	<u>212.16</u>	<u>308.78</u>
Other trade receivables		
– considered good	4,120.46	3,677.39
TOTAL	<u><u>4,332.62</u></u>	<u><u>3,986.17</u></u>

17. CASH AND BANK BALANCE**Cash and cash equivalents**

Cash on hand	26.48	32.94
Balances with banks		
– In current accounts	419.72	5,540.55
– In EEFC accounts	54.85	15.88
– In deposit accounts	1.97	1.97
Other bank balance		
– Unpaid dividend accounts	86.88	60.06
TOTAL	<u><u>589.90</u></u>	<u><u>5,651.40</u></u>

18. SHORT-TERM LOANS AND ADVANCES**Unsecured****Considered good**

– Related parties (Refer Note 34)	1,606.69	1,541.60
Others		
– Security deposits	10.12	1.36
– Loans and advances to employees	71.48	107.41
– Prepaid expenses	52.22	101.91
– Balances with government authorities	187.48	249.84
– Others	833.66	347.65
TOTAL	<u><u>2,761.65</u></u>	<u><u>2,349.77</u></u>

19. OTHER CURRENT ASSETS

Earnest Money deposit	1.07	1.44
Accruals		
– Interest accrued on loans		
– Related party (Refer Note 34)	34.02	105.20
– Others	0.42	7.61
– Export benefit receivable	304.28	317.87
TOTAL	<u><u>339.79</u></u>	<u><u>432.12</u></u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	(₹ in Lakhs)	
	For the year ended 31st March, 2014	For the year ended 31st March, 2013
20. REVENUE FROM OPERATIONS		
Sale of products [Refer Note (i) below]	27,464.30	24,354.97
Sale of services [Refer Note (ii) below]	25.04	22.60
Other operating revenues [Refer Note (iii) below]	755.16	830.12
	<u>28,244.50</u>	<u>25,207.69</u>
<i>Less:</i>		
Excise duty	767.24	858.44
TOTAL	<u>27,477.26</u>	<u>24,349.25</u>
Note (i)		
Sale of products comprises :		
Manufactured goods		
Tea	9,951.97	8,792.70
Coffee	1,066.17	1,367.69
Other plantation products	555.80	35.66
Autoancillary - Switches, Solenoids, etc.	11,177.06	10,590.98
Weighing products	169.12	205.83
Dental products	1,944.83	1,636.85
Sub-Total	<u>24,864.95</u>	<u>22,629.71</u>
Traded goods		
Tea	20.28	51.40
Coffee	2,376.61	1,478.37
Weighing products	14.50	28.24
Dental products	187.96	167.25
Sub-Total	<u>2,599.35</u>	<u>1,725.26</u>
TOTAL	<u>27,464.30</u>	<u>24,354.97</u>
Note (ii)		
Sale of services comprises :		
Weighing products	25.04	22.60
TOTAL	<u>25.04</u>	<u>22.60</u>
Note (iii)		
Other operating revenues comprise:		
Sale of scrap	153.51	192.49
Duty drawback and other export incentives	401.11	420.26
Expenses recovered from subsidiaries and other Companies	115.22	128.68
Rent (including machinery etc. - hire charges/lease rent)	85.32	88.69
TOTAL	<u>755.16</u>	<u>830.12</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Lakhs)

	For the year ended 31st March, 2014	For the year ended 31st March, 2013
21. OTHER INCOME		
Interest income [Refer Note (i) below]	977.60	1,340.59
Dividend income from :		
– Associates	—	1.44
– Others	296.64	296.60
Gain on sale of long term investments	—	59.54
Net gain on foreign currency transactions and translation (other than considered as finance cost)	—	277.94
Other non-operating income [Refer Note (ii) below]	394.83	135.79
TOTAL	<u>1,669.07</u>	<u>2,111.90</u>
Note (i)		
Interest income on :		
– Bank deposits	2.24	107.61
– Loans and advances	973.86	1,231.53
– Loans given to Directors	1.50	1.45
TOTAL	<u>977.60</u>	<u>1,340.59</u>
Note (ii)		
Other non-operating income :		
– Rental income from investment properties	21.92	29.39
– Profit on sale of fixed assets (Net)	88.86	29.54
– Liabilities/provisions no longer required written back	146.00	29.77
– Provisions for doubtful debts written back	59.89	—
– Miscellaneous income	78.16	47.09
TOTAL	<u>394.83</u>	<u>135.79</u>
22. COST OF MATERIALS CONSUMED		
Opening stock	107.15	89.45
Add: Acquired on amalgamation from erstwhile EAPL [Refer Note I-(T)]	577.47	414.16
Add: Purchases	8,447.70	8,509.06
	<u>9,132.32</u>	<u>9,012.67</u>
Less: Closing stock	476.75	684.62
TOTAL	<u>8,655.57</u>	<u>8,328.05</u>
Material consumed comprises:		
Chemicals	1,067.54	965.80
Bought Leaf	2,009.24	1,696.10
Electronic and Mechanical Components	5,578.79	5,666.15
TOTAL	<u>8,655.57</u>	<u>8,328.05</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	(₹ in Lakhs)	
	For the year ended 31st March, 2014	For the year ended 31st March, 2013
22. PURCHASE OF STOCK-IN-TRADE		
Tea	15.27	62.21
Coffee	707.90	2,782.15
Weighing products	6.56	16.33
Dental products	115.32	77.59
TOTAL	845.05	2,938.28
22. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Inventories at the end of the year:		
Finished goods (including stock in trade of traded goods)	4,882.30	5,742.58
Work-in-progress	295.24	438.19
	5,177.54	6,180.77
Inventories at the beginning of the year:		
Finished goods (including stock in trade of traded goods)	5,502.91	3,406.58
Add: Acquired on amalgamation from erstwhile EAPL [Refer Note I-(T)]	239.67	48.39
Work-in-progress	151.28	96.57
Add: Acquired on amalgamation from erstwhile EAPL [Refer Note I-(T)]	286.91	383.70
	6,180.77	3,935.24
Net Decrease/(Increase)	1,003.23	(2,245.53)
23. EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	6,000.66	5,058.06
Contributions to provident and other funds (Refer Note 35)	955.17	808.10
Staff welfare expenses	346.02	340.30
Less: Transferred to real estate under development (Refer Note 26)	84.01	51.08
TOTAL	7,217.84	6,155.38
24. FINANCE COSTS		
Interest expense on:		
– Bank Borrowings and Others	2,102.49	1,468.65
Bank charges	48.52	21.42
TOTAL	2,151.01	1,490.07

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Lakhs)

	For the year ended 31st March, 2014	For the year ended 31st March, 2013
25. OTHER EXPENSES		
Consumption of stores and spare parts	1,201.36	1,165.54
Increase of excise duty on inventory	23.49	14.28
Power and fuel	1,310.99	1,143.92
Rent including lease rentals (Refer Note 38)	188.11	121.15
Repairs and maintenance - Buildings	182.77	275.25
Repairs and maintenance - Machinery	234.79	194.08
Repairs and maintenance - Others	156.65	133.70
Insurance	92.81	69.99
Rates and taxes	108.53	88.69
Communication	82.98	78.41
Travelling and conveyance	479.55	404.18
Printing and stationery	83.00	86.58
Freight and forwarding	656.35	554.56
Sales and business promotion expenses	480.49	451.93
Legal and professional	277.31	322.38
Retainer fees	108.91	70.55
Brand equity and Shared expenses	97.84	88.47
Payments to auditors (Refer Note below)	24.12	29.53
Bad trade and other receivables, loans and advances written off	4.64	25.80
Director's sitting fees	11.20	11.60
Net loss on foreign currency transactions and translation (other than considered as finance cost)	163.91	—
Provision for doubtful trade and other receivables, loans and advances (net)	0.91	1.35
Processing charges/Sub-Contracting	1,026.00	1,243.98
Contract labour charges	290.19	254.89
Provision for contingencies	—	65.00
Miscellaneous expenses	572.95	437.29
Less : Transferred to real estate under development (Refer Note 26)	93.94	38.61
TOTAL	<u>7,765.91</u>	<u>7,294.49</u>
Note:		
Payments to the auditors:		
– Statutory audit fees (Including branch auditors)	13.54	16.36
– Other services	7.77	10.92
– Reimbursement of expenses	2.81	2.25
TOTAL	<u>24.12</u>	<u>29.53</u>

26. COST RELATING TO REAL ESTATE UNDER DEVELOPMENT

Opening inventory (Real estate under development)	1,987.38	1,910.59
<i>Add: Expenditure relating to real estate division incurred during the year</i>		
Payments to and provision for employees (Refer Note 23)	84.01	51.08
Contract/retainership fees (Refer Note 25)	27.45	24.65
Travelling and other expenses (Refer Note 25)	66.49	13.96
	<u>177.95</u>	<u>89.69</u>
	2,165.33	2,000.28
Closing Stock (Real Estate under Development) (Refer Note 15)	2,140.12	1,987.38
TOTAL	<u>25.21</u>	<u>12.90</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	Current Year (₹ in Lakhs)	<i>Previous Year</i> (₹ in Lakhs)
27. EARNINGS PER SHARE FROM CONTINUING OPERATIONS:		
(A) Net Profit for calculation of Earnings per Share (numerator)	512.79	1,893.10
(B) Weighted Average number of equity shares (denominator)	69,771,900	69,771,900
(C) Basic and Diluted Earnings per shares (A/B) (in ₹)	0.73	2.71
(D) Nominal value per equity share (in ₹)	2	2

EARNINGS PER SHARE FROM TOTAL OPERATIONS:

(A) Net Profit for calculation of Earnings per Share (numerator)	512.79	1,893.10
(B) Weighted Average number of equity shares (denominator)	69,771,900	69,771,900
(C) Basic and Diluted Earnings per shares (A/B) (in ₹)	0.73	2.71
(D) Nominal value per equity share (in ₹)	2	2

28. CONTINGENT LIABILITIES NOT PROVIDED FOR:

A. Sundry claims against the Corporation by employees and others not admitted (amount indeterminate). In the opinion of the management, the outcome of these claims is likely to be immaterial.

B. Disputed demands of Central Excise Department not provided for in respect of:

	Current Year (₹ in Lakhs)	<i>Previous Year</i> (₹ in Lakhs)
South India Consolidation (Plantations Division)	14.12	1.47
Erstwhile Sunmica Division (Building Products Division)	3,728.24	3,728.24

C. Disputed wage demands pending with the Industrial Tribunal ₹ **232.25 Lakhs** (*Previous Year ₹ 232.25 lakhs*) in respect of South India Branches.

D. Damages and interest on alleged unauthorized occupation of residential premises determined by the Estate Officer L.I.C. up to 31st March 2014 and disputed by the Corporation ₹ **108.26 lakhs** (*Previous Year ₹ 101.37 lakhs*).

E. Matters under dispute relating to Income tax in respect of the erstwhile Electromags Automotive Products Private Limited. A.Y. 2004-05 ₹ **5.23 lakhs**, for the A.Y. 2009-10 ₹ **64.26 lakhs** and for A.Y. 2011-12 ₹ **1.79 Lakhs**.

29. Estimated amount of contracts remaining to be executed on Capital Account and not provided for ₹ 1,115.61 Lakhs (*Previous Year ₹ 303.67 Lakhs*)

	Current Year (₹ in Lakhs)	<i>Previous Year</i> (₹ in Lakhs)
South India Consolidation (Plantations Division)	1,109.64	294.80
Electromags division (Auto Ancillary Division) (Refer Note I-(T))	5.97	8.87
	1,115.61	303.67

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

30. FINANCIAL & DERIVATIVE INSTRUMENTS:

- (a) Outstanding Foreign exchange forward contracts **EUR 1.50 Lakhs (Sold) - INR 125.14 Lakhs, GBP 1.82 Lakhs (Sold) - INR 176.92 Lakhs, USD 30.00 Lakhs (Sold) - INR 1,888.50 lakhs** (Previous year *EUR 0.84 Lakhs (Sold) - INR 62.05 Lakhs, GBP 1.15 Lakhs (Sold) - INR 105.25 Lakhs, USD Nil*)
- (b) The year end foreign currency exposures that have not been hedged by a forward contract/derivative instrument or otherwise are given below:

	Foreign Currency	Equivalent INR (₹ in Lakhs)
Receivable in foreign currency on account of export of Goods:		
	USD Nil	—
	<i>(USD 1,885,905)</i>	<i>(1,025.73)</i>
	EUR 72,781	60.10
	<i>(EUR 192,318)</i>	<i>(104.60)</i>
	GBP 304,139	303.68
	<i>(GBP 216,898)</i>	<i>(117.97)</i>
Amount payable in foreign currency on account of import of goods and services:		
	USD 42,090	25.30
	<i>(USD 12,400)</i>	<i>(6.74)</i>
	EUR 19,934	16.46
	<i>(EUR Nil)</i>	<i>(Nil)</i>
	SGD 47,200	35.90
	<i>(SGD 129,490)</i>	<i>(87.57)</i>
Loans Payable	—	—
	<i>(USD 7,357,720)</i>	<i>(4,001.81)</i>

31. DISCLOSURE OF LOANS/ADVANCES TO SUBSIDIARIES, ASSOCIATE COMPANIES ETC. (AS REQUIRED BY CLAUSE 32 OF THE LISTING AGREEMENT WITH STOCK EXCHANGES)

	(₹ in Lakhs)	
	Amount Outstanding	Max. Amount Outstanding
I. Subsidiary Companies:		
(1) Afco Industrial and Chemicals Limited	18.45 <i>(23.18)</i>	23.26 <i>(29.39)</i>
(2) DPI Products & Services Limited	75.66 <i>(76.12)</i>	76.12 <i>(76.12)</i>
(3) Sea Wind Investments and Trading Company Limited	3.16 <i>(3.94)</i>	3.94 <i>(3.94)</i>
(4) Naira Holdings Limited	327.13 <i>(294.62)</i>	327.68 <i>(294.62)</i>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

		(₹ in Lakhs)	
		Amount	Max. Amount
		Outstanding	Outstanding
II. Associate Companies:			
(1) Lotus Viniyog Private Limited		7.27 (7.27)	10.43 (7.27)
(2) Inor Medical Products Limited		1,175.02 (1,136.45)	1,190.60 (1,190.60)
	TOTAL	1,606.69 (1,541.60)	

32 INFORMATION PURSUANT TO PARA 5 (VIII OF GENERAL INSTRUCTIONS FOR PREPARATION OF STATEMENT OF PROFIT AND LOSS)

(₹ in Lakhs)

(a) Value of Imports calculated on C.I.F. Basis:

Raw Materials	793.38 (912.75)
Components and Spare Parts	2.88 (33.23)
Capital Goods	459.64 (798.32)
Traded Goods – Dental	28.98 (16.93)

(Figures in brackets are in respect of the Previous Year).

(b) Expenditure in foreign currencies:

(Excluding expenses of foreign branches)

(₹ in Lakhs)

Commission on Exports	21.86 (14.66)
On account of other matters (Travelling Expenses, Subscription, Professional Services, etc.)	34.21 (26.91)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(c) Value of Raw Materials, Spare Parts and Components Consumed:

	Value (₹ in Lakhs)	Percentage to total consumption
(i) Raw Materials		
Imported	877.09 <i>(830.44)</i>	10.13 <i>(9.95)</i>
Indigenous	7,778.48 <i>(7,511.89)</i>	89.87 <i>(90.05)</i>
TOTAL	8,655.57 <u><i>(8,328.05)</i></u>	100.00 <u><i>(100.00)</i></u>
(ii) Stores and Spare Parts		
Imported	8.64 <i>(28.69)</i>	0.72 <i>(2.46)</i>
Indigenous	1,192.72 <i>(1,136.85)</i>	99.28 <i>(97.54)</i>
TOTAL	1,201.36 <u><i>(1,165.54)</i></u>	100.00 <u><i>(100.00)</i></u>

(Figures in brackets are in respect of the Previous Year).

	No. of non-resident Shareholders	No. of Shares held by them	Aggregate amount of dividends ₹ in Lakhs
(d) Remittances in foreign currencies on account of dividends:			
(i) Dividend for the year ended 31.3.2013	1	56,60,700	169.82
(Dividend for year ended 31.3.2012)	<i>(1)</i>	<i>(11,32,140)</i>	<i>(79.25)</i>

(ii) Except for the above Shareholders, the Corporation has not made any remittance in foreign currency on account of dividends during the year and does not have information as to the extent to which remittances in foreign currencies on account of dividends have been made by or on behalf of non-resident Shareholders.

(iii) The particulars of non-resident Shareholders and the amount of dividends paid to them are as under:

	No. of non-resident Shareholders including those under (a) above	No. of Shares held by them	Aggregate amount of dividends ₹ in Lakhs
Dividend for the year ended 31.3.2013	224	63,41,914	190.26
(Dividend for the year ended 31.3.2012)	<i>(230)</i>	<i>(12,84,902)</i>	<i>(89.94)</i>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- (e) Earnings in Foreign Exchange:
(Excluding income of Foreign Branches).

	(₹ in Lakhs)
(i) Export of Tea, Coffee & Others on F.O.B. basis	4,418.82 <i>(4,408.83)</i>
(iii) Export of Dental Products	149.48 <i>(26.61)</i>
(iii) Export of Auto Ancillary Products on F.O.B. basis	3,949.12 <i>(2,740.08)</i>

(Figures in brackets are in respect of the Previous Year).

33. SEGMENT INFORMATION:

A. Primary Segment Reporting (by Business Segment)

- (i) Composition of Business Segments

The Corporation's business segments based on product lines are as under:

- Plantation Products
Segment produces/trades in Tea, Coffee, Timber, Cardamom and Pepper.
- Dental Products
Segment manufactures/trades in Health Care/Dental products.
- Auto Ancillary Products
Segment manufactures, solenoids, switches, valves, slip rings etc. for automobile and other industries.
- Investments
Segment invests in various securities listed as well as unlisted mainly on a long term basis.
- Weighing Products
Segment manufactures/trades in Analytical, Precision Balances and Weighing Scales.
- Real Estate
Segment represents property development.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

ii) Segment Revenues, Results and Other Information

	(₹ in Lakhs)						
	Plantation Products	Dental Products	Auto Ancillary Products	Weighing Products	Investments	Real Estate	Total of Reportable Segments
Sales (Net of excise duty)	14,329.43 (11,690.61)	2,135.28 (1,804.10)	10,621.88 (9,799.63)	191.91 (237.25)	— (—)	— (—)	27,278.50 (23,531.59)
Other Income	92.25 (512.83)	0.61 (5.55)	7.85 (186.71)	3.65 (—)	296.44 (297.89)	— (—)	400.80 (1,002.98)
Segment Revenues	14,421.68 (12,203.44)	2,135.89 (1,809.65)	10,629.73 (9,986.34)	195.56 (237.25)	296.44 (297.89)	— (—)	27,679.30 (24,534.57)
Segment Results	907.57 (986.23)	398.01 (380.83)	1,497.56 (1,208.43)	17.04 (49.10)	296.44 (297.89)	- 25.51 (- 13.20)	3,091.11 (2,909.28)
Segment Assets	14,513.04 (14,761.76)	1,142.09 (1,068.86)	6,976.08 (7,423.10)	323.34 (344.92)	16,462.36 (16,462.36)	2,140.15 (1,987.71)	41,557.07 (42,048.23)
Segment Liabilities	1,897.96 (1,864.68)	169.54 (164.10)	1,874.14 (1,695.71)	37.86 (40.84)	— (—)	— (—)	3,979.51 (3,795.33)
Capital Expenditure (included in segment assets)	991.90 (1,812.67)	25.17 (13.44)	284.89 (161.36)	0.17 (—)	— (—)	— (—)	1,302.13 (1,987.47)
Depreciation/ Amortisation	356.34 (397.37)	9.00 (10.94)	252.47 (226.00)	13.12 (13.62)	— (—)	0.30 (0.30)	631.23 (643.23)

(Figures in brackets are in respect of the previous year.)

iii) Reconciliation of Reportable Segments with the Financial Statements

	(₹ in Lakhs)					
	Revenues	Results/ Net Profits	Assets	Liabilities	Capital Expenditure	Depreciation/ Amortisation
Total of Reportable Segments	27,679.30 (24,534.57)	3,091.11 (2,909.28)	41,557.07 (42,048.23)	3,979.51 (3,765.33)	1,302.13 (1,987.47)	631.23 (648.23)
Corporate/Unallocated Segment	1,467.03 (1,926.58)	- 265.66* (382.08)*	9,780.87 (8,066.49)	19,947.16 (19,493.70)	15.63 (48.76)	134.90 (38.00)
Add: Profit of erstwhile EAPL for the year 2011-12		— (736.72)				
Less: Finance cost		- 2,102.49 (- 1,490.07)				
Less: Taxes		- 210.18 (- 523.71)				
Less: Taxes of erstwhile EAPL for the year 2011-12		— (121.20)				
As per Financial Statement	29,146.33 (26,461.15)	512.79 (1,893.10)	51,337.93 (50,114.72)	23,926.67 (23,259.03)	1,317.76 (2,036.23)	766.13 (686.23)

(Figures in brackets are in respect of the previous year.)

* Comprising profit on sale of fixed assets, and management charges recovered.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

B. Secondary segment Reporting (by Geographical Segment)

	Domestic	Exports*	(₹ in Lakhs) Total
Revenues	19,979.01 <i>(18,731.59)</i>	9,167.32 <i>(7,729.56)</i>	29,146.33 <i>(26,461.15)</i>
Total Assets	50,418.49 <i>(48,033.54)</i>	1,379.09 <i>(2,081.18)</i>	51,337.94 <i>(50,114.72)</i>
Capital Expenditure	1,299.58 <i>(2,032.83)</i>	18.18 <i>(3.40)</i>	1,317.76 <i>(2,036.23)</i>

(Figures in brackets are in respect of the Previous Year).

*It includes revenues and assets of foreign branches.

34. RELATED PARTY DISCLOSURES

Related party disclosures as required by (AS-18) "Related Party Disclosures" are given below:

(1) Related parties and nature of relationship where control exists

Subsidiaries:

- (i) Afco Industrial & Chemicals Limited
- (ii) DPI Products & Services Limited
- (iii) Sea Wind Investments & Trading Company Limited
- (iv) Leila Lands Senderian Berhad

Sub-Subsidiaries:

(a) Subsidiary of DPI Products & Services Limited:

Subham Viniyog Private Limited

(b) Subsidiaries of Leila Lands Senderian Berhad:

Naira Holdings Limited
Island Horti-Tech Holdings Pte. Limited
Leila Lands Limited
Restpoint Investments Limited

(c) Subsidiaries of Island Horti-Tech Holdings Pte. Limited:

Island Landscape & Nursery Pte. Limited
ILN Investments Pte. Limited
Innovative Organics Inc.

(d) Subsidiaries and sub subsidiaries of Leila Lands Limited:

ABI Holding Limited
Britannia Brands Limited
Associated Biscuits International Limited
Dowbiggin Enterprises Pte. Limited
Nacupa Enterprises Pte. Limited
Spargo Enterprises Pte. Limited
Valletort Enterprises Pte. Limited
Bannatyne Enterprises Pte. Limited
Britannia Industries Limited

(e) Subsidiaries of Britannia Industries Limited:

Boribunder Finance & Investments Private Limited
Flora Investments Company Private Limited
Gilt Edge Finance & Investments Private Limited
Ganges Vally Foods Private Limited
International Bakery Products Limited
J. B. Mangharam Foods Private Limited
Manna Foods Private Limited
Sunrise Biscuit Company Private Limited
Britannia and Associates (Mauritius) Private Limited
Britannia and Associates (Dubai) Private Company Limited
Al Sallan Food Industries Company SAOG
Strategic Food International Company LLC

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Strategic Brands Holding Company Limited
 Britannia Lanka Private Limited
 Daily Bread Gourmet Foods (India) Private Limited
 Britannia Dairy Private Limited (formerly known as Britannia New Zealand Foods Private Limited)
 Britannia Dairy Holdings Pvt. Ltd.
 Britannia Employees General Welfare Association Pvt. Ltd.
 Britannia Employees Medical Welfare Association Pvt. Ltd.
 Britannia Employees Educational Welfare Association Pvt. Ltd.

- (f) **Subsidiary of Island Landscape & Nursery Pte. Limited:**
 Peninsula Landscape & Nursery Sdn. Bhd.
- (g) **Subsidiary of ILN Investments Pte. Limited:**
 Saikjaya Holdings Sdn. Bhd.
- (h) **Subsidiaries of Restpoint Investments Limited:**
 Restpoint International Technology Corporation
 Island Telesystems Pte. Limited
- (i) **Subsidiary of Innovative Organics Inc.:**
 Granum Inc.
- (2) **Key management personnel:**
 Mr. Ashok Panjwani - Managing Director
 Mr. Ness Wadia – Managing Director
- (3) **Other Related parties –**
 (a) **Associate Companies:**
 Lotus Viniyog Private Limited
 Inor Medical Products Limited
 Medical Microtechnology Limited
 (b) Go Airlines (India) Limited
- (4) **The following transactions were carried out with the related parties in the ordinary course of business. Details relating to the parties referred to in items 1 to 3 above:**

(₹ in Lakhs)

(Figures in brackets are in respect of the previous year.)

	Subsidiaries & Sub Subsidiaries	Key Management Personnel	Other Related Parties	Total
Expenses charged by them				
Afco Industrials & Chemicals Limited	34.28 (25.80)	— (—)	— (—)	34.28 (25.80)
Inor Medical Products Limited	— (—)	— (—)	— (37.93)	— (37.93)
Expenses charged to them				
Afco Industrials & Chemicals Limited	— (2.04)	— (—)	— (—)	— (2.04)
Inor Medical Products Limited	— (—)	— (—)	0.24 (10.30)	0.24 (10.30)
Naira Holdings Limited	30.86 (44.96)	— (—)	— (—)	30.86 (44.96)
DPI Products and Services	0.61 (0.78)	— (—)	— (—)	0.61 (0.78)
Commission received				
Inor Medical Products Limited	— (—)	— (—)	48.44 (55.06)	48.44 (55.06)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Lakhs)

(Figures in brackets are in respect of the previous year.)

	Subsidiaries & Sub Subsidiaries	Key Management Personnel	Other Related Parties	Total
Interest received				
Inor Medical Products Limited	— (—)	— (—)	121.13 (113.74)	121.13 (113.74)
Naira Holdings Limited	3.96 (4.27)	— (—)	— (—)	3.96 (4.27)
Go Airlines (India) Limited	— (—)	— (—)	535.91 (598.25)	535.91 (598.25)
Interest paid				
Sea Wind Investments & Trading Company Limited	4.61 (—)	— (—)	— (—)	4.61 (—)
Interest on loan given to Directors				
Mr. Ashok Panjwani	— (—)	1.50 (1.45)	— (—)	1.50 (1.45)
Dividend received				
Inor Medical Products Limited	— (—)	— (—)	— (1.44)	— (1.44)
Dividend Paid				
Mr. Ness Wadia	— (—)	0.15 (0.07)	— (—)	0.15 (0.07)
Management/Secondment Charges received				
Seawind Investments & Trading Company Limited	3.16 (3.94)	— (—)	— (—)	3.16 (3.94)
Expenses Recovered				
Inor Medical Products Limited	— (—)	— (—)	65.00 (65.00)	65.00 (65.00)
Afco Industrials & Chemicals Limited	0.11 (—)	— (—)	— (—)	0.11 (—)
Management/Secondment Charges paid				
Afco Industrials & Chemicals Limited	— (2.65)	— (—)	— (—)	— (2.65)
Naira Holdings Limited	2.15 (2.06)	— (—)	— (—)	2.15 (2.06)
Rent recovered				
Afco Industrials & Chemicals Limited	0.14 (0.14)	— (—)	— (—)	0.14 (0.14)
Inor Medical Products Limited	— (—)	— (—)	69.30 (78.16)	69.30 (78.16)
Loan given to Director				
Mr. Ashok Panjwani	— (—)	— (50.00)	— (—)	— (50.00)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Lakhs)

(Figures in brackets are in respect of the previous year.)

	Subsidiaries & Sub Subsidiaries	Key Management Personnel	Other Related Parties	Total
Advance/Inter Corporate Deposits paid				
Afco Industrials & Chemicals Limited	— (28.08)	— (—)	— (—)	— (28.08)
Inor Medical Products Limited	— (—)	— (—)	— (159.84)	— (159.84)
Go Airlines (India) Limited	— (—)	— (—)	6,800.00 (9,300.00)	6,800.00 (9,300.00)
Advance/Inter Corporate Deposits received				
Go Airlines (India) Limited	— (—)	— (—)	2,930.00 (9,300.00)	2,930.00 (9,300.00)
Afco Industrials & Chemicals Limited	5.00 (10.00)	— (—)	— (—)	5.00 (10.00)
Sea Wind Investments & Trading Company Limited	35.00 (30.00)	— (—)	— (—)	35.00 (30.00)
Naira Holdings Limited	15.38 (—)	— (—)	— (—)	15.38 (—)
Inor Medical Products Limited	— (—)	— (—)	250.00 (335.15)	250.00 (335.15)
Managerial Remuneration				
Mr. Ashok Panjwani	— (—)	230.83 (205.39)	— (—)	230.83 (205.39)
Mr. Ness Wadia	— (—)	243.52 (190.03)	— (—)	243.52 (190.03)
Outstanding amount payable				
Inor Medical Products Limited	— (—)	— (—)	7.72 (42.01)	7.72 (42.01)
Afco Industrials & Chemicals Limited	13.13 (3.00)	— (—)	— (—)	13.13 (3.00)
Leila Lands Senderian Berhad	— (2.10)	— (—)	— (—)	— (2.10)
DPI Products & Services Limited	— (1.07)	— (—)	— (—)	— (1.07)
Unsecured Loan Outstanding				
Sea Wind Investments & Trading Company Limited	65.00 (30.00)	— (—)	— (—)	65.00 (30.00)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Lakhs)

(Figures in brackets are in respect of the previous year.)

	Subsidiaries & Sub Subsidiaries	Key Management Personnel	Other Related Parties	Total
Outstanding amount receivable				
Afco Industrials & Chemicals Limited	18.45 (23.18)	— (—)	— (—)	18.45 (23.18)
DPI Products & Services Limited	75.66 (75.05)	— (—)	— (—)	75.66 (75.05)
Sea Wind Investments & Trading Company Limited	3.16 (3.94)	— (—)	— (—)	3.16 (3.94)
Inor Medical Products Limited	— (—)	— (—)	1,182.28 (1,136.45)	1,182.28 (1,136.45)
Go Airlines (India) Limited	— (—)	— (—)	3,870.00 (—)	3,870.00 (—)
Lotus Viniyog Private Limited	— (—)	— (—)	7.27 (7.27)	7.27 (7.27)
Naira Holdings Limited	327.14 (294.62)	— (—)	— (—)	327.14 (294.62)
Mr. Ashok Panjwani	— (—)	50.00 (50.00)	— (—)	50.00 (50.00)
Investments in LLSB				
Leila Lands Senderian Berhad	— (6,396.64)	— (—)	— (—)	— (6,396.64)
Interest Accrued				
Go Airlines (India) Limited	— (—)	— (—)	34.02 (105.20)	34.02 (105.20)

35. Employee's Benefit - Disclosure as required under Accounting Standard (AS) 15 (Revised)

DEFINED CONTRIBUTION PLAN

Contribution to Defined Contribution Plan, recognized as expense for the year are as under

	(₹ in Lakhs)	
	2013-14	2012-13
Employer's Contribution to Provident Fund*	335.47	277.77
Employer's Contribution to Superannuation Fund	74.15	64.06

* With regard to the assets of fund and return on investments, the Corporation does not expect any deficiency in foreseeable nature.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

DEFINED BENEFIT PLAN - GRATUITY

I. Reconciliation of Opening and Closing balances of Defined Benefit Obligation

	2013-14	2012-13
		(₹ in Lakhs)
Liability at the beginning of the year	1,885.66	1,243.58
Add: Taken over from the erstwhile Electromags Automotive Products Pvt. Ltd.	—	43.09
Interest cost	163.95	109.33
Current Service cost	129.32	80.70
Liability transfer in	—	21.82
Benefits paid	(185.74)	(193.18)
Actuarial (gain)/loss on Obligations	237.56	580.32
Liability at end of the year	2,230.75	1,885.66

II. Reconciliation of Opening and Closing balances of Fair Value of Plan Assets

Fair value of plan assets as at the beginning of the year	1,668.69	1,350.95
Add: Taken over from the erstwhile Electromags Automotive Products Pvt. Ltd.	—	27.64
Expected Returns on Plan Assets	133.43	118.61
Contributions	183.20	159.35
Benefits Paid	(185.74)	(193.18)
Actuarial Gain/(Loss) on Plan Assets	(16.52)	205.32
Fair value of plan assets as at the end of the year	1,783.06	1,668.69

III. Actual Return on Plan Assets

Expected Return on Plan Assets	133.43	118.61
Actuarial Gain/(Loss) on Plan Assets	(16.52)	205.32
Actual Return on Plan Assets	116.91	323.93

IV. Amount recognized in the Balance Sheet

Liability at the end of the year	2,230.75	1,885.66
Fair value of Plan Assets at the end of the year	1,783.06	1,668.69
Difference	447.69	216.97
Asset/Liability recognised in the balance sheet	447.69	216.97

V. Expense recognized in the Statement of Profit and Loss

Current Service Cost	129.32	80.70
Interest Cost	163.95	109.33
Expected Return on Plan Assets	(133.43)	(118.61)
Actuarial (Gain)/Loss	254.08	375.00
Expense recognized in the P&L A/c	413.92	446.42

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

VI. Investment Details

	(₹ in Lakhs)	
	2013-14	<i>2012-13</i>
Central Government Securities	2.46%	<i>3.15%</i>
PSU Bonds	2.71%	<i>2.96%</i>
Special Deposit Scheme	—	—
State Government Securities	0.56%	<i>0.20%</i>
Property	—	—
Others (Bank Balance)	2.33%	<i>1.70%</i>
Insurer Managed Funds	91.94%	<i>91.99%</i>
Total	100%	<i>100%</i>

VII. Actuarial assumptions used

	Indian Assured Ultimate (2006-08)	<i>1994-96 LIC Ultimate</i>
Mortality Table		
Discount rate	9.15%	<i>8.50%</i>
Rate of return on Plan Assets	8.00%	<i>8.60%</i>
Salary escalation rate	5.00%	<i>5.00%</i>

VIII. Prescribed Contribution for next year

Prescribed Contribution for next year	166.77	<i>261.99</i>
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IX. Experience Adjustment

	31.03.2014	<i>31.03.2013</i>	<i>31.03.2012</i>	<i>31.03.2011</i>	<i>31.03.2010</i>
Fair Value of Plan Assets	1,783.06	<i>1,668.69</i>	<i>1,350.95</i>	<i>1,310.17</i>	<i>1,359.79</i>
Defined Benefit Obligation	2,230.75	<i>1,885.66</i>	<i>1,243.58</i>	<i>1,139.58</i>	<i>1,359.64</i>
Actuarial Gain/(Loss) on Plan Assets	(16.52)	<i>205.32</i>	<i>23.62</i>	<i>(24.31)</i>	<i>54.52</i>
Actuarial (Gain)/Loss on Defined Benefit Obligation	237.56	<i>580.32</i>	<i>(255.29)</i>	<i>(251.52)</i>	<i>38.89</i>

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The above information is certified by the Actuary.

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the Corporation's policy for plan assets management.

36. Managerial Remuneration paid for the year 2013-2014

- (1) Remuneration paid to Mr. Ashok Panjwani: ₹ **230.83 Lakhs** (*Previous Year ₹ 205.39 Lakhs*), as minimum remuneration in terms of approval of shareholders and Schedule XIII of the Companies Act, 1956, subject to the approval of Central Government if and to the extent necessary.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

By virtue of Gen Circular 46/2011 dated 14.07.2011 of the Ministry of Corporate Affairs, the remuneration paid to Mr. Ashok Panjwani, although in excess of the limits prescribed under Schedule XIII of the Companies Act, 1956 due to inadequacy of profit, does not require any further approval from the Central Government since he satisfies both conditions of exemption viz. being a qualified professional director and not having any direct/ indirect interest in the capital of the Corporation under the said circular.

- (2) Remuneration paid to Mr. Ness Wadia: ₹ **243.52 lakhs** (*Previous Year ₹ 190.03 Lakhs*), as minimum remuneration in terms of approval of shareholders and Schedule XIII of the Companies Act, 1956, subject to the approval of Central Government if and to the extent necessary.

In view of inadequacy of profit the Corporation has made an application to the Central Government for approval to the payment of the said remuneration which is in excess of the limits prescribed by Schedule XIII of the Companies Act, 1956 to the extent of ₹ 192.85 Lakhs. The application has been made as Mr. Ness Wadia holds direct and indirect interest in the capital of the Corporation, although the condition of holding professional qualification is satisfied under the said circular.

37. Export benefits/Incentives are accounted on accrual basis. Accordingly, on the Balance Sheet date, in respect of Exports made, estimated benefit of ₹ **267.23 Lakhs** (*Previous year ₹ 337.41 Lakhs*) has been taken into account for the year as incentive on accrual basis under the pass book scheme. Subsequent to that, the Corporation has utilized the said entitlement of ₹ **267.23 Lakhs** (*Previous year ₹ 337.41 Lakhs*).

38. Leases:

Operating Lease:

The Corporation has taken various residential/commercial premises and plant and machinery under operating leases. These lease agreements are normally renewed on expiry. The lease payments recognised in Statement of Profit & Loss is ₹ **113.76 Lakhs** (*Previous Year ₹ 52.69 Lakhs*).

39. In the earlier years the Corporation took up development of Real Estate in the vacant properties at Pune, Coimbatore and Mumbai; and converted these assets as stock in trade at cost.
40. Provision for contingencies of ₹ **190 Lakhs** (*Previous Year ₹ 415 Lakhs*) represents a part amount provided for against the contingent liabilities with regards to the disputed demands for excise duties, wages and damages and interest as described in Note 28 on the basis of a fair estimate by the Corporation. The carrying amount at the beginning of the year was ₹ 415 Lakhs of which an amount of ₹ 225 Lakhs has been used and reversed towards Employees Benefit expenses during the year and the balance of ₹ 190 Lakhs is carried forward at the end of the year.
41. On the basis of confirmation obtained from suppliers who have registered under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) and based on the information available with the Corporation the balance due to Micro & Small Enterprises as defined under the MSMED Act, 2006 is ₹ **Nil** (*Previous Year ₹ Nil*). Further, no interest during the year has been paid/or is payable/ accrued under the terms of the MSMED Act, 2006.
42. Figures in respect of current year and those for the previous year have been rounded off to the nearest thousand and are expressed in terms of decimals of Lakhs.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W

Vinayak Padwal
Partner
Membership No. 049639
Mumbai,
27th May, 2014

For and on behalf of the Board

	NUSLI N. WADIA <i>Chairman</i>
	A. K. HIRJEE <i>Vice Chairman</i>
	M. L. APTE <i>Director</i>
	D. E. UDWADIA <i>Director</i>
	JEH WADIA <i>Director</i>
	VINITA BALI <i>Director</i>
A. PANJWANI <i>Managing Director</i>	
N. H. DATANWALA <i>Vice President Corporate & Co. Secretary</i>	

INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF THE BOMBAY BURMAH TRADING CORPORATION, LIMITED

We have audited the attached consolidated balance sheet of The Bombay Burmah Trading Corporation, Limited ('the Company') and its subsidiaries, associates and branches (collectively called 'the BBTCL Group') as at 31 March 2014, the consolidated statement of profit and loss and the consolidated cash flow statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

Based on our audit and to the best of our information and according to the explanations given to us and on consideration of reports of other auditors on separate financial statements, in our opinion the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. in the case of the consolidated balance sheet, of the state of affairs of the BBTCL Group as at 31 March 2014;

- b. in the case of the consolidated statement of profit and loss, of the profit of the BBTCL Group for the year ended on that date; and
- c. in the case of the consolidated cash flow statement, of the cash flows of the BBTCL Group for the year ended on that date.

Other matter

We did not audit the financial statements and other financial information of certain subsidiaries associates (interests in which have been incorporated in these consolidated financial statements) and branches. These subsidiaries, associates and branches account for 8.99% of total assets and 7.01% of total revenues and other income, as shown in these consolidated financial statements. Of the above:

- a. The financial statements and other financial information of some of the subsidiaries, associates and branches incorporated outside India as drawn up in accordance with the generally accepted accounting principles of the respective countries ('the local GAAP') have been audited by other auditors duly qualified to act as auditors in those countries and whose reports have been furnished to us. For purposes of preparation of consolidated financial statements, the aforesaid local GAAP financial statements have been restated by the management so that they conform to the generally accepted accounting principles in India. These subsidiaries, associates and branches account for 8.97% of total assets and 7.01% of total revenue and other income as shown in these consolidated financial statements. Our opinion on the consolidated financial statements, insofar as it relates to these subsidiaries, associates and branches, is based on the aforesaid audit reports of these other auditors.
- b. The financial statements and other financial information of the remaining subsidiaries, associates and branches have not been subjected to audit either by us or by other auditors, and therefore, unaudited financial statements for the year/period ended 31 March 2014 of these subsidiaries, associates and branches have been furnished to us by the management. These subsidiaries, associates and branches account for only 0.02% of total assets and nil % of total revenues and other income as shown in these consolidated financial statements, and therefore are not material to the consolidated financial statements, either individually or in aggregate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W

Vinayak Padwal
Partner
Membership No.: 049639

Mumbai
27 May 2014

The Bombay Burmah Trading Corporation, Limited

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014

Particulars	Notes	(₹ in Lakhs)	
		As at 31st March, 2014	As at 31st March, 2013
A EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share capital	1	1,396.27	1,396.27
Reserves and surplus	2	127,582.42	113,059.91
		128,978.69	114,456.18
Share application money pending allotment		—	229.00
Capital subsidy	S(iii) & 42	428.00	482.00
Minority Interest		48,662.15	33,972.24
NON-CURRENT LIABILITIES			
Long-term borrowings	3	48,837.99	43,938.88
Deferred tax liabilities (net)	4	1,252.45	1,591.58
Other long-term liabilities	5	2,004.61	2,112.16
Long-term provisions	6	714.16	4,518.11
		52,809.21	52,160.73
CURRENT LIABILITIES			
Short-term borrowings	7	29,077.73	47,028.55
Trade payables	8	59,178.04	42,275.05
Other current liabilities	9	27,746.83	34,031.24
Short-term provisions	10	21,287.10	17,626.70
		137,289.70	140,961.54
TOTAL		368,167.75	342,261.69
B ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
– Tangible assets	11	84,856.66	74,054.86
– Intangible assets	11	1,635.14	1,445.55
– Capital work-in-progress	11	11,357.83	15,243.02
		97,849.63	90,743.43
Goodwill on Consolidation		101,030.21	100,326.01
Non-current investments	12	14,892.66	15,005.13
Long-term loans and advances	13	13,239.49	10,234.18
Other Non-current assets	14	1,239.87	1,235.26
		130,402.23	126,800.58
CURRENT ASSETS			
Current investments	15	28,108.19	18,253.21
Inventories	16	51,494.12	47,736.23
Trade receivables	17	17,090.76	17,668.72
Cash and bank balance	18	15,352.45	19,451.53
Short-term loans and advances	19	27,487.89	21,138.77
Other current assets	20	382.48	469.22
		139,915.89	124,717.68
TOTAL		368,167.75	342,261.69
Significant accounting policies	I		

The notes referred to above form an integral part of the Consolidated Balance Sheet

As per our attached report of even date.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No. 101248W

Vinayak Padwal

Partner

Membership No. 049639

Mumbai,

27th May, 2014

For and on behalf of the Board

NUSLI N. WADIA *Chairman*

A. K. HIRJEE *Vice Chairman*

M. L. APTE *Director*

D. E. UDWADIA *Director*

JEH WADIA *Director*

VINITA BALI *Director*

A. PANJWANI *Managing Director*

N. H. DATANWALA *Vice President Corporate & Co. Secretary*

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in Lakhs)

	Notes	For the year ended 31st March, 2014	For the year ended 31st March, 2013
INCOME			
Revenue from Operations			
Sale of Product	21	732,389.33	655,527.29
Less: Excise duty	21	12,391.91	9,455.19
		<u>719,997.42</u>	<u>646,072.10</u>
Sale of Service	21	25.04	22.60
Other Operating Revenues	21	7,093.40	5,781.16
		<u>727,115.86</u>	<u>651,875.86</u>
Other income	22	8,778.75	7,576.64
		<u>735,894.61</u>	<u>659,452.50</u>
EXPENDITURE			
Cost of materials consumed	23	375,202.07	345,306.65
Purchases of stock-in-trade	23	56,785.77	57,510.28
Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	19.70	(4,022.38)
Employee benefits	24	36,723.42	31,696.05
Finance costs	25	4,316.80	7,110.88
Depreciation and amortisation		9,481.45	8,340.48
Less: Transfer from Revaluation Reserve		(60.59)	(24.41)
Other expenses	26	195,486.52	177,220.68
Cost relating to Real estate under development	27	25.21	12.90
		<u>677,980.35</u>	<u>623,151.13</u>
Profit before exceptional items and tax		57,914.26	36,301.37
Exceptional items		—	—
Profit after exceptional items and before tax		57,914.26	36,301.37
Current tax expense for current year		18,312.48	10,784.59
(Less): MAT credit		(242.00)	(689.00)
Current tax expense relating to prior years		(14.32)	(267.00)
Deferred tax		(363.17)	463.05
		<u>17,692.99</u>	<u>10,291.64</u>
Profit from operations after tax & before minority interest		40,221.27	26,009.73
Share of Loss from Associates		(27.00)	(38.52)
Minority Interest		(19,482.99)	(12,744.00)
Profit after tax		20,711.28	13,227.21
Earnings per Share of Face Value of ₹ 2/- each	32		
Basic and Diluted in ₹			
Continuing Operations		29.68	18.96
Total Operations		29.68	18.96
Significant accounting policies	I		

The notes referred to above form an integral part of the Consolidated Statement of Profit and Loss

As per our attached report of even date.

For and on behalf of the Board

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No. 101248W

Vinayak Padwal

Partner

Membership No. 049639

Mumbai,

27th May, 2014

A. PANJWANI Managing Director

N. H. DATANWALA Vice President Corporate & Co. Secretary

NUSLI N. WADIA Chairman

A. K. HIRJEE Vice Chairman

M. L. APTE Director

D. E. UDWADIA Director

JEH WADIA Director

VINITA BALI Director

**CONSOLIDATED CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET
FOR YEAR ENDED 31ST MARCH, 2014**

	(₹ in Lakhs)	
	2013-14	2012-13
A. Cash flows from operating activities:		
Profit before Taxation	57,914.26	36,301.37
Adjustments for :		
Depreciation	9,420.86	8,316.07
Share of Loss of Associates	(27.00)	(38.52)
(Profit) on Sale of Fixed Assets (net)	(1,053.86)	(823.54)
(Profit) on Sale of Long Term/ Current Investments	(1,049.10)	(1,617.32)
Advances/Doubtful Debts written off	—	76.80
Provision for doubtful debts	0.91	1.35
Provision for contingencies	(225.00)	65.00
Excess Provision in respect of previous year written back	(2,208.15)	(110.38)
Interest expense	4,316.80	7,110.88
Interest income	(2,544.56)	(4,013.62)
Dividend income	—	(461.65)
	6,630.90	8,505.07
Operating Profit before working capital changes	64,545.16	44,806.44
Adjustments for:		
Decrease/(Increase) in Sundry Debtors and other receivables	20,197.68	(4,009.48)
(Increase)/Decrease in Inventories	(3,757.89)	3,236.58
Increase in Trade Payables and Provisions	24,349.56	4,636.98
	40,789.35	3,864.08
Cash from operations	105,334.51	48,670.52
Foreign exchange loss on consolidation	(8,838.81)	(8,376.96)
Direct taxes paid (net)	(19,182.87)	(10,022.99)
	(28,021.68)	(18,399.95)
Net cash from operating activities	77,312.83	30,270.57
B. Cash flows from investing activities:		
Purchase of fixed assets	(16,473.81)	(23,458.86)
Capital Subsidy	—	499.82
Loans & Advances (given)/received	(26,093.72)	70.60
Proceeds from sale of fixed assets	1,180.39	1,038.21
(Purchase)/Sale of Investments (net)	(8,693.41)	18,561.78
Interest income	2,653.63	4,326.63
Dividend income	4,974.36	3,671.65
Net cash (used in)/from investing activities	(42,452.56)	4,709.83

**CONSOLIDATED CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET
FOR YEAR ENDED 31ST MARCH, 2014 (Contd.)**

(₹ in Lakhs)

	2013-14	2012-13
C. Cash flows from financing activities:		
Repayment of Borrowings	(17,690.54)	(32,244.22)
(Application of)/Proceeds from Share Application Money pending allotment	(229.00)	229.00
Proceeds from/(Repayment of) Cash Credit	(7,843.58)	9,717.44
Adjustment to Minority Interest (net of dividend paid)	(4,793.08)	(5,595.18)
Interest paid	(4,277.08)	(7,253.87)
Dividend and dividend distribution tax paid	(4,126.07)	(1,100.01)
Net cash used in financing activities	(38,959.35)	(36,246.84)
Net decrease in cash and cash equivalents (A+B+C)	(4,099.08)	(1,266.44)
Cash and cash equivalents as at the commencement of the year	19,451.53	20,717.97
Cash and cash equivalents as at the end of the year in respect of continuing operations	15,352.45	19,451.53
Net decrease as disclosed above	(4,099.08)	(1,266.44)
Components of Cash and Cash Equivalents as at	31-03-2014	31-03-2013
Cash on hand	5,021.48	81.94
Balances with Banks – in Current Accounts	8,982.35	16,110.80
– in Unpaid Dividend Accounts	—	284.06
– in Unpaid Debenture Interest Account	—	72.00
– in Deposit Account	1,177.62	2,320.73
– Unclaimed Debenture Redemption Proceeds	171.00	582.00
	15,352.45	19,451.53

Notes:

- (1) The above Cash Flow Statement has been prepared under the "Indirect Method" set out in Accounting standard (AS-3) "Cash Flow Statements" as notified under the Companies (Accounting Standards) Rules, 2006.
- (2) Component of Cash and Cash Equivalents exclude bank deposits with maturity of more than 3 months aggregating to ₹ Nil (Previous Year ₹ Nil).
- (3) Figures relating to previous year have been recast where necessary to conform to figures of the current year.

As per our attached report of even date.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W

Vinayak Padwal
Partner
Membership No. 049639
Mumbai,
27th May, 2014

For and on behalf of the Board

A. PANJWANI Managing Director
N. H. DATANWALA Vice President Corporate & Co. Secretary

NUSLI N. WADIA Chairman
A. K. HIRJEE Vice Chairman
M. L. APTE Director
D. E. UDWADIA Director
JEH WADIA Director
VINITA BALI Director

I. SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE CONSOLIDATED BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

(a) Principles of Consolidation:

1. The consolidated financial statements relate to The Bombay Burmah Trading Corporation, Limited ('the Corporation', 'BBTCL') and its subsidiaries and associate companies, which together constitute the Group. The consolidated financial statements have been prepared on the following basis:
 - (i) The financial statements of the Corporation and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating all material intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with Accounting Standard (AS-21) "Consolidated Financial Statements" as notified under the Companies (Accounting Standards) Rules, 2006.
 - (ii) The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries, is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.
 - (iii) Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Corporation.
 - (iv) Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Corporation's shareholders.
 - (v) In case of associates, where the Corporation directly or indirectly through subsidiaries holds more than 20% of equity, investments are accounted for using equity method in accordance with Accounting Standard (AS-23) "Accounting for Investments in Associates in Consolidated Financial Statements" as notified under the Companies (Accounting Standards) Rules, 2006.
 - (vi) Accounting for Interest in Joint Ventures: The proportionate share of the Group's interests in joint ventures is combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra group balances/ transactions to the extent it pertains to the Group as per AS-27 "Financial Reporting of Interest in Joint Ventures".
 - (vii) The difference between the cost of investment in the associates and the share of net assets at the time of acquisition of shares in the associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be.
 - (viii) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and appropriate adjustments are made to the financial statements of subsidiaries when they are used in preparing the consolidated financial statements that are presented in the same manner as the Corporation's separate financial statements.
2. In case of all the subsidiaries of Leila Lands Senderian Berhad (other than Leila Lands Limited, Mauritius and its subsidiaries), a wholly owned foreign subsidiary of the Corporation, for the purpose of determining goodwill/capital reserve on acquisition, the assets and liabilities of those subsidiaries are measured at their fair values at the date of acquisition of those subsidiaries as against at cost, as prescribed in Accounting Standard (AS-21) "Consolidated Financial Statements".
3. As required by Accounting Standard (AS-23) "Accounting for Investments in Associates on Consolidated Financial Statements" as notified under the Companies (Accounting Standards) Rules, 2006, the carrying amounts of investments in Associates at the beginning of the year have been restated by applying "Equity Method" of accounting from the date of acquisition of the associates and corresponding adjustments have been made to retained earnings at the beginning of the year after eliminating unrealised profits, if any.
4. The accounts of the Indian subsidiaries have been prepared in compliance with the Accounting Standards referred to in Section 211(3C), other accounting pronouncements and other requirements of the Companies Act, 1956 and those of the foreign subsidiaries have been prepared in compliance with the local laws and applicable Accounting Standards. Therefore, the consolidated financial statements may not be strictly in compliance with Indian GAAP.

- (b) The list of the subsidiaries of the Corporation (Group) included in the consolidation and the Group's holding therein are as under:

Name of Subsidiary	Country of Incorporation	Current Year Percentage Holding- Share	Previous Year Percentage Holding- Share
Afco Industrial & Chemicals Limited	India	100%	100%
DPI Products & Services Limited	India	100%	100%
Sea Wind Investments & Trading Company Limited	India	100%	100%
Leila Lands Senderian Berhad	Malaysia	100%	100%
<u>Sub-Subsidiaries:</u>			
<u>Subsidiary of DPI Products & Services Limited:</u>			
Subham Viniyog Private Limited	India	100%	100%
<u>Subsidiaries of Leila Lands Senderian Berhad:</u>			
Naira Holdings Limited	The British Virgin Islands	100%	100%
Island Horti-Tech Holdings Pte. Limited	Singapore	100%	100%
Leila Lands Limited	Mauritius	100%	100%
Restpoint Investments Limited	The British Virgin Islands	100%	100%
<u>Subsidiaries of Island Horti-Tech Holdings Pte. Limited:</u>			
Island Landscape & Nursery Pte. Limited	Singapore	100%	100%
Innovative Organics Inc.	USA	58.80%	55.45%
<u>Subsidiaries of Leila Lands Limited:</u>			
Britannia Brands Limited (BBL UK)	United Kingdom	100%	100%
ABI Holding Limited	United Kingdom	100%	100%
Associated Biscuits International Limited (ABIL, UK)	United Kingdom	100%	100%
Dowbiggin Enterprises Pte. Limited	Singapore	100%	100%
Nacupa Enterprises Pte. Limited	Singapore	100%	100%
Spargo Enterprises Pte. Limited	Singapore	100%	100%
Valletort Enterprises Pte. Limited	Singapore	100%	100%
Bannatyne Enterprises Pte. Limited	Singapore	100%	100%
Britannia Industries Limited (BIL)	India	50.75%	50.96%
<u>Subsidiary of Restpoint Investments Limited:</u>			
Restpoint International Technology Corporation ^	The British Virgin Islands	100%	100%
<u>Subsidiary of Island Landscape & Nursery Pte. Limited:</u>			
Peninsula Landscape & Nursery Sdn. Bhd.*	Malaysia	—	100%
<u>Subsidiary of ILN Investments Pte. Limited:</u>			
Saikjaya Holdings Sdn. Bhd.	Malaysia	100%	100%
<u>Subsidiary of Innovative Organics Inc.:</u>			
Granum Inc.	USA	58.80%	55.45%
<u>Subsidiaries of Britannia Industries Limited (BIL):</u>			
Boribunder Finance & Investments Private Limited	India	100%	100%
Flora Investments Company Private Limited	India	40.53%	100%
Gilt Edge Finance & Investments Private Limited	India	46.13%	100%
Ganges Vally Foods Private Limited	India	51%	51%
International Bakery Products Limited	India	100%	100%

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Name of Subsidiary	Country of Incorporation	Current Year Percentage Holding-Share	Previous Year Percentage Holding-Share
J. B. Mangharam Foods Private Limited	India	100%	100%
Manna Foods Private Limited	India	100%	100%
Sunrise Biscuit Company Private Limited	India	99.16%	99.16%
Britannia and Associates (Mauritius) Private Limited	Mauritius	100%	100%
Britannia and Associates (Dubai) Private Company Limited	Dubai, UAE	100%	100%
Al Sallan Food Industries Company SAOG	Oman	65.46%	65.46%
Strategic Food International Company LLC	Dubai, UAE	100%	100%
Strategic Brands Holding Company Limited	Dubai, UAE	100%	100%
Daily Bread Gourmet Foods (India) Private Limited	India	100%	100%
Britannia Dairy Private Limited	India	100%	100%
Britannia Dairy Holdings Private Limited	Mauritius	100%	100%

* Peninsula Landscape and Nursey Sdn. Bhd. has on 20th January 2014 resolved to strike off the Company.

^ Restpoint International Technology Corporation was strike off from the British Virgin Islands Register with effect from 30 September 2013.

The effect of both these writeoffs are not material to the Group's financial statements.

(c) Associates:

(a) The list of the associates of the Group which are included in the consolidation and the Group's holdings therein are as under:

Name of the Associate	Principal Activities	Country of Incorporation	Current Year Percentage Holding-Share	Previous Year Percentage Holding-Share
Roshnara Investments & Trading Company Private Limited	Investments	India	50%	50%
Lima Investments & Trading Company Private Limited	Investments	India	50%	50%
Cincinnati Investments & Trading Company Private Limited	Investments	India	50%	50%
Lotus Viniyog Private Limited	Investments	India	50%	50%
Shadhak Investments & Trading Private Limited	Investments	India	50%	50%
MSIL Investments Private Limited	Investments	India	50%	50%
Inor Medical Products Limited	Orthopaedic implants and instruments	India	20%	20%
Medical Microtechnology Limited	Ophthalmic instruments	India	50%	50%
Appear Dream Limited*	Trademark investment	United Kingdom	—	50%
Ink (Clothing) Limited (UK)*	Clothing Design and Wholesale	United Kingdom	—	22%
Klassik Foods Private Limited	Biscuit manufacture	India	26.02%	26.02%
Nalanda Biscuits Company Limited	Biscuit manufacture	India	35%	35%

* Disposed off during the year

- (b) The following Associate Companies & Firms are excluded from consolidation as they are not significant:

<u>Name of the Company</u>	<u>Relationship</u>	<u>Country of Incorporation</u>
— Vasna Agrex and Herbs Private Limited	Associate	India
— Snacko Bisc Private Limited	Associate	India

- (c) The following companies of the BIL Group, limited by guarantee, are also considered for consolidation:

- (i) Britannia Employees General Welfare Association Private Limited, India
- (ii) Britannia Employees Medical Welfare Association Private Limited, India
- (iii) Britannia Employees Educational Welfare Association Private Limited, India

(d) **Significant Accounting Policies:**

A. Basis of Accounting:

The consolidated financial statements are prepared under the historical cost convention, on the accrual basis of accounting to comply in all material aspects with the applicable accounting principles in India, the mandatory Accounting Standards prescribed by the Companies (Accounting Standard), Rules 2006, the relevant provisions of the Companies Act, 1956 ('the Act'), the guidelines issued by the Securities and Exchange Board of India (SEBI) and the Companies Act, 2013 to the extent relevant.

The preparation of financial statements in conformity with GAAP requires that the management of the company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Examples of such estimates include the useful lives of fixed assets, provision for doubtful debts/advances, future obligations in respect of retirement benefit plans, etc. Difference between actual results and estimates are recognised in the period in which the results are known/materialise.

The financial statements of Britannia and Associates (Dubai) Private Co. Limited, Britannia Dairy Holdings Private Limited, Klassik Foods Private Limited and Nalanda Biscuits Company Limited have been incorporated in the consolidated financial statements of Britannia Industries Limited based on unaudited financial statements.

B. Depreciation:

- (i) BBTCL and its subsidiaries have adopted the straight line method of depreciation for all its tangible fixed assets except assets other than plant and machinery of Afco Industrial & Chemicals Limited and DPI Products & Services Limited (formerly known as Dental Products of India Limited) which are depreciated under the written down value method at the rates prescribed under Schedule XIV to the Companies Act, 1956. As regards the Assets depreciated on straight-line basis the depreciation rates are equal to or higher than those prescribed under Schedule XIV to the Companies Act, 1956 based on the management's estimate of useful lives of these assets. The rates of depreciation that are different from Schedule XIV rates are as follows:

<u>Asset Type</u>	<u>Depreciation Rates</u>
Factory Building	5-10%
Non-Factory Building	2-12.5%
Motor Vehicles	20-25%
Office furniture, Nursery plant and equipments	10-33.33%
Plant and Machinery	8.33-20%
Mature Plantations	6.25%

- (ii) Cost of Leasehold Land is amortised over the period of lease.
- (iii) Assets costing less than ₹ 5000 are fully depreciated in the year of purchase.
- (iv) Auto ancillary division (erstwhile Electromags Automotive Products Private Limited) carries out at every year end, technical evaluation of the moulds and dies for revising the economic useful life/usability of the assets and based on which, it writes down the moulds and dies which are not usable due to change in models, customer order etc.

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- (v) In case of BIL and its subsidiaries (the BIL Group), depreciation in respect of all the assets is provided on straight line method. The rates of depreciation prescribed in Schedule XIV to the Act are considered as minimum rates. If the Management's estimate of the useful life of a fixed asset at the time of the acquisition of the asset or of the remaining useful life on a subsequent review is shorter than envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on the Management's estimate of the useful life/ remaining useful life. Pursuant to this policy vehicles acquired on finance lease are depreciated over a period of 5 years.

Vehicles acquired on finance lease are depreciated over a period of 5 years.

Assets costing individually upto ₹ 5000 are fully depreciated in the year of addition.

Leasehold land is amortised over the period of primary lease.

Tangible Assets:

Expected range of useful life of assets of the BIL Group is as mentioned below:

Building : 20 - 30 years,

Plant and Equipment: 10 - 30 years,

Computers (Part of Office equipment): 4 - 6 years and

Furniture and fixtures: 4 - 16 years.

C. Valuation of Tangible Fixed Assets:

- (i) Fixed Assets are valued at cost of acquisition or construction. They are stated at historical costs or other amounts substituted for historical costs (vide note (ii) below). In respect of new projects pre-operative expenses including financing costs attributable to the acquisition/construction of fixed assets (net of income during trial run) upto the date of commencement of commercial production is included in cost.
- (ii) The Plant and Machinery of Electronics Division and South India Branches (Plantations) as on 30th September, 1985 other than additions during that year were revalued on the basis of the then present worth as per valuation made by the external valuers and are stated at revalued amounts. The resultant increase was credited to Revaluation Reserve.
- (iii) Expenditure in respect of new crops including cost of development is capitalised until the year of maturity of the Plantation.
- (iv) Nursery planting expenditure represents cost of plants that are used solely for propagation purposes and are not intended for resale. Cost comprises purchase cost, labour and attributable overheads. Initial nursery planting expenditure is capitalised as a base stock and accounted for on replacement basis.
- (v) Fixed Assets held by non-integral foreign branches are stated at cost by converting at the closing rate of exchange at the balance sheet date.
- (vi) In the case of the BIL Group, tangible assets are stated at their cost of acquisition or construction less accumulated depreciation. Cost includes inward freight, duties, taxes and expenses incidental to acquisition and installation or construction, net of refundable duties, levies and taxes where applicable. The cost of fixed assets not ready for their intended use before such date, are disclosed as capital work-in-progress.

D. Intangible Assets:

Intangible assets are recognised as per the criteria specified in Accounting Standard (AS 26) "Intangible Assets" as notified under the Companies (Accounting Standards) Rules, 2006 and amortized as follows:

A. Technical Know How Fees:

Technical know how fees for new product development is amortised over the period not exceeding five years, of agreement with supplier of technology.

B. Franchisee fees:

Franchisee fees is amortised over the period not exceeding ten years, of agreement with Franchisor.

C. Goodwill:

Goodwill represents the excess of costs of business acquired over the fair market value of net tangible and identifiable intangible assets.

Goodwill is amortised proportionately over the period not exceeding five years from the date of acquisition of the business.

Goodwill arising on consolidation represents the excess of cost to the Group of its investment in a subsidiary company over the Group's portion of net worth of the subsidiary.

D. Computer Software:

In respect of auto ancillary division (erstwhile Electromags Automotive Products Private Limited), ERP related costs are amortised over a period of 3 years. For other divisions, computer software costs are amortised over the period not exceeding ten years based on the management's estimate of its useful life.

E. In the case of BIL Group, Intangible assets are stated at cost of acquisition less accumulated amortisation. Goodwill arising on consolidation represents the excess of cost to the Group of its investment in a subsidiary company over the Group's portion of net worth of the subsidiary, and is net of Capital Reserve.

The expected useful life of assets for amortization is as mentioned below:

Know-how: 3 years

Marketing Infrastructure: 3 years

Non-compete Rights: 2 years

Computer software: 6 years

Goodwill arising on consolidation is evaluated for impairment periodically. (Also refer note (E.) below)

E. Impairment of Assets:

In the case of BBTCL Group, Management evaluates at regular intervals, using external and internal sources whether there is an impairment of any asset. Impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its net realisable value on eventual disposal. Any loss on account of impairment is expensed as the excess of the carrying amount over the higher of the asset's net realisable value or present value as determined.

The BIL Group assesses at each balance sheet date whether there is any indication that an asset, including intangible, may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost. An impairment loss is reversed only to the extent that the carrying amount of asset does not exceed the net book value that would have been determined, if no impairment loss had been recognised.

F. Employee Benefits:

In the case of BBTCL Group,

(a) Short term employee benefits:

Short term employee benefits are recognised as an expense at the undiscounted amount in the statement of profit and loss for the year in which the related service is rendered.

(b) Post-employment benefits:

(i) Provident and Family Pension Fund

The eligible employees of the Corporation are entitled to receive post employment benefits in respect of provident and family pension fund, in which the Corporation make monthly contributions at a specified percentage of the employees' eligible salary (currently 12% of employees' eligible salary). Employees contribute a minimum of 12%, the excess being voluntary contribution.

The contributions are made to the provident fund managed by the trust set up by the Corporation or to the Regional Provident Fund Commissioner (RPFC) which are charged to the Statement of Profit and Loss as incurred. The schemes are considered as defined contribution plan.

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(ii) Superannuation

The eligible employees of the Corporation are entitled to receive post employment benefits in respect of superannuation fund in which the Corporation makes annual contribution at a specified percentage of the employees' eligible salary. The contributions are made to the ICICI Prudential Life Insurance Co. Ltd.. Superannuation is classified as Defined Contribution Plan as the Corporation has no further obligations beyond making the contribution. The Corporation's contribution to Defined Contribution Plan is charged to statement of profit and loss as incurred.

(iii) Gratuity

The Corporation has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees.

The plan provides a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service. The Corporation accounts for gratuity benefits payable in future based on an independent external actuarial valuation carried out at the end of the year. Actuarial gains and losses are recognised in the Statement of Statement of Profit and Loss.

(c) Other Long-Term Employee Benefits – Compensated Absences:

The Corporation provides for encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment/availment. The Corporation makes provision for compensated absences based on an independent actuarial valuation carried out at the end of the year. Actuarial gains and losses are recognised in the Statement of Profit and Loss.

In case of the BIL Group,

a. Short term employee benefits:

All employee benefits falling due wholly within twelve months of rendering the services are classified as short-term employee benefits, which include benefits like salaries, wages, short-term compensated absences and performance incentives and are recognised as expenses in the period in which the employee renders the related service.

b. Post-Employment Benefits

a. Contributions to defined contribution schemes such as Provident Fund, Pension Fund etc., are recognised as expenses in the period in which the employee renders the related service. In respect of certain employees, Provident Fund contributions are made to a Trust managed by the Company. The interest rate payable to the members of the Trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company. In respect of contributions made to government administered Provident Fund, the Company has no further obligations beyond its monthly contributions. The Company also provides for post employment defined benefit in the form of gratuity and medical benefits. The cost of providing benefit is determined using the projected unit credit method, with actuarial valuation being carried out at each balance sheet date.

b. The Britannia Industries Limited Covenanted Staff Pension Fund Trust (BIL-CSPF) and Britannia Industries Limited Officers' Pension Fund Trust (BILOPF) were established by the Company to administer pension schemes for its employees. These trusts are managed by the trustees. The Pension scheme is applicable to all the managers and officers of the Company who have been employed up to the date of 15 September 2005 and any manager or officer employed after that date, if he has opted for the membership of the scheme. The Company makes a contribution of 15% of salary in respect of the members each month to the trusts. On retirement, subject to the vesting conditions as per the rules of the trust, the member becomes eligible for pension, which is paid from annuity purchased in the name of the member by the trusts

c. In case of Al Sallan Food Industries Co. SAOC, the provision for employees' terminal benefits is based upon the liability accrued in accordance with the terms of employment of the Company's employees at the statement of financial position date, having regard to the requirements of the Oman Labour Law, 2003 and the Social Security Law, 1991.

- d. In case of Strategic Food International Co. LLC, another subsidiary of BIL, provision for staff terminal benefits is calculated in accordance with the UAE Federal Labour Law and is based on the liability that would arise if employment of all Company's staff were terminated on the balance sheet date. This accounting policy difference from group's accounting policy as mentioned above does not have a material impact on the financial statements.
- e. Other Long Term Employee Benefits:
All employee benefits (other than post-employment benefits and termination benefits) which do not fall due wholly within twelve months after the end of the period in which the employees render the related services are determined based on actuarial valuation carried out at each balance sheet date. Provision for long term compensated absences is based on actuarial valuation carried out as at 1 January every year.
- f. Voluntary retirement scheme benefits:
Voluntary retirement scheme benefits are recognised as an expense in the year they are incurred.

G. Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the financial statements. Contingent Assets are neither recognised nor disclosed in the financial statements.

In the case of the BIL Group,

A provision is recognised when the Group has a present obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made. Provisions are reviewed regularly and are adjusted where necessary to reflect the current best estimate of the obligation. When the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset only when reimbursement is virtually certain.

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provision for onerous contracts, i.e. contracts where the expected unavoidable cost of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.

H. Valuation of Inventories:

In the case of BBTCL Group,

- (i) Stores and spare parts are valued at lower of cost or net realisable value. Cost is calculated on weighted average basis, except in the case of Sunmica Division, where it is on First in First out basis.
- (ii) Raw materials are valued at lower of cost or net realisable value. The cost includes purchase price as well as incidental expenses and is calculated on weighted average, except in the case of Sunmica Division, where it is on First in First out basis.
- (iii) Tea stock is valued at cost or net realizable value whichever is lower and inclusive of cess on excise duty. Timber, coffee, pepper and cardamom in stock are valued at since realized/contracted rates or realizable value.
- (iv) Work-in-progress is valued at cost or net realisable value whichever is lower. Cost is arrived on the basis of absorption costing.
- (v) Manufactured finished goods of are valued at cost or net realisable value whichever is lower. Cost is determined on the basis of absorption costing including excise duty paid/provided on packed finished goods.
- (vi) Traded Finished goods of Weighing Products Division, and Dental Products Division are valued at cost or net realisable value whichever is lower.
- (vii) Real Estate under development comprises of Freehold/Leasehold Land and Buildings at cost, converted from Fixed Assets into Stock-in –Trade and expenses related/attributionable

to the development/construction of the said properties. The same is valued at lower of cost or net realizable value.

(viii) Nursery plants are stated at cost, which consists of plant cost, direct labour and its attributable overheads.

(ix) Landscape projects in progress are valued at cost which consists of direct materials, labour and attributable overheads.

In the case of BIL Group, Inventories are valued at the lower of cost (including prime cost, excise duty and other overheads incurred in bringing the inventories to their present location and condition) and estimated net realisable value, after providing for obsolescence, where appropriate. The comparison of cost and net realisable value is made on an item-by-item basis. The net realisable value of materials in process is determined with reference to the selling prices of related finished goods. Raw materials, packing materials and other supplies held for use in production of inventories are not written down below cost except in cases where material prices have declined, and it is estimated that the cost of the finished products will exceed their net realisable value.

The provision for inventory obsolescence is assessed regularly based on estimated usage and shelf life of products.

Raw materials, packing materials and stores and spares are valued at cost computed on monthly moving weighted average basis. The cost includes purchase price, inward freight and other incidental expenses net of refundable duties, levies and taxes, where applicable.

Materials-in-process is valued at input material cost plus conversion cost as applicable.

Finished goods are valued at lower of net realizable value and prime cost, excise duty and other overheads incurred in bringing the inventories to their present location and condition.

I. Foreign Currency Transactions:

(i) Foreign Branches: (Non-integral operations)

- (a) All assets and liabilities, both monetary and non-monetary are translated at the closing rate;
- (b) Income and expense items are translated at the average rate prevailing during the year; and
- (c) All resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment in the branch.

(ii) Other Transactions:

(a) Initial recognition:

Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(b) Conversion:

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

(c) Exchange Differences:

The premium or discount arising at the inception of forward exchange contracts is amortised as expenses or income over the life of the respective contracts. The difference between year-end conversion rate and rate on the date of contract is recognized as exchange difference. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or expense for the year.

In the case of BIL,

1. Transactions in foreign currency are recorded at exchange rates prevailing on the respective dates of the relevant transactions. Monetary assets and liabilities denominated in foreign currency are restated at exchange rates prevailing at the balance sheet date. The gains or losses resulting from such transactions are adjusted to the statement of profit and loss. Non-monetary assets and non-monetary liabilities denominated in foreign currency and measured at fair value/net realisable value are translated at the exchange rate prevalent at the date when the fair value/net realisable

value was determined. Non-monetary assets and non-monetary liabilities denominated in foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

2. The Group uses foreign exchange forward contracts to cover its exposure towards movements in foreign exchange rates.
3. The Group does not use the foreign exchange forward contract for trading or speculative purposes.
4. Premium or discount arising at the inception of forward contracts against the underlying assets is amortised as expense or income over the life of contract. Exchange differences on forward contracts are recognised in the statement of profit and loss in the reporting period in which the exchange rates change.

J. Export Benefits/Incentives:

Export benefits/incentives in respect of import duty benefits under DEPB scheme are accounted on accrual basis on the basis of exports made under DEPB scheme.

K. Revenue Recognition:

In the case of BBTCL:

- (i) Revenue in respect of Insurance/other claims, Interest etc., is recognised only when it is reasonably certain that the ultimate collection will be made.
- (ii) Sale of products is recognised when the risks and rewards of ownership are passed on to the customers and no significant uncertainty as to its measurability and collectability exists.
- (iii) Sale of timber is accounted based on sale agreement/sale in auction.
- (iv) Sale of pepper is accounted based on confirmed contract of sale.
- (v) Dividend income is accounted when the right to receive payment is established and known. Interest income is recognised on the time proportion basis.

In the case of the BIL Group:

- (i) Revenue from sale of goods (including sale of scrap) is recognised on transfer of all significant risks and rewards of ownership to the buyer. The amount recognised as sale is exclusive of sales tax and net of trade discounts and sales returns. Sales are presented both gross and net of excise duty.
- (ii) Income from royalty and services is accounted for based on contractual agreements.
- (iii) Interest on investments and deposits is booked on a time-proportion basis taking into account amounts invested and rate of interest.
- (iv) Dividend income is accounted for in the year in which the right to receive the same is established.

L. Borrowing Cost:

Interest and other costs in connection with the borrowing of the funds to the extent related/attributed to the acquisition/construction of qualifying fixed assets are capitalised up to the date when such assets are ready for its intended use and all other borrowing costs are recognised as an expense in the period in which they are incurred.

M. Segment Accounting Policies:

(a) Segment assets and liabilities:

All Segment assets and liabilities are directly attributable to the segment. Segment assets include all operating assets used by the segment and consist principally of fixed assets, inventories, sundry debtors, loans and advances and operating cash and bank balances. Segment assets and liabilities do not include inter-corporate deposits, share capital, reserves and surplus, borrowings, and income tax (both current and deferred).

(b) Segment revenue and expenses:

Segment revenue and expenses are directly attributable to segment. It does not include interest income on inter-corporate deposits, interest expense and income tax.

N. Financial Derivatives and Commodity Hedging transactions:

Outstanding derivative contracts are not marked to market at each balance sheet date. The Corporation assesses the foreseeable losses in respect of such contracts and provision is made for such estimated losses, wherever necessary. Realized gains and losses on such contracts and

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interest costs in foreign currencies are accounted for at the time of settlement of the underlying transactions.

O. Derivative contracts:

In the case of BIL Group, based on the principle of prudence as provided in Accounting Standard 1 – “Disclosure of accounting policies”, the Group assesses losses, if any, by marking to market all its outstanding derivative contracts [other than those accounted under Accounting Standard 11 – “Effects of changes in foreign exchange rates” (Refer point (n) above)] at the balance sheet date and provides for such losses. The net gain, if any, based on the said evaluation is not accounted for in line with the Institute of Chartered Accountants of India notification issued in March 2008 in relation to such transactions.

P. Taxes on Income:

Income Taxes are accounted for in accordance with Accounting Standard (AS 22) – “Accounting for Taxes on Income”, as notified under the Companies (Accounting Standards) Rules, 2006. Income Tax comprises both current and deferred tax.

Current tax is measured on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961.

Provision for Fringe Benefits Tax is made in accordance with Chapter XII-H of the Income Tax Act, 1961.

The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or deferred tax liability. They are measured using the substantively enacted tax rates and tax regulations as of the Balance Sheet date.

Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognised, only if there is virtual certainty of its realisation, supported by convincing evidence. Deferred tax assets on account of other timing differences are recognised only to the extent there is a reasonable certainty of its realisation.

In the case of BIL group, Income-tax expense comprises current tax (i.e. amount of tax for the year determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year). Deferred tax in respect of timing differences which originate during the tax holiday period but reverse after the tax holiday period is recognised in the year in which the timing differences originate. For this purpose the timing differences, which originate first are considered to reverse first. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward business loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets.

Deferred tax assets/liabilities are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

The Group offsets, the current tax assets and liabilities (on a year on year basis) and deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

Minimum Alternative Tax (‘MAT’) credit is recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal income-tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in the guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss. The Group reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Group will pay normal income-tax during the specified period.

Q. Leases:

(a) Lease transactions entered into prior to 1st April, 2002:

Lease rentals in respect of assets acquired under lease are charged to Statement of Profit and Loss.

- (b) Lease transactions entered into on or after 1st April, 2002:
- (i) Assets acquired under lease where the Corporation has substantially all the risks and rewards incidental to ownership are classified as finance leases. Such assets are capitalised at the inception of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.
 - (ii) Assets acquired on leases where significant portions of the risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Lease rentals are charged to the Statement of Profit and Loss on accrual basis.

In the case of the BIL Group,

Assets acquired under lease where the Group has substantially all the risks and rewards of ownership are classified as finance lease. Such leases are capitalised at the inception of lease at lower of the fair value and present value of minimum lease payments. Assets taken on finance lease are depreciated over its estimated useful life or the lease term whichever is lower.

Assets acquired under lease where the significant portion of risks and rewards of ownership are retained by the lessor are classified as operating lease. Lease rentals are charged to the statement of profit and loss on accrual basis.

R. Investments:

- (i) Investments in Subsidiaries have been accounted as per Accounting Standard (AS-21) "Consolidated Financial Statements" as notified under the Companies (Accounting Standards) Rules, 2006.
- (ii) Investments in Associates have been accounted as per Accounting Standard (AS-23) "Accounting for Investments in Associates in Consolidated Financial Statements" as notified under the Companies (Accounting Standards) Rules, 2006.
- (iii) Long term Investments other than investments in subsidiaries and associates as stated above are shown at cost. However, when there is a decline, other than temporary, in the value of a long-term investment, the carrying amount is reduced to recognise the decline. Long term investments in shares of Companies registered outside India are stated at cost by converting at the rate of exchange prevalent at the time of acquisition thereof.
- (iv) Investments made by non-integral foreign branches are stated at cost by converting at the closing rate of exchange at the balance sheet date.
- (v) Current investments are valued at cost or market/fair value whichever is lower, for each investment individually.
- (vi) Premium/discount on purchase of bonds is amortised in equal annual installments over the life of the bond.
- (vii) A provision for diminution is made to recognise a decline, other than temporary, in the value of long term investments.

S. In the case of BIL group:

- (i) Trade receivables and loans and advances:
Trade Receivables and loans and advances are stated after making adequate provision for doubtful debts and advances.
- (ii) Employee share based payments:
The Group measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense, if any, is amortised over the vesting period of the option on a straight line basis.
- (iii) Capital subsidy:
Capital subsidy related to depreciable fixed assets is treated as deferred income and recognised in the statement of profit and loss on a systematic basis over the useful life of the asset.
- (iv) Government grants related to revenue:
Government grants related to revenue are recognised in the statement of profit and loss on a systematic basis over the periods to which they relate.

The Bombay Burmah Trading Corporation, Limited

T. Amalgamation of BBTCL's wholly owned subsidiary, Electromags Automotive Products Private Limited (EAPL):

The Scheme of amalgamation ('the Scheme') of Electromags Automotive Products Private Limited ('the Amalgamating Company') with the Corporation was sanctioned by the Hon'ble High Court of Judicature at Madras on 24th August 2012. The Company has filed the certified copy of the Order with Registrar of Companies on 3rd September 2012.

In accordance with the scheme, all assets and liabilities of the Amalgamating Company were transferred to and vested in the Corporation with effect from 1st April 2011 ('The Appointed Date') and recorded by the Company at their book values.

The Scheme has accordingly been given effect to in these financial statements which include the assets and liabilities of the Amalgamating Company with effect from 1st April 2011 and the results of operations for the year ended 31st March 2012.

In terms of the Scheme, the book value of assets and liabilities are required to be adopted as at 1st April 2011.

The details of the assets and liabilities acquired pursuant to the said business transfer and resultant goodwill is ascertained as below:

Particulars	(₹ in Lakhs) Amount
(A) Assets:	
Tangible assets	3,244.71
Intangible assets	18.96
Investments	0.48
Loans and advances	351.10
Inventories	1,067.78
Trade receivables	2,332.55
Cash and bank balance	60.72
	7,076.30
(B) Liabilities:	
Borrowings	4,018.60
Deferred tax liabilities (net)	87.27
Provisions	36.60
Trade payables	1,274.53
Other current liabilities	687.09
	6,104.09
(C) Net Assets Acquired [(A) - (B)]:	972.21
Less: Reserves & Surplus transferred to Amalgamated Company:-	
Revaluation Reserve as on 1st April 2011	462.37
General Reserve	20.00
Profit and Loss	460.13
	<u>942.50</u>
(D) Equity Share Capital	29.70
(E) Investment at cost	534.60
(F) Goodwill [(E) - (D)]	504.90

Further, Profit for the year ended 31st March 2012 amounting to ₹ 736.72 Lakhs and tax thereon of ₹ 121.20 Lakhs have been taken to the statement of Profit and Loss for the year.

Accordingly these accounts include the accounts of the Amalgamating Company from 1st April 2011 to 31st March 2012. In view of the above, the current year's figures are not comparable with those of the previous years.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

	As at 31st March, 2014	As at 31st March, 2013
1. SHARE CAPITAL		
Authorised Capital		
7,50,00,000 Equity shares of ₹ 2/- each (Previous Year 7,50,00,000 of ₹ 2/- each)	1,500.00	1,500.00
	<u>1,500.00</u>	<u>1,500.00</u>
Issued, Subscribed and paid-up		
6,97,71,900 Equity shares of ₹ 2/- each (Previous Year 6,97,71,900 of ₹ 2/- each)	1,395.44	1,395.44
Forfeited shares amount paid-up	0.83	0.83
	<u>0.83</u>	<u>0.83</u>
TOTAL	1,396.27	1,396.27

- (a) The Corporation has only one class of equity share having par value of ₹ 2/- (Previous Year ₹ 2/-) per share.
- (b) Each holder of equity shares is entitled to one vote per share.
- (c) The Corporation declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- (d) During the year ended 31st March, 2014, the amount of per share dividend recognised as distributions to equity shareholders was ₹ 1/- for every share of ₹ 2/- each (Previous Year - ₹ 3/- for every share of ₹ 2/- each). The total dividend appropriation for the year ended 31st March, 2014 amounted to ₹ **816.30 lakhs** (Previous Year ₹ 2,448.89 lakhs) including corporate dividend tax of ₹ **118.58 lakhs** (Previous Year ₹ 355.73 lakhs).
- (e) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- (f) Reconciliation of the shares outstanding at the beginning and at the end of reporting year:

Equity shares	31st March, 2014		31st March, 2013	
	No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs
At the beginning of the year	69,771,900	1,395.44	13,954,380	1,395.44
Add: Issued during the year	—	—	—	—
Outstanding at the end of the year	<u>69,771,900</u>	<u>1,395.44</u>	<u>69,771,900</u>	<u>1,395.44</u>

- (g) Details of shares held by each shareholder holding more than 5% shares:

Sr. No.	Name of Shareholders	As at 31st March, 2014		As at 31st March, 2013	
		No. of shares	% holding	No. of shares	% holding
1.	Archway Investment Co. Ltd.	13,038,600	18.69	13,038,600	18.69
2.	N. W. Exports Ltd.	9,817,275	14.07	9,817,275	14.07
3.	Naperol Investments Ltd.	4,208,400	6.03	4,208,400	6.03
4.	Mr. Nusli N. Wadia	6,141,505	8.80	6,141,505	8.80
5.	Wallace Bros. Trading & Industrial Ltd., U.K.	5,660,700	8.11	5,660,700	8.11
		<u>38,866,480</u>	<u>55.70</u>	<u>38,866,480</u>	<u>55.70</u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	(₹ in Lakhs)	
	As at 31st March, 2014	As at 31st March, 2013
2. RESERVES AND SURPLUS		
Capital reserve		
As per last Balance sheet	1,841.19	1,841.19
Statutory Reserve Fund		
Opening balance	149.86	148.95
(Less)/Add: Transfer to Statement of Profit and Loss	(0.32)	0.91
Closing balance	149.54	149.86
Capital Reserve (On Investment in Subsidiaries)		
Opening balance	(202.84)	572.82
Less: Revaluation reserve on acquisition of subsidiary shown separately	—	(453.44)
Less: Goodwill on Consolidation	—	(322.22)
Closing balance	(202.84)	(202.84)
Capital Redemption Reserve		
As per last Balance sheet	201.96	201.96
Revaluation Reserve		
As per last Balance sheet	446.96	0.11
Add: Revaluation Reserve on acquisition	—	453.44
Less: Difference between depreciation on Revalued Cost of Freehold Land and Buildings and Original Cost thereof for the year transferred to Statement of Profit and Loss Account	(6.59)	(6.59)
Closing balance	440.37	446.96
Securities premium account		
As per last Balance sheet	3,637.21	3,637.21
Add: During the year	870.36	—
Closing balance	4,507.57	3,637.21
General reserve		
Opening balance	35,992.52	33,658.64
Add: Previous year adjustment (BIL)(Refer Note 48)	—	951.93
Add: Transferred from Surplus in Statement of Profit and Loss	1,923.47	1,381.95
Closing balance	37,915.99	35,992.52
Foreign currency translation reserve		
Opening balance	(5,922.53)	817.96
Less: Effect of foreign exchange rate variations during the year	(8,764.60)	(6,740.49)
Closing balance	(14,687.13)	(5,922.53)
Surplus in Statement of Profit and Loss		
Opening balance	76,915.58	66,850.41
Add: Profit for the year	20,711.28	13,227.21
Add: Adjustment of EAPL Profits (Refer Note 48)	—	139.64
Add: Dividend adjustment (Refer Note 48)	4,977.36	4,857.00
Less: Appropriations		
Proposed Dividend (dividend per share ₹ 1/- for every share of ₹ 2/- each (Previous Year - ₹ 3/- for every share of ₹ 2/- each)	697.72	2,093.16
Corporate Dividend Tax thereon	118.58	355.73
Dividend distribution tax	2,446.00	1,728.00
Dividend tax adjustment (Refer Note 48)	3.00	1,647.00
General reserve adjustment(Refer Note 48)	—	951.93
Transfer from Statutory Reserve Fund	0.32	0.91
Transfer to General Reserve	1,923.47	1,381.95
Closing balance	97,415.77	76,915.58
TOTAL	127,582.42	113,059.91

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	(₹ in Lakhs)	
	As at 31st March, 2014	As at 31st March, 2013
3. LONG-TERM BORROWINGS		
Term loans		
— From banks – Secured (Refer Note (a) to (d))	46,819.00	42,075.00
Long Term maturities of Finance Lease obligations (Refer Note 31B)	34.00	—
Intercorporate borrowings – Unsecured (Refer Note (e))	1,966.61	1,778.07
Loan against vehicles – Secured (Refer Note (f))	18.38	85.81
TOTAL	48,837.99	43,938.88

Note:

- (a) Rupee Agri loan from Axis bank of ₹ 10,000 Lakhs, - current outstanding ₹ 6,300 Lakhs is repayable on 1st April, 2015. The loan is secured by exclusive charge over Elkhill Estate. The rate of interest on the loan is ranging from 7.5% to 10%.
- (b) Rupee loan from HDFC bank of ₹ 500 Lakhs, - current outstanding - ₹ 500 Lakhs is repayable on 31st March 2015. The loan is to be secured by extension of charge of an Equitable Mortgage by deposit of title deeds of Mudis and Singampatti estates together with Buildings and structures thereon in favour of HDFC Bank. The rate of interest on the loan is ranging from 7.5% to 10.5%.
- (c) The interest free soft loan from Government of Oman through Oman Development Bank is repayable in 13 equal annual instalments from 1 August 2006. Loan is secured by first ranking mortgage on all the tangible assets of the Al Sallan Food Industries Co. SAOC., Oman.
- (d) In October 2010, the Company entered into a credit facility agreement with the Standard Chartered Bank, Singapore branch, for an amount of USD 95,000,000. In July 2013, the Company entered into a supplemental agreement towards refinancing the remaining loan of USD 76,000,000. The loan is secured by pledge of shares of the Company and fellow subsidiaries and guarantees given by the subsidiaries and by the fellow subsidiaries. The interest rate of the loan is the percentage rate per annum equal to the aggregate of the applicable margin and LIBOR. The Company shall repay the loan in full in five installments by repaying, on each repayment date, an amount equal to a relevant percentage as set out in the supplemental agreement. The value of such loans outstanding at 31st March, 2014 is USD 69,000,000; ₹ **41,462.10 lakhs** (Previous Year ended 31st March, 2013: ₹ 41,335.87 lakhs).
- (e) Intercorporate borrowings are unsecured, bear interest at LIBOR + 0.5% and have no fixed repayment terms. The loans will not be recalled within the next twelve months.
- (f) Loan against vehicles are secured by lien on vehicle purchased.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	(₹ in Lakhs)	
	As at 31st March, 2014	As at 31st March, 2013
4. DEFERRED TAX LIABILITY (NET):		
Timing difference on account of:		
Deferred Tax Liability		
— Difference between book written down value and written down value under the Income-tax Act, 1961	5,063.84	4,596.88
— Difference between book written down value and written down value under the Karnataka Agricultural Income-tax Act, 1957	119.12	49.59
Less: Deferred Tax Asset		
— Voluntary Retirement Scheme	270.00	360.00
— Statutory payments	2,378.00	1,762.00
— Provision for Doubtful Debts, Advances, Contingencies	1,181.57	752.89
— Others	100.94	180.00
TOTAL	1,252.45	1,591.58

5. OTHER LONG-TERM LIABILITIES		
Payables on purchase of Fixed Assets	55.82	98.68
Rental/Trade Deposit	45.79	46.48
Deposit from customers	1,903.00	1,967.00
TOTAL	2,004.61	2,112.16

6. LONG-TERM PROVISIONS		
Provision for Employee Benefits	522.00	534.45
Provision for Income tax (Net of Advance tax)	—	3,790.00
Fringe Benefit Taxation (Net of Advance tax)	2.16	3.66
Provision for contingencies (Refer Note 36b)	190.00	190.00
TOTAL	714.16	4,518.11

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

	As at 31st March, 2014	As at 31st March, 2013
7. SHORT-TERM BORROWINGS		
Loans repayable on demand		
Secured		
— From Banks (Refer Note (a) to (g))	10,351.97	12,613.55
Unsecured		
— From Banks	18,593.76	34,415.00
— From Inter corporate deposits	132.00	—
TOTAL	<u>29,077.73</u>	<u>47,028.55</u>

Note:

- (a) Cash Credit from Axis Bank of ₹ **1,031.81 Lakhs** (*Previous Year ₹ 436.14 Lakhs*), is secured by hypothecation of present and future stocks, book debts and other current assets on pari-passu basis and a collateral on Elkhill Estates. The rate of interest on the loan is ranging from 11% to 13%.
- (b) Cash Credit from HDFC Bank of ₹ **1,532.33 Lakhs** (*Previous Year ₹ 21.24 Lakhs*) is secured by hypothecation of present and future stocks, book debts and other current assets on pari-passu basis and a collateral on Singampatti & Mudis Estates. The rate of interest on the loan is ranging from 11% to 13%.
- (c) Short term loan from HDFC Bank of ₹ **2,500.00 Lakhs** (*Previous Year ₹ Nil*) is secured by hypothecation of present and future stocks, book debts and other current assets on pari-passu basis and a collateral on Singampatti & Mudis Estates. The rate of interest on the loan is ranging from 10% to 11%.
- (d) The FCNR Working Capital Loan from HDFC Bank of ₹ **Nil** (*Previous Year ₹ 984.17 Lakhs*) was secured by hypothecation of present and future stocks, book debts and other current assets on pari-passu basis and a collateral on Singampatti & Mudis Estates. The rate of interest on the loan is 12 months LIBOR + spread ranging from 2.75% to 4%.
- (e) Short term Agri loan from HDFC Bank of ₹ **353.83 Lakhs** (*Previous Year ₹ Nil*) is secured by hypothecation of present and future stocks, book debts and other current assets on pari-passu basis and a collateral on Singampatti & Mudis Estates. The rate of interest on the loan is ranging from 9% to 10%.
- (f) Loan of ₹ **11,976 lakhs** (*Previous Year: ₹ 12,491 lakhs*) availed by Britannia and Associates (Mauritius) Private Limited, Mauritius to support working capital requirement of its Middle East subsidiaries. The loan is secured by an irrevocable and unconditional corporate guarantee from Britannia Industries Limited and carries an Interest rate of one year applicable LIBOR + markup as agreed with the bank. Date of maturity of the loan is 13 July 2014.
- (g) Term Loan of ₹ **Nil** (*Previous Year: ₹ 18,924 lakhs*) : Rate of interest ranged between 9.25% to 9.35% per annum and period of maturity ranged between 1 day to 30 days. The same was fully repaid in the current year.

8. TRADE PAYABLES

Trade payables:		
— Due to Micro, Small and Medium Enterprise (Refer Note 46)	453.00	596.00
— Others	58,725.04	41,679.05
TOTAL	<u>59,178.04</u>	<u>42,275.05</u>

9. OTHER CURRENT LIABILITIES

Current maturities of long-term debt (Refer Note below)	766.59	7,475.46
Current maturities of finance lease obligations	11.00	14.00
Interest accrued but not due on borrowings	183.07	143.35
Unclaimed debenture redemption balance*	124.00	582.00
Unclaimed debenture interest*	47.00	50.00
Unpaid dividends*	334.88	284.06

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	(₹ in Lakhs)	
	As at 31st March, 2014	As at 31st March, 2013
Other payables:		
— To Related Parties	21.15	20.67
— Employees	94.78	82.51
— Statutory remittances	5,395.13	6,189.13
— Creditors for capital goods	1,055.00	1,470.00
— Trade/security deposits received	320.45	319.75
— Advances from customers	2,509.19	1,564.54
— Book Overdraft	511.00	6,093.00
— Provision for expenses	16,373.59	9,775.94
TOTAL	<u>27,746.83</u>	<u>34,064.41</u>
* Investor Education and Protection Fund shall be credited when due.		
Note: Current maturities of long term debts are as under:		
From Banks [Refer Note (a) (b) & 3(b)]	740.18	7,441.29
Others – Loan against vehicle	26.41	34.17
TOTAL	<u>766.59</u>	<u>7,475.46</u>

Note:

- (a) FCNR loan from HDFC bank of USD 15.982 Million - Current Outstanding ₹ Nil (USD Nil) (Previous Year ₹ 2,188.75 lakhs (USD 4.024 Million)). The loan was secured by way of an Equitable Mortgage by deposit of title deeds of Mudis and Singampatti estates together with Buildings and structures thereon securities for other Term loans/WCDL. The rate of interest on the loan is 12 months LIBOR + spread ranging from 2.75% to 4%.
- (b) FCNR loan from HDFC bank of USD 5.08 Million - Current Outstanding ₹ Nil (USD Nil) (Previous Year ₹ 828.89 lakhs (USD 1.524 Million)). The loan was secured by way of an Equitable Mortgage by deposit of title deeds of Mudis and Singampatti estates together with Buildings and structures thereon securities for other Term loans/WCDL. The rate of interest on the loan is 12 months LIBOR + spread ranging from 2.75% to 4%.

10. SHORT-TERM PROVISIONS

Provision for employee benefits:	2,016.60	1,202.64
Others:		
— Provision for Tax (net of advance tax)	4,334.51	993.63
— Provision – Others	1,006.69	962.37
— Excise Duty (Refer Note 36a)	3,941.00	2,872.00
— Sales Tax (Refer Note 36a)	4,858.00	3,885.00
— Trade and Other issues (Refer Note 36a)	1,868.00	3,276.00
— Provision for contingencies (Refer Note 36b)	—	225.00
— Provision for proposed equity dividend	697.72	2,093.16
— Provision for tax on proposed dividends	2,564.58	2,083.73
TOTAL	<u>21,287.10</u>	<u>17,593.53</u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

11. FIXED ASSETS

	Original/ Revalued Cost as at 1st April 2013	Cost of Additions during the year	Cost of Disposals/ Transfers/ Adj. during the year	Accumulated Depreciation as on 1st April 2013	Depreciation/ Amortisation for the year	Currency Alignment on Opening Balance	Currency Alignment for the year	Deduction during the year	Depreciation/ Amortisation to 31st March, 2014	Net Book Value as at 31st March, 2014	Net Book Value as at 31st March, 2013
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
TANGIBLE ASSETS:											
LAND:											
Freehold	1,966.78	5,419.20	—	—	—	—	—	—	—	—	—
Leasehold	5,684.49	634.00	—	967.90	162.84	44.93	39.78	—	1,215.45	7,385.98	1,966.78
ROADS	233.74	135.00	—	62.43	7.56	—	—	—	69.99	281.79	4,716.59
DEVELOPMENT - PLANTATIONS	2,472.95	242.57	(22.18)	37.01	5.33	—	—	—	42.34	2,652.05	171.31
BUILDINGS	26,659.79	3,301.52	(48.06)	9,793.34	1,014.28	530.46	—	(23.00)	11,315.08	19,316.35	2,435.94
LEASEHOLD BUILDINGS	44.71	—	—	28.26	0.82	—	—	—	29.08	15.63	16,866.45
PLANT AND MACHINERY	94,630.44	8,727.99	(567.27)	50,907.82	6,994.08	1,660.39	50.83	(506.42)	59,106.70	46,042.51	43,722.62
MOLDS AND DIES	1,141.59	99.72	—	484.01	121.85	—	—	—	585.86	655.45	677.58
MOTOR VEHICLES AND TRACTORS	2,005.32	171.85	(29.14)	1,215.77	203.33	51.91	34.36	(27.96)	1,477.41	789.80	789.55
FURNITURES AND FIXTURES	2,922.40	173.52	(16.01)	1,772.74	113.45	33.26	—	(16.01)	1,903.44	1,221.75	1,149.66
OFFICE EQUIPMENTS	4,199.74	173.43	(0.30)	2,728.81	479.50	80.00	—	(0.04)	3,288.27	1,154.60	1,470.93
LEASED ASSETS	—	—	—	—	—	—	—	—	—	—	—
Motor Vehicles	134.00	25.00	(33.00)	63.00	17.00	—	—	(16.00)	64.00	62.00	71.00
INTANGIBLE ASSETS:											
Technical know - how	1,010.00	—	—	1,010.00	—	—	—	—	1,010.00	—	—
Trademark/Design/Marketing/ Infrastructure & Non compete rights	4,142.00	—	—	4,137.00	—	—	—	—	4,137.00	5.00	5.00
Computer Software	2,118.39	551.00	—	707.94	360.81	—	—	—	1,068.75	1,600.64	1,410.45
Tenancy Rights	36.55	—	—	6.45	0.60	—	—	—	7.05	29.50	30.10
TOTAL	149,402.89	19,654.80	(715.96)	79,902.48	9,481.45	2,400.95	124.97	(589.43)	85,320.42	86,491.80	75,500.41
PREVIOUS YEAR TOTAL	130,743.34	19,392.36	(2,844.11)	66,757.05	8,340.48	1,303.13	131.26	(2,629.44)	73,902.48	11,357.83	15,243.02
CAPITAL WORK-IN-PROGRESS											

Notes:

- (a) Agreements in respect of leasehold land at one factory of the Company (previous year: one factory) are in the process of renewal.
- (b) Buildings include:
- Fully paid unquoted shares and bonds in respect of ownership of flats in 1 Co-operative Housing Societies (previous year: 2 Co-operative Housing Societies); 10 shares (previous year: 509 shares) of ₹ 50/- each, and Nil interest free loan stock bonds (Previous Year: 50 interest free loan stock bonds) of ₹ 100/- each.
 - Net book value ₹ 275 lakhs (Previous Year: ₹ 432 lakhs) constructed on a land leased from the government (UAE) which is renewable each year in relation to Strategic Food International Co. LLC, Dubai (SFI). The lessor (government [UAE]) would be required to give the tenant (SFI) a notice of one year for termination of the lease.
 - Net book value ₹ 1,396 lakhs (Previous Year: ₹ 1,354 lakhs) constructed on a land leased from the Public Establishment for Industrial Estates (Sohar Industrial Estate) for a period of 25 years from 1 January 1994, which is renewable thereafter for a further period of 25 years in relation to Al Sallan Food Industries Co. SAOC (ASFI).
- (c) Net book value of tangible assets included in the above schedule pertaining to ASFI amounts to ₹ 4,068 lakhs (Previous Year: ₹ 3,957 lakhs). Substantially all the tangible assets of ASFI are mortgaged as security against the government term loan and other term loans amounting to ₹ 2,955 lakhs (Previous Year: ₹ 1,079 lakhs).
- (d) Goodwill on consolidation comprises goodwill ₹ 11,557 lakhs (Previous Year: ₹ 10,719 lakhs) and capital reserve ₹ 105 lakhs (Previous Year: ₹ 105 lakhs).
- (e) Depreciation:
- | | 31-03-2014 | 31-03-2013 |
|---|--------------|--------------|
| | (₹ in Lakhs) | (₹ in Lakhs) |
| Depreciation charge for the year | 8,372 | 7,333 |
| Reversal of capital subsidy received [Refer note T(iii) and 44] | 54 | 18 |
| Net depreciation charge for the year | 8,318 | 7,315 |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	(₹ in Lakhs)	
	As at 31st March, 2014	As at 31st March, 2013
12. NON-CURRENT INVESTMENTS		
Long Term Investments (At Cost)		
Equity Shares of Companies		
— Quoted	10,466.33	10,466.33
— Unquoted	18.01	18.01
	<u>10,484.34</u>	<u>10,484.34</u>
Associates	1,178.65	380.43
Government Securities	1.00	1.49
Debentures	2,500.02	3,433.02
Units of Insurance Policies	597.90	599.00
Participating interest	130.00	107.22
Others (viz. Co-operative Societies, etc.)	0.75	0.63
	<u>14,892.66</u>	<u>15,006.13</u>
Less: Provision for diminution in value of Investments	—	1.00
	<u>14,892.66</u>	<u>15,005.13</u>
TOTAL	<u>14,892.66</u>	<u>15,005.13</u>

13. LONG-TERM LOANS AND ADVANCES

Unsecured

Considered good

Security deposits	1,333.82	1,293.23
Capital advances	205.26	3,572.00
Loans and advances to related parties	3,870.00	—
Loans and advances to employees	92.02	91.26
Loans and advances to directors	50.00	50.00
Prepaid expenses	20.00	—
Advance income tax (net of provisions)	1,499.03	1,030.90
Minimum Alternate Tax credit entitlement	1,082.00	850.00
Balances with Central excise, Service tax, Sales tax, etc.	19.26	198.49
Other Loans and Advances	5,068.10	3,148.30

Considered Doubtful

Deposit towards contingent liabilities (Refer Note 28D)	25.00	25.00
Other Loans and Advances	849.20	850.20

	<u>14,113.69</u>	<u>11,109.38</u>
Less: Provision for doubtful Loans and Advances	874.20	875.20
	<u>13,239.49</u>	<u>10,234.18</u>
TOTAL	<u>13,239.49</u>	<u>10,234.18</u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

	As at 31st March, 2014	As at 31st March, 2013
14. OTHER NON CURRENT ASSETS		
— Non current portion of other Bank balances	1,239.87	1,235.26
TOTAL	<u>1,239.87</u>	<u>1,235.26</u>
15. CURRENT INVESTMENTS		
(At Cost or Market/Fair value whichever is lower)		
Managed Fixed Income Accounts	—	49.47
Specialist Equity Account	332.00	368.27
Units of Mutual Funds	16,285.00	7,291.00
Commodities	1,847.00	1,731.74
Quoted Equities	4,752.19	4,557.70
Bonds	4,892.00	4,255.03
TOTAL	<u>28,108.19</u>	<u>18,253.21</u>
16. INVENTORIES		
(At lower of cost and net realisable value)		
Raw materials	17,341.47	19,785.14
Work-in-progress	335.48	506.32
Finished goods (other than those acquired for trading)	19,599.04	17,255.48
Stock-in-trade (acquired for trading)	3,405.80	5,184.22
Stores and spares including Loose Tools	8,672.21	3,017.69
Others – Real Estate under development	2,140.12	1,987.38
TOTAL	<u>51,494.12</u>	<u>47,736.23</u>
17. TRADE RECEIVABLES		
Unsecured		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
— considered good	760.16	2,152.79
— considered doubtful	1,040.85	1,668.34
	<u>1,801.01</u>	<u>3,821.13</u>
Less: Provision for doubtful trade receivables	1,040.85	1,668.34
	<u>760.16</u>	<u>2,152.79</u>
Other Trade receivables		
— considered good	16,330.60	15,515.93
— considered doubtful	26.00	—
	<u>16,356.60</u>	<u>15,515.93</u>
Less: Provision for doubtful trade receivables	26.00	—
	<u>16,330.60</u>	<u>15,515.93</u>
TOTAL	<u>17,090.76</u>	<u>17,668.72</u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	(₹ in Lakhs)	
	As at 31st March, 2014	As at 31st March, 2013
18. CASH AND BANK BALANCE		
Cash and cash equivalents		
Cash on hand	47.48	81.94
Cheques, Drafts on hand	4,974.00	4,513.00
Balances with banks		
— In current accounts	8,592.62	11,597.80
— In EEFC accounts	54.85	—
— In deposit accounts	1,177.62	2,320.73
Other bank balance		
— Unpaid dividend accounts	334.88	284.06
— Unclaimed Debenture interest	47.00	72.00
— Unclaimed debenture redemption proceeds	124.00	582.00
TOTAL	<u>15,352.45</u>	<u>19,451.53</u>
19. SHORT-TERM LOANS AND ADVANCES		
Unsecured		
Considered good		
Loans and advances to related parties (Refer Note 34)	1,224.53	1,161.14
Loans and advances to Employees	71.48	107.41
Balances with Central Excise, Service Tax, Sales Tax etc.	1,310.15	1,165.23
Employee benefits	133.00	—
Interest accrued but not due	203.00	81.00
Intercompany Deposits	7,500.00	—
Security deposits	396.12	275.36
Prepaid expenses	104.61	109.32
Advance to suppliers	615.80	—
Others	15,929.20	18,239.31
Considered Doubtful		
— Loans and advances – others	290.00	290.00
	<u>27,777.89</u>	<u>21,428.77</u>
Less: Provision for other doubtful loans and advances	290.00	290.00
TOTAL	<u>27,487.89</u>	<u>21,138.77</u>
20. OTHER CURRENT ASSETS		
Earnest Money deposit	1.07	1.44
Accruals		
— Interest accrued on deposits and investments		
— Related party (Refer Note 34)	34.44	105.20
— Others	42.69	44.71
— Export benefit receivable	304.28	317.87
TOTAL	<u>382.48</u>	<u>469.22</u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

	For the year ended 31st March, 2014	For the year ended 31st March, 2013
21. Revenue from operations		
Sale of products (Refer Note (i) below)	732,389.33	655,527.29
Sale of services (Refer Note (ii) below)	25.04	22.60
Other operating revenues (Refer Note (iii) below)	7,093.40	5,781.16
	<u>739,507.77</u>	<u>661,331.05</u>
Less: Excise duty	12,391.91	9,455.19
	<u>727,115.86</u>	<u>651,875.86</u>
TOTAL		
Note (i)		
Sale of products comprises:		
<u>Manufactured goods</u>		
Tea	17,817.02	13,114.72
Coffee	1,066.17	1,367.69
Autoancillary – Switches, Solenoids, etc.	11,177.06	10,590.99
Other Plantation Products	555.80	35.65
Biscuits and dairy products	689,270.00	622,091.71
Weighing Products	169.12	205.83
Horticulture and Landscaping services	5,203.06	4,693.27
Dental Products	1,944.83	1,636.85
Other	2,586.92	65.32
	<u>729,789.98</u>	<u>653,802.03</u>
SUB-TOTAL		
<u>Traded goods</u>		
Tea	20.28	51.40
Coffee	2,376.61	1,478.37
Weighing Products	14.50	28.24
Dental Products	187.96	167.25
	<u>2,599.35</u>	<u>1,725.26</u>
SUB-TOTAL		
TOTAL	<u>732,389.33</u>	<u>655,527.29</u>
Note (ii)		
Sale of services comprises:		
Weighing Products	25.04	22.60
	<u>25.04</u>	<u>22.60</u>
TOTAL		
Note (iii)		
Other operating revenues comprise:		
Sale of scrap	2,435.69	2,392.67
Royalty income	243.00	245.00
Duty drawback and other export incentives	401.11	420.26
Expenses recovered from various companies	66.78	79.68
Agency commission	48.44	49.00
Rent (including machinery etc. Hire charges/Lease Rent)	85.17	88.69
Others (Refer Note below)	3,813.21	2,417.31
	<u>7,093.40</u>	<u>5,692.61</u>
TOTAL		

Note:

Includes an amount of ₹ 3,268 lakhs (Previous Year ₹ 1,748 lakhs) towards VAT incentive for the Hajipur Factory, Bihar and Khurda Factory, Orissa and Sunrise Biscuit Company Private Limited, Assam in accordance with the State Industrial Policy of Bihar and Orissa and Assam Industrial (Tax Exemption) Scheme, 2009 respectively.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	(₹ in Lakhs)	
	For the year ended 31st March, 2014	<i>For the year ended 31st March, 2013</i>
22. OTHER INCOME		
Interest income	2,544.56	4,013.62
Dividend income from:		
— Current investments	69.95	0.46
— Long Term investments	300.19	461.19
Net gain on sale of long-term investments/Current investments	1,059.10	1,617.32
Net gain on foreign currency transactions and translation (other than considered as finance cost)	909.09	110.94
Other non-operating income (Refer Note below)	3,895.86	1,373.11
TOTAL	<u><u>8,778.75</u></u>	<u><u>7,576.64</u></u>
Note		
Other non-operating income:		
— Rental income from investment properties	21.92	29.39
— Profit on sale of fixed assets	1,053.86	823.54
— Liabilities/Provisions no longer required written back	2,148.26	198.93
— Provisions for doubtful debts written back	59.89	—
— Miscellaneous income (includes compensation from surrender of tenancy rights)	611.93	409.80
TOTAL	<u><u>3,895.86</u></u>	<u><u>1,461.66</u></u>
23. COST OF MATERIALS CONSUMED		
Material consumed comprises:		
Chemicals	1,067.54	965.80
Bought Leaf	2,009.24	1,696.10
Electronic and Mechanical Components	14.62	16.85
Biscuit and Dairy Products	365,740.00	335,051.00
Auto Electric Components	5,578.79	5,666.15
Others	791.88	1,910.75
TOTAL	<u><u>375,202.07</u></u>	<u><u>345,306.65</u></u>
23. PURCHASE OF STOCK-IN-TRADE		
Tea	15.27	62.21
Coffee	707.90	2,782.15
Weighing Products	6.56	16.33
Dental Products	115.32	77.59
Biscuit and Dairy Products	52,513.00	51,851.00
Others	3,427.72	2,721.00
TOTAL	<u><u>56,785.77</u></u>	<u><u>57,510.28</u></u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

	For the year ended 31st March, 2014	<i>For the year ended 31st March, 2013</i>
23. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Inventories at the end of the year:		
Finished goods (including stock in trade of traded goods)	19,599.04	21,041.70
Work-in-progress	335.48	506.32
Stock in Trade	3,405.80	1,812.00
	23,340.32	23,360.02
Inventories at the beginning of the year:		
Finished goods (including stock in trade of traded goods)	21,041.70	18,074.31
Work-in-progress	506.32	266.57
Stock in Trade	1,812.00	996.76
	23,360.02	19,337.64
NET INCREASE	19.70	(4,022.38)
24. EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	32,792.52	27,756.98
Contributions to provident and other funds (Refer Note 37)	2,590.53	2,590.37
Staff welfare expenses	1,424.38	1,399.78
Less: Transferred to Real Estate under development (Refer note 27)	84.01	51.08
TOTAL	36,723.42	31,696.05
25. FINANCE COSTS		
Interest expense on:		
— Bank Borrowings and Others	4,311.80	3,849.88
— Finance Lease	5.00	11.00
— Redeemable Non-Convertible Bonus Debentures	—	3,250.00
TOTAL	4,316.80	7,110.88

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

	For the year ended 31st March, 2014	<i>For the year ended 31st March, 2013</i>
26. OTHER EXPENSES		
Consumption of stores and spare parts	3,539.88	2,904.33
Increase of excise duty on inventory	23.49	14.28
Processing charges	46,656.78	43,472.02
Power and fuel	12,386.66	10,304.91
Rent including lease rentals (Refer Note 31)	1,346.18	1,265.60
Repairs and maintenance – Buildings	444.85	447.36
Repairs and maintenance – Machinery	1,793.78	1,699.08
Repairs and maintenance – Others	2,209.99	2,005.37
Insurance	344.17	325.33
Rates and taxes	3,040.61	2,276.30
Communication	129.19	121.84
Travelling and conveyance	681.65	446.21
Printing and stationery	95.11	98.73
Freight and forwarding	39,411.52	35,899.27
Selling Agents Commission and discount	365.11	529.99
Advertisement and Business Promotion expenses	61,009.38	53,684.94
Legal and professional	638.10	847.52
Retainer fees	108.91	70.55
Brand equity and Shared expenses	125.29	88.47
Payments to auditors	176.43	181.85
Bad trade and other receivables, loans and advances written off	82.10	78.15
Director's sitting fees	11.20	11.60
Loss on sale of associate companies	10.00	—
Provision for doubtful trade and other receivables, loans and advances (net)	4.45	—
Technical know-how fees/Royalty	25.00	—
Provision for contingencies	—	65.00
Miscellaneous expenses	20,920.63	20,420.59
Less: Transferred to Real estate under development (Refer Note 27)	93.94	38.61
TOTAL	<u><u>195,486.52</u></u>	<u><u>177,220.68</u></u>
27. COST RELATING TO REAL ESTATE UNDER DEVELOPMENT:		
Opening Inventory (Real estate under development)	1,987.38	1,910.59
Add: Expenditure relating to Real Estate Division incurred during the year		
Payments to and provision for employees (Refer Note 24)	84.01	51.08
Contract/retainership fees (Refer Note 26)	27.45	24.65
Travelling and other expenses (Refer Note 26)	66.49	13.96
	<u>177.95</u>	<u>89.69</u>
	2,165.33	2,000.28
Closing Stock (Real estate under development) (Refer Note 16)	2,140.12	1,987.38
TOTAL	<u><u>25.21</u></u>	<u><u>12.90</u></u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**28. Contingent Liabilities not provided for:****I. BBTCL:**

- A. Sundry claims against the Corporation by employees and others not admitted (amount indeterminate). In the opinion of the management, the outcome of these claims is likely to be immaterial.
- B. In case of the Corporation, disputed demands of Central Excise Department not provided for in respect of:

	Current Year ₹ in Lakhs	<i>Previous Year</i> ₹ in Lakhs
South India Consolidation (Plantations Division)	14.12	<i>1.47</i>
Erstwhile Summica Division	3,728.24	<i>3,728.24</i>

- C. Disputed wage demands pending with the Industrial Tribunal ₹ **232.25 Lakhs** (*Previous Year ₹ 232.25 Lakhs*) in respect of South India Branches.
- D. Damages and interest on alleged unauthorized occupation of residential premises determined by the Estate Officer L.I.C. up to 31st March 2013 and disputed by the Corporation ₹ **108.26 Lakhs** (*Previous Year ₹ 101.37 Lakhs*).
- E. The Corporation has created provision against contingencies described in items nos. B to D as an abundant precaution. [Refer Note No. 36]
- F. Matters under dispute relating to Income tax in respect of the erstwhile Electromags Automotive Products Private Limited. A.Y. 2004-05 ₹ 5.23 Lakhs, for the A.Y. 2009-10 ₹ 64.26 Lakhs and for A.Y 2011-12 ₹ 1.79 Lakhs.

II. BIL Group:

- A. Claims/demands against the Group not acknowledged as debts including excise, income tax, sales tax and trade and other demands of ₹ **3,981 Lakhs** (*Previous year: ₹ 4,539 Lakhs*).
- B. Bank guarantee and letter of credit for ₹ **2,180 Lakhs** (*Previous year: ₹ 2,244 Lakhs*).
- C. Discounted cheques ₹ **177 Lakhs** (*Previous year: ₹ 295 Lakhs*).

Notes:

- (i) Contingent liabilities disclosed above represent possible obligations where possibility of cash outflow to settle the obligations is not remote.
- (ii) The above does not include non-quantifiable industrial disputes and other legal disputes pending before various judicial authorities [Also refer note 36].

29. In the case of BBTCL Group, estimated amount of contracts remaining to be executed on Capital Account and not provided for ₹ **1,115.61 Lakhs (*Previous Year ₹ 303.54 Lakhs*).**

In the case of BIL, estimated amount of contracts remaining to be executed on Capital Account and not provided for ₹ **1,025 Lakhs** (*Previous Year ₹ 3,351 Lakhs*).

30. Non-Use of Uniform Accounting Policies by Subsidiaries and Associates:

- (a) Some of the subsidiaries and associates of the BBTCL Group have provided depreciation on all the fixed assets on written down value method, which is in variance to the method adopted by the Corporation. The value of such items is as under:

<u>Name of Subsidiary/Associate</u>	<u>Gross Value of Fixed Assets</u> ₹ in Lakhs
Afco Industrial and Chemicals Limited	111.12 <i>(110.73)</i>
DPI Products & Services Limited (formerly known as Dental Products of India Limited)	58.71 <i>(58.31)</i>
Inor Medical Products Limited	976.89 <i>(1,025.64)</i>

(Figures in italics and brackets are in respect of the previous year).

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(b) In respect of assets held by J B Mangharam Foods Private Limited and Ganges Vally Foods Private Limited, depreciation is provided on a written-down-value basis over its expected useful life. The written down value of assets as on 31 March 2013 amounts to ₹ 377 Lakhs and ₹ 286 Lakhs (Previous Year: ₹ 406 Lakhs and ₹ 313 Lakhs) for J B Mangharam Foods Private Limited and Ganges Vally Foods Private Limited respectively. The impact of the depreciation computed under the straight line method is not material.

(c) In respect of following subsidiaries of the BIL Group, inventories are valued at cost, computed under first-in-first-out basis. The value of these inventories is as given below:

	₹ in Lakhs	
	31st March, 2014	<i>31st March, 2013</i>
Britannia Dairy Private Limited	1,615.00	<i>1,754.00</i>

(d) In respect of LLL, subsidiary of the LLSB Group, exchange difference on translation of Foreign Currency loans is charged to P& L account. The value of such loans outstanding at 31st March, 2014 is ₹ 42,645.13 Lakhs (Previous Year ended 31st March, 2013: ₹ 42,259.36 Lakhs).

31. Leases:

(A) Operating Lease:

The Corporation has taken various residential/commercial premises and plant and machinery under operating leases. These lease agreements are normally renewed on expiry. The lease payments recognised in Statement of Profit & Loss is ₹ 113.76 Lakhs (Previous Year ₹ 52.69 Lakhs).

Leila Lands Sendirian Berhad Group (LLSB):

The LLSB leases certain property under lease agreements that are non-cancellable within a year from the date of contract. The leases expire at various dates until 2015 and contain provision for rental adjustments.

Future minimum lease payments for all leases with initial or remaining terms of one year or more are as follows:

	₹ in Lakhs	
	Current Year	<i>Previous Year</i>
Within 1 year	326.06	<i>190.02</i>
Later than 1 year and not later than 5 years	74.25	<i>261.95</i>
Total Present value of Minimum Installments	400.31	<i>451.97</i>

BIL Group:

The BIL Group has certain operating leases for land, office facilities and residential premises (cancellable as well as non-cancellable leases). Such leases are generally with the option of renewal against increased rent and premature termination of agreement (except non-cancellable leases). Rental expenses of ₹ 737 Lakhs (Previous Year: ₹ 873 Lakhs) and ₹ 23 Lakhs (Previous Year: ₹ 21 Lakhs) in respect of obligation under cancellable and non-cancellable operating leases respectively have been recognised in the statement of profit and loss. With respect to Al Sallan Food Industries Company (SAOC), the Company has taken on lease a plot of land for factory premises at Sohar from the Public Establishment for Industrial Estates ("PEIE") for a period of 25 years from 1 January 1994 which is renewable thereafter for a further period of 25 years.

Future obligations of lease rentals applicable to above leased assets aggregate to ₹ 110 Lakhs (Previous Year: ₹ 121 Lakhs) and are due:

	₹ in Lakhs	
	Current Year	<i>Previous Year</i>
Not later than 1 year	23.00	<i>21.00</i>
Later than 1 year and not later than 5 years	87.00	<i>84.00</i>
later than 5 years	—	<i>16.00</i>
	110.00	<i>121.00</i>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(B) Finance Lease:

BIL Group:

The Group has taken motor vehicles under finance leases. The total minimum lease payments and present value of minimum lease payments as at 31st March, 2014 are as follows:

	31st March, 2014		31st March, 2013	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
Not later than 1 year	17.00	11.00	20.00	14.00
Later than 1 year and not later than 5 years	39.00	34.00	48.00	41.00
	56.00	45.00	68.00	55.00

₹ in Lakhs

The difference between minimum lease payments and the present value of minimum lease payments of ₹ 11 Lakhs (Previous Year: ₹ 13 Lakhs) represents interest not due. The lease liability is secured by the relevant vehicles acquired under lease.

32. Earnings per Share:

Earnings per Share from Continuing Operations:

	Current Year ₹ in Lakhs	Previous Year ₹ in Lakhs
(A) Net Profit for calculation of Earnings per Share (numerator)	20,711.28	13,227.21
(B) Weighted Average number of equity shares (denominator) (Nos.)	6,97,71,900	6,97,71,900
(C) Basic and Diluted Earnings per share (A/B) (in ₹)	29.68	18.96
(D) Nominal value per equity share (in ₹)	2	2

Earnings per Share from Total Operations:

	Current Year ₹ in Lakhs	Previous Year ₹ in Lakhs
(A) Net Profit for calculation of Earnings per Share (numerator)	20,711.28	13,227.21
(B) Weighted Average number of equity shares (denominator) (Nos.)	6,97,71,900	6,97,71,900
(C) Basic and Diluted Earnings per share (A/B) (in ₹)	29.68	18.96
(D) Nominal value per equity share (in ₹)	2	2

33. Segment Information:

A. Primary Segment Reporting (by Business Segment)

(i) Composition of Business Segments

The Corporation's business segments based on product lines are as under:

➤ **Plantation Products**

Segment produces/trades in Tea, Coffee, Timber, Cardamom, Pepper and Rubber.

➤ **Auto Ancillary Products**

Segment manufactures Solenoids, switches, valves, slip rings etc. for automobile and other industries.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

- **Weighing Products**
Segment manufactures/trades in Analytical and Precision Balances and Weighing Scales.
- **Investments**
Segment invests in various securities listed as well as unlisted mainly on a long-term basis.
- **Dental Products**
Segment manufactures/trades in healthcare/dental products.
- **Horticulture**
Segment deals with decorative plants and landscaping services.
- **Real Estate**
Segment represents property development.
- **Food – Bakery and Dairy Products**
Segment represents bakery and dairy products.

(ii) Segment Revenues, Results and Other Information

(₹ in Lakhs)

	Plantation Products	Dental Products	Auto* Ancillary Products	Weighing Products	Investments	Real Estate	Continuing Operations			Total of Reportable Segments
							Horti-culture	Food – Bakery & Dairy Products		
Sales (Net of excise duty)	19,438.98 (16,013.42)	2,135.28 (1,804.10)	10,621.88 (9,799.63)	191.91 (237.25)	1,951.47 (—)	— (—)	5,203.06 (4,690.58)	689,270.00 (618,540.70)	728,812.58 (651,085.68)	
Other Income	92.25 (512.83)	0.61 (5.55)	7.85 (186.71)	3.65 (—)	113.05 (297.89)	— (—)	146.94 (—)	5,360.00 (—)	5,724.35 (1,002.98)	
Segment Revenues	19,531.24 (16,526.25)	2,135.89 (1,809.65)	10,629.73 (9,986.34)	195.56 (237.25)	2,064.52 (297.89)	— (—)	5,350.00 (4,690.58)	694,630.00 (618,540.70)	734,536.94 (652,088.66)	
Segment Results	1,116.85 (1,358.21)	398.01 (380.83)	1,497.56 (1,208.43)	17.04 (49.10)	1,116.39 (297.89)	- 25.51 (-13.20)	569.68 (448.43)	52,401.68 (34,502.00)	57,091.70 (38,231.69)	
Segment Assets	16,653.58 (18,733.65)	1,142.09 (1,068.86)	6,976.08 (7,423.10)	323.34 (344.92)	23,420.52 (34,506.14)	2,140.15 (1,987.71)	14,939.55 (3,542.82)	211,115.00 (188,347.00)	276,710.31 (255,954.21)	
Segment Liabilities	3,836.52 (3,123.80)	169.54 (164.10)	1,874.14 (1,695.71)	37.86 (40.84)	6,626.70 (—)	— (—)	5,790.25 (1,073.89)	171,182.32 (154,647.66)	189,517.33 (160,745.99)	
Capital Expenditure (included in segment assets)	991.90 (1,812.67)	25.17 (13.44)	284.89 (161.36)	0.17 (—)	0.40 (—)	— (—)	149.80 (131.01)	17,991.00 (21,295.00)	19,443.33 (23,413.48)	
Depreciation/ Amortisation	356.34 (397.37)	9.00 (10.94)	252.47 (226.00)	13.12 (13.62)	— (—)	0.30 (0.30)	341.57 (313.00)	8,371.99 (7,315.00)	9,344.79 (8,276.23)	

(Figures in brackets are in respect of the previous year).

* Erstwhile Electromagns Automotive Products Private Limited has been classified as an Auto Ancillary Division under 'Continuing Operations' with effect from 1st April, 2011.

**Auto Ancillary Division pertains to BCL Springs, whose operations have been discontinued from 30th November, 2011.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(iii) Reconciliation of Reportable Segments with the Financial Statements

	Revenues	Results/Net Profit/Loss	Assets	Liabilities	Capital Expenditure	(₹ in Lakhs) Depreciation/Amortisation
Total of Reportable Segments	734,536.94 (652,088.66)	57,091.70 (38,231.69)	276,710.31 (255,954.21)	189,517.33 (160,745.99)	19,443.33 (23,413.48)	9,344.79 (8,276.23)
Corporate/Unallocated Segment	420.97 (7,520.17)	5,112.35* (5,150.55)*	91,457.44 (87,555.87)	49,243.73 (66,987.82)	16.83 (49.96)	76.50 (39.84)
Less: Interest		- 4,316.79 (- 7,110.88)				
Less: Taxes		- 17,692.99 (- 10,291.64)				
Less: Net Intra/Inter segment transactions		- 19,482.99 (- 12,752.37)				
As per Financial Statement	734,957.91 (659,608.83)	20,711.28 (13,227.21)	368,167.75 (343,510.08)	238,761.06 (227,733.81)	19,460.16 (23,463.44)	9,421.29 (8,316.07)

(Figures in brackets are in respect of the previous year).

* Comprising Profit on sale of undertakings, fixed assets, Management Charges recovered and Loss on Exchange (net).

B. Secondary Segment Reporting (by Geographical Segment)

	Domestic	Exports*	Total
Revenues	713,915.19 (637,321.55)	21,042.72 (22,287.28)	734,957.91 (659,608.83)
Total Assets	343,210.05 (251,462.99)	24,957.70 (92,047.09)	368,167.75 (343,510.08)
Capital Expenditure	19,292.18 (23,329.03)	167.98 (134.41)	19,460.16 (23,463.44)

(Figures in brackets are in respect of the previous year).

* It includes revenues and assets of foreign branches and foreign subsidiaries.

34. Related Party Disclosures

Related party disclosures as required by (AS-18) "Related Party Disclosures" are given below:

(1) Key Management Personnel:*

Mr. Ashok Panjwani – Managing Director, BBTCL
 Mr. Ness Wadia – Managing Director, BBTCL
 Ms. Vinita Bali – Erstwhile Managing Director, BIL
 Mr. Varun Berry – Managing Director, BIL
 Mr. Jayant S. Gadgil – Director
 Mr. Albert Geow Chwee Hiam – Director
 Dr. Chua Eng Sian – Director
 Michael Lim Hee Kiang – Director
 Rabindra Santhanasegira – Director
 Patrick Kennedy Cassels – Director
 Tai Yit Chan – Director
 Irene Liew – Director

* Mr. Varun Berry was appointed as Executive Director (w.e.f. 11 November 2013). Further, effective from 1 April, 2014, Mr. Varun Berry has been appointed as Managing Director of the Company. Ms. Vinita Bali has ceased to be Managing Director of the Company effective 1 April, 2014.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(2) Associates:

Lotus Viniyog Private Limited.
 Roshnara Investment & Trading Company Private Limited.
 Cincinnati Investment & Trading Company Private Limited.
 Lima Investment & Trading Company Private Limited.
 Shadhak Investment & Trading Private Limited.
 MSIL Investments Private Limited.
 Inor Medical Products Limited
 Medical Microtechnology Limited
 Klassik Foods Private Limited
 Nalanda Biscuits Company Limited
 Vasna Agrex and Herbs Private Limited
 Snacko Bisc Private Limited
 Appear Dream Limited U.K. (disposed off during the year)
 Ink (Clothing) Limited U.K. (disposed off during the year)

(3) Other related parties:

Go Airlines (India) Limited

(4) The following transactions were carried out with the related parties in ordinary course of business.

Details relating to the parties referred to in items 1 and 2 above:

Details	Relationship	(₹ in Lakhs)	
		Year ended 31st March, 2014	Year ended 31st March, 2013
Purchase of finished goods/consumables and ingredients			
Nalanda Biscuits Company Limited	Associate	6,401.00	1,953.00
Conversion charges paid			
Klassik Foods Private Limited	Associate	420.00	355.00
Rent Received			
Inor Medical Products	Associates	69.30	78.16
Shared Expenses			
Inor Medical Products	Associates	65.00	65.00
Expenses Charged by them			
Inor Medical Products	Associates	—	37.93
Expenses Charged to them			
Inor Medical Products	Associates	0.24	10.30
Interest and dividend income			
Inor Medical Products	Associates	121.13	113.74
Go Airlines Limited	Other related party	535.91	598.25
Dividend Paid			
Mr. Ness Wadia	KMP	0.15	0.07
Loan given to Directors			
Mr. Ashok Panjwani	KMP	—	50.00
Interest on loan given to Directors			
Mr. Ashok Panjwani	KMP	1.50	1.45
Dividend Received			
Inor Medical Products	Associates	—	1.44
Commission Received			
Inor Medical Products	Associates	48.44	55.06
Management contracts including secondment of employees, net			
Lotus Viniyog	Associates	—	1.87

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Details	Relationship	Year ended 31st March, 2014	Year ended 31st March, 2013
Remuneration#			
Mr. Ashok Panjwani	KMP	230.83	205.39
Mr. Ness Wadia	KMP	243.52	190.03
Ms. Vinita Bali	KMP	411.00	410.00
Mr. Varun Berry##	KMP	116.00	—
Mr. Jayant Gadgil, Mr. Albert Geow Chwee Hiam, Mr. Patrick Kennedy Cassels, Ms. Tai Yit Chan, Ms. Irene Liew, Indrajit Chaterjee, Tan Wee Sin	KMP	240.04	193.21
Total		1,178.63	1,061.79
# excludes Contribution to employee retirement/post retirement and other employee benefits which are based on actuarial valuation done on an overall company basis.			
## Mr. Varun Berry was appointed as Executive Director w.e.f. 11 November 2013, thus, the remuneration disclosed above is for the proportionate period. Further, effective from 1 April 2014, Mr. Varun Berry has been appointed as Managing Director of the Company.			
Consideration received on share allotment under ESOS			
Ms. Vinita Bali	KMP	1,353.00	144.00
Shares allotted under employee stock option scheme for consideration received during the previous year (2012-13)			
Ms. Vinita Bali	KMP	229.00	—
Consideration received for share application money (pending allotment) on exercise of options			
Ms. Vinita Bali	KMP	—	229.00
Share of Current Year Profit/(Loss)			
Klassik Foods Private Limited	Associates	4.00	1.00
Nalanda Biscuits Company Limited	Associates	31.00	31.00
Roshnara Investments & Trading Company Private Limited	Associates	(0.05)	(0.03)
Cincinnati Investment & Trading Company Private Limited	Associates	(0.08)	(0.04)
Lima Investment & Trading Company Private Limited	Associates	(0.04)	(0.04)
Shadhak Investment & Trading Private Limited	Associates	(0.01)	(0.04)
Lotus Viniyog Private Limited	Associates	0.58	0.66
MSIL Investments Private Limited	Associates	(0.06)	(0.05)
Inor Medical Products Limited	Associates	(16.01)	(9.00)
Medical Microtechnology Limited	Associates	(0.03)	0.08
Total		(38.52)	(8.00)
Sale of Goods/consumables and ingredients			
Nalanda Biscuits Company Limited	Associates	77.00	158.00
Advance/Inter-Corporate deposits received			
Inor Medical Products	Associates	250.00	335.15
Go Airlines Limited	Other related party	2,930.00	9,300.00
Advance/Inter-Corporate deposits paid			
Inor Medical Products	Associates	—	159.84
Go Airlines Limited	Other related party	6,800.00	9,300.00

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Details	Relationship	Year ended 31st March, 2014	Year ended 31st March, 2013
Outstanding as at year end			
Net receivables/(payables)			
Klassik Foods Private Limited	Associates	(6.00)	27.00
Nalanda Biscuits Company Limited	Associates	70.00	92.00
Inor Medical Products	Associates	1,182.28	1,136.45
Go Airlines Limited	Other related party	3,870.00	—
Lotus Viniyog	Associates	7.27	7.27
Mr. Ashok Panjwani	KMP	50.00	50.00
Total		5,173.55	1,312.72
Interest Accrued			
Go Airlines Limited	Other related party	34.02	105.20
Outstanding Amount payable			
Inor Medical Products Limited	Associates	7.72	42.01
Investments (Including goodwill)			
Klassik Foods Private Limited	Associates	91.00	104.00
Nalanda Biscuits Company Limited	Associates	(22.00)	9.00
Vasna Agrex and Herbs Private Limited	Associates	1.00	1.00
Roshnara Investments & Trading Company Private Limited	Associates	4.65	4.70
Cincinnati Investment & Trading Company Private Limited	Associates	4.63	4.71
Lima Investment & Trading Company Private Limited	Associates	4.68	4.72
Shadhak Investment & Trading Private Limited	Associates	4.70	4.71
Lotus Viniyog Private Limited	Associates	35.09	34.51
MSIL Investments Private Limited	Associates	4.62	4.68
Inor Medical Products Limited	Associates	84.05	100.06
Medical Microtechnology Limited	Associates	4.29	4.32
Ink (Clothing) Limited U.K.*	Associates	—	81.84
Total		358.51	396.68

* Disposed off during the year

Provision for Investment

Vasna Agrex and Herbs Private Limited	Associates	1.00	1.00
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Notes:

- (i) The above does not include related party transactions with retiral funds, as key management personnel who are trustees of the funds cannot individually exercise significant influence on the retiral funds transactions.
- (ii) The above information has been determined to the extent such parties have been identified on the basis of information available with the Group and relied upon by the Auditors.

35. The following are the details of goodwill/ capital reserve included in investments in associates made by the Corporation/Subsidiaries of the Corporation (other than for associates of BIL Group).

Name of the Associate	Amount of Goodwill/(Capital Reserve)
Shadhak Investments & Trading Private Limited	0.09 (0.09)
MSIL Investments Private Limited	0.06 (0.06)
Lima Investments & Trading Company Private Limited	0.23 (0.23)
Lotus Viniyog Private Limited	2.02 (2.02)
Roshnara Investments & Trading Company Private Limited	0.17 (0.17)
Cincinnati Investments & Trading Company Private Limited	0.04 (0.04)
Inor Medical Products Limited	5.45 (5.45)
Medical Microtechnology Limited	0.23 (0.23)

(Figures in brackets are in respect of the previous year).

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

36. In accordance with AS 29 – “Provisions, Contingent Liabilities and Contingent Assets”, issued by the Institute of Chartered Accountants of India, certain classes of liabilities have been identified as provisions.

(a) Disclosed by the BIL Group as under:

	(₹ in Lakhs)				
	<i>31st March, 2013</i>	Additions*	Utilisation*	Reversals/ adjustments*	31st March, 2014
(i) Excise related issues	2,872.00	1069.00	—	—	3,941.00
(ii) Sales tax and other issues	3,885.00	986.00	(31.00)	18.00	4,858.00
(iii) Trade and other issues	3,276.00	20.00	(31.00)	(1397.00)	1,868.00

* Included under various heads in statement of profit and loss.

(i) and (ii) represents estimates made for probable cash outflow arising out of pending disputes/litigations with various regulatory authorities.

(iii) represents provisions made for probable liabilities/claims arising out of commercial transactions with vendors/others. Further disclosures as required in Accounting Standard 29 are not made since it can be prejudicial to the interests of the Company.

(b) Provision for contingencies of ₹ **190 Lakhs** (*Previous Year ₹ 415 Lakhs*) represents a part amount provided for against the contingent liabilities with regards to the disputed demands for excise duties, wages and damages and interest as described in Note 28 on the basis of a fair estimate by the Corporation. The carrying amount at the beginning of the year was ₹ **415 Lakhs** of which an amount of ₹ **225 Lakhs** has been used and reversed towards Employees Benefit expenses during the year and the balance of ₹ **190 Lakhs** is carried forward at the end of the year.

37. Disclosure as required under Accounting Standard (AS) 15 (Revised)

A. BBTCL: DEFINED CONTRIBUTION PLAN

Contribution to Defined Contribution Plan, recognized as expense for the year are as under:

	(₹ in Lakhs)	
	2013-14	<i>2012-13</i>
Employer's Contribution to Provident Fund*	335.47	277.77
Employer's Contribution to Superannuation Fund	74.15	64.06

* With regard to the assets of fund and return on investments, the Corporation does not expect any deficiency in foreseeable nature.

DEFINED BENEFIT PLAN – GRATUITY**I. Reconciliation of Opening and Closing balances of Defined Benefit Obligation**

	(₹ in Lakhs)	
	2013-14	<i>2012-13</i>
Liability at the beginning of the year	1,885.66	1,243.58
Add : Taken over from the erstwhile Electromags Automotive Products Pvt. Ltd.	—	43.09
Interest cost	163.95	109.33
Current Service cost	129.32	80.70
Liability transfer in	—	21.82
Benefits paid	(185.74)	(193.18)
Actuarial (Gain)/Loss on Obligations	237.56	580.32
Liability at end of the year	2,230.75	1,885.66

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	2013-14	(₹ in Lakhs) 2012-13
II. Reconciliation of Opening and Closing balances of Fair Value of Plan Assets		
Fair value of plan assets as at the beginning of the year	1,668.69	1,350.95
Add: Taken over from the erstwhile Electromags Automotive Products Pvt. Ltd.	—	27.64
Expected Returns on Plan Assets	133.43	118.61
Contributions	183.20	159.35
Benefits Paid	(185.74)	(193.18)
Actuarial Gain/(Loss) on Plan Assets	(16.52)	205.32
Fair value of plan assets as at the end of the year	1,783.06	1,668.69
III. Actual Return on Plan Assets		
Expected Return on Plan Assets	133.43	118.61
Actuarial Gain/(Loss) on Plan Assets	(16.52)	205.32
Actual Return on Plan Assets	116.91	323.93
IV. Amount recognized in the Balance Sheet		
Liability at the end of the year	2,230.75	1,885.66
Fair value of Plan Assets at the end of the year	1,783.06	1,668.69
Difference	447.69	216.97
Asset/Liability recognised in the balance sheet	447.69	216.97
V. Expense recognized in the Statement of Profit and Loss		
Current Service Cost	129.32	80.70
Interest Cost	163.95	109.33
Expected Return on Plan Assets	(133.43)	(118.61)
Actuarial (Gain)/Loss	254.08	375.00
Expense recognized in the P&L A/c	413.92	446.42
VI. Investment Details		
Central Government Securities	2.46%	3.15%
PSU Bonds	2.71%	2.96%
Special Deposit Scheme	—	—
State Government Securities	0.56%	0.20%
Property	—	—
Others (Bank Balance)	2.33%	1.70%
Insurer Managed Funds	91.94%	91.99%
Total	100%	100%
VII. Actuarial assumptions used		
Mortality Table	2013-14 Indian Assured Ultimate (2006-08)	2012-13 1994-96 LIC Ultimate
Discount rate	9.15%	8.50%
Rate of return on Plan Assets	8.00%	8.60%
Salary escalation rate	5.00%	5.00%
VIII. Prescribed Contribution for next year		
Prescribed Contribution for next year	166.77	261.99

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**IX. Experience Adjustment**

	31.03.2014	<i>31.03.2013</i>	<i>31.03.2012</i>	<i>31.03.2011</i>	<i>31.03.2010</i>
Fair Value of Plan Assets	1,783.06	<i>1,668.69</i>	<i>1,350.95</i>	<i>1,310.17</i>	<i>1,359.79</i>
Defined Benefit Obligation	2,230.75	<i>1,885.66</i>	<i>1,243.58</i>	<i>1,139.58</i>	<i>1,359.64</i>
Actuarial (Gain)/Loss on Plan Assets	(16.52)	<i>205.32</i>	<i>23.62</i>	<i>(24.31)</i>	<i>54.52</i>
Actuarial (Gain)/Loss on Defined Benefit Obligation	237.56	<i>580.32</i>	<i>(255.29)</i>	<i>(251.52)</i>	<i>38.89</i>

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The above information is certified by the Actuary.

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the Corporation's policy for plan assets management.

B. BIL : POST-RETIREMENT EMPLOYEE BENEFITS (₹ in Lakhs)**I. DEFINED CONTRIBUTION PLAN**

The Company has recognised an amount of ₹ **830.00 Lakhs** (*Previous Year ₹ 800.00 Lakhs*) as expenses under the defined contribution plans in the statement of profit and loss for the year:

	31st March, 2014	<i>31st March, 2013</i>
Benefit (Contribution to)		
Provident Fund*	508.00	<i>473.00</i>
Family Pension Scheme	152.00	<i>137.00</i>
Pension Fund	113.00	<i>132.00</i>
ESI	57.00	<i>58.00</i>
Total	830.00	<i>800.00</i>

* With regard to the assets of the Fund and the return on the investments, the BIL Group does not expect any deficiency in the foreseeable future.

II. DEFINED BENEFIT PLAN

The BIL Group makes annual contributions to the Britannia Industries Limited Covenanted Staff Gratuity Fund and Britannia Industries Limited Non Covenanted Staff Gratuity Fund, which are funded defined benefit plans for qualifying employees.

- (i) The Scheme in relation to Britannia Industries Limited Non Covenanted Staff Gratuity Fund provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months subject to the maximum amount payable as per the Payment of Gratuity Act, 1972.
- (ii) The Scheme in relation to Britannia Industries Limited Covenanted Staff Gratuity Fund provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months subject to the higher of maximum amount payable as per the Payment of Gratuity Act, 1972 and twenty months salary.

Vesting (for both the funds mentioned above) occurs only upon completion of five years of service, except in case of death or permanent disability. The present value of the defined benefit obligation and the related current service cost are measured using the projected unit credit method with actuarial valuation being carried out at Balance Sheet date.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. Reconciliation of Opening and Closing balances of the present value of the defined benefit obligation:		(₹ in Lakhs)
	31st March, 2014	31st March, 2013
Obligations at 1 April	2,154.00	1,961.00
Service cost	143.00	124.00
Interest cost	174.00	166.00
Benefits settled	(259.00)	(256.00)
Actuarial (gain)/loss	(58.00)	159.00
On acquisition	—	—
Obligations at the year-end 31st March	2,154.00	2,154.00
2. Change in Plan Assets		
Plan assets at 1 April at fair value – On Acquisition	2,149.00	2,052.00
Expected return on plan assets	187.00	175.00
Actuarial gain/(loss)	(9.00)	(4.00)
Contributions	219.00	182.00
Benefit Settled	(259.00)	(256.00)
Plan assets at 31 March at fair value	2,287.00	2,149.00
3. Reconciliation of present value of the obligation and the fair value of the plan assets		
Present value of obligation as at 31st March	2,154.00	2,154.00
Plan assets at 31st March at fair value	2,287.00	2,149.00
Amount recognised in Balance Sheet Asset/(Liability)	(133.00)	(5.00)
4. Expenses recognised in the statement of Profit and Loss		
Current Service Cost	143.00	124.00
Interest Cost	174.00	166.00
Expected Return on Plan Assets	(187.00)	(175.00)
Actuarial (Gain)/Loss	(49.00)	163.00
Net Cost	81.00	278.00
5. Amount recognised in the Balance Sheet		
Opening net liability-On Acquisition	(5.00)	(91.00)
Expense as above	81.00	278.00
Employers Contribution paid	(219.00)	(182.00)
Closing net liability	(133.00)	5.00
6. Investment Details		
	% Invested	% Invested
Government of India securities	17.54	20.85
State Government securities	20.42	17.70
Public sector securities	34.50	35.54
Mutual funds	1.15	0.80
Special deposit scheme	2.59	2.94
Others	23.80	22.17
	100.00	100.00
7. Principal Actuarial Assumptions		
Discount Factor	9.02%	8.00%
Estimated Rate of Return on Plan Assets	9.02%	8.00%
Attrition rate		
➤ Age Related	4.00%	2.00%
➤ Service Related	14.00%	14.00%
Salary escalation rate	5.00%	5.00%
Retirement age (in years)	58	58

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

8. Experience Adjustment

	31st March, 2014	31st March, 2013	31st March, 2012	31st March, 2011	31st March, 2010
Fair Value of Plan Assets	2,287.00	2,149.00	2,052.00	2,128.00	2,019.00
Defined Benefit Obligation	2,154.00	2,154.00	1,961.00	2,035.00	2,009.00
Actuarial (Gain)/Loss on Plan Assets	(9.00)	(4.00)	(16.00)	7.00	10.00
Actuarial (Gain)/Loss on Defined Benefit Obligation	(58.00)	159.00	3.00	13.00	4.00

Notes:

- (i) The discount rate is based on the prevailing market yield on Government Securities as at the balance sheet date for the estimated term of obligations.
- (ii) The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the Company's policy for plan asset management.
- (iii) The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.
- (iv) The disclosure above includes amounts for both Britannia Industries Limited Covenanted Staff' Gratuity Fund and Britannia Industries Limited Non Covenanted Staff' Gratuity Fund and amounts relating to other group companies.

C. The charge for retirement benefits of Al Sallan Food Industries Company SAOC and Strategic Food International Co. LLC, Dubai has been calculated in accordance with the laws applicable in their countries of incorporation which amounts to ₹ **241 Lakhs** (Previous year ₹ 181 Lakhs).

38. In April 2007, the Commissioner of Income Tax (CIT), Kolkata issued a notice to BIL's (the Company's) Covenanted Staff Pension Fund (BILCSPF) asking it to show cause why recognition granted to the Fund should not be withdrawn for refunding in the year 2004, the excess contribution of ₹ **1,211.99 Lakhs** (Previous Year ₹ 1,211.99 Lakhs) received by it in earlier years. The Single Judge of the Calcutta High Court, on a writ petition, granted a stay restraining the CIT from proceeding with the show case notice but with a direction to BIL to deposit ₹ **1,211.99 Lakhs** (Previous Year ₹ 1,211.99 Lakhs) (included in Deposits under Schedule 10) with a nationalized bank in the name of the Fund. On appeal, the Division Bench of the Calcutta High Court disposed off the writ petition pending before the Single Judge. The Fund filed a Special Leave Petition before the Supreme Court against the order of the Division Bench. The Supreme Court at its hearing on 12 May 2008 has set aside the order of the Division Bench of the Calcutta High Court. As a condition of the stay order granted, the Company has, under protest, made the deposit as per the direction of Hon'ble Calcutta High Court.

Pursuant to the directions of the Honourable Madras High Court, the CIT, Kolkata passed orders rejecting the deeds of variation submitted in May 2005 by the Company's Pension Funds on technical grounds. The Company preferred appeals before the Central Board of Direct Taxes (CBDT), New Delhi challenging the orders of the CIT. CBDT passed Orders in the said appeals in March 2011 directing the Company inter alia to submit deeds of variation incorporating the modifications in line with the directions made in the Orders effective 1 November 2004. The modified deeds of variation in line with the directions contained in the CBDT Orders have already been filed with the CIT, Kolkata, for his approval. In writ petitions filed by some of the pensioners in the Honourable Madras High Court and by the Pensioners Welfare Association in the Honourable Calcutta High Court, the Honourable High Courts have passed interim orders restraining the CIT, Kolkata, from approving the deeds of variation pending disposal of the writ petitions.

39. A suit was filed by the Britannia Industries Limited Pensioners Welfare Association (the Association) in the Honourable City Civil Court and Sessions Judge, Bangalore, where the Honourable Court passed interim orders on 1 January 2009 and 10 February 2009, directing the Funds to pay pension to the Members in accordance with the computation made and submitted by the Pension Funds to the Court. This computation was on a defined contribution basis, and is consistent with the pension offered by the Pension Funds to eligible employees at the time of their retirement/exit. The Funds have been complying with the said order. In April, 2010, the Honourable Judge passed another interim order requiring the Funds to pay pension as per Rule 11(a) of the Pension Fund Rules, i.e. on "Defined Benefit Basis", and gave the Funds two months' time for complying with the order. In an appeal filed against this Order in the

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Honourable Karnataka High Court, the Honourable Karnataka High Court in April 2010 modified the Trial Court's order so as to extend the time limit from two months to three months and in July 2010, further modified the Trial Court's order directing inter alia that the pension shall be paid as per Rule 11(a) from the date of filing of the suit by the Association in the Honourable Bangalore City Civil Court, i.e. with effect from 17th June, 2008. The Company filed Special Leave Petitions (SLPs) in the Honourable Supreme Court against the above order of the Honourable Karnataka High Court. The Honourable Supreme Court passed an order in January 2011 disposing of the SLPs and directing inter alia that the interim order passed by it in September 2010 directing that the Pension Funds should continue to pay pension as per the interim order passed by the Bangalore City Civil Court on 1 January 2009 would continue till disposal of the suit by the Trial Court. The proceedings in the main suit are currently in progress in the Honourable Bangalore City Civil Court and Sessions Judge. However, in the meanwhile the Association further filed an application stating certain members have joined the Association post retirement from BIL and are eligible for Pension and hence the Court should direct BIL and the fund to pay the Pension to these employees. BIL and the Fund filed their objections to this application on 31 August, 2013.

The Company believes, based on current knowledge and after consultation with eminent legal counsel that the resolution of the matter will not have material adverse effect on the financial statements of the Company.

40. With respect to Al Sallan Food Industries Co. SAOC, the Company's income tax assessments for the year 2008 to 2012 have not been agreed with the Secretariat General for Taxation at the Ministry of Finance, Oman. Management believes that additional taxes, if any, that may become payable on finalisation of the assessments in respect of these open years would not be material to the Company's financial position as at 31 March 2014. No tax has been recognised due to carried forward accumulated losses of prior years.

41. Managerial Remuneration paid for the year 2013-2014

- (1) Remuneration paid to Mr. Ashok Panjwani: ₹ **230.83 Lakhs** (*Previous Year ₹ 205.39 Lakhs*), as minimum remuneration in terms of approval of shareholders and Schedule XIII of the Companies Act, 1956, subject to the approval of Central Government if and to the extent necessary.

By virtue of Gen Circular 46/2011 dated 14.07.2011 of the Ministry of Corporate Affairs, the remuneration paid to Mr. Ashok Panjwani, although in excess of the limits prescribed under Schedule XIII of the Companies Act, 1956 due to inadequacy of profit, does not require any further approval from the Central Government since he satisfies both conditions of exemption viz. being a qualified professional director and not having any direct/ indirect interest in the capital of the Corporation under the said circular.

- (2) Remuneration paid to Mr. Ness Wadia: ₹ **243.52 Lakhs** (*Previous Year ₹ 190.03 Lakhs*), as minimum remuneration in terms of approval of shareholders and Schedule XIII of the Companies Act, 1956, subject to the approval of Central Government if and to the extent necessary.

In view of inadequacy of profit the Corporation has made an application to the Central Government for approval to the payment of the said remuneration which is in excess of the limits prescribed by Schedule XIII of the Companies Act, 1956 to the extent of ₹ 192.55 Lakhs. The application has been made as Mr. Ness Wadia holds direct and indirect interest in the capital of the Corporation, although the condition of holding professional qualification is satisfied under the said circular.

42. Capital Subsidy:

During the year ended 31 March, 2013, an amount of ₹ 500 lacs was received towards capital subsidy for the Hajipur Factory, Bihar in accordance with the State Industrial Policy of Bihar. Out of this, an amount of ₹ **54 Lacs** (*Previous Year ₹ 18 Lacs*) has been credited to the statement of profit and loss (by reducing the depreciation charge for the year) and the outstanding amount of ₹ **428 Lacs** (*Previous Year ₹ 482 Lacs*) has been classified as capitalsubsidy in the balance sheet [Refer note S(iii)].

43. In respect of BIL, previous year's figures have been regrouped/reclassified as per the current year's presentation for the purpose of comparability. The following significant regroupings/reclassifications of the previous year have been made:

Particulars	Previous year grouping	Previous year grouping	Amount
Excise and service tax related issues	Long-term provisions	Short-term provisions	2,872.00
Sales tax and other issues	Long-term provisions	Short-term provisions	3,885.00
Trade and other issues	Long-term provisions	Short-term provisions	3,276.00
Provision for Income tax	Long-term provisions	Short-term provisions	3,790.00

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

44. Export benefits / Incentives are accounted on accrual basis. Accordingly, on the Balance Sheet date, in respect of Exports made, estimated benefit of ₹ **267.23 Lakhs** (*Previous year ₹ 337.41 Lakhs*) has been taken into account for the year as incentive on accrual basis under the pass book scheme. Subsequent to that, the Corporation has utilized the said entitlement of ₹ **267.23 Lakhs** (*Previous Year ₹ 337.41 Lakhs*).
45. Derivative contracts:
 BIL (the Company) has entered into the following derivative contracts for hedging its borrowings and interest costs in foreign currencies:
 Foreign Currency Forward Contracts: The Company has entered into foreign exchange forward contracts for hedging the foreign exchange fluctuation risks on foreign currency payables/loans, which has been accounted for in line with Accounting Standard 11 – “The Effects of Changes in Foreign Exchange Rates”. Accordingly, the amount receivable of ₹ **Nil** (*Previous Year: ₹ 2,571 Lakhs*) and loan payable of ₹ **Nil** (*Previous Year: ₹ 2,008.00 Lakhs*), relating to foreign exchange forward contracts for hedging have been netted off and disclosed under ‘Short-term loans and advances’.
 The Company has designated certain foreign exchange forward contracts (relating to foreign currency receivables and payables) outstanding as on 31 March 2014 as hedge of committed transaction. On that date, the Company had forward contracts amounting to **USD 2,686,908** and **EUR 58,287** (*Previous year: USD 1,741,026 and EUR 39,150*). As at the year end the unrealized exchange gain of ₹ **55 Lakhs** has not been accounted for (*Previous year: unrealized exchange loss of ₹ 5 Lakhs was accounted for*) (arrived on a mark to market basis) in line with the ICAI notification issued in March 2008.
 The foreign currency exposures not hedged towards payables/receivables as at the year end, amount to **USD Nil/₹ Nil** (*Previous Year: USD 185,294/₹ 101 Lakhs*).
46. In the case of BBTCL Group, on the basis of confirmation obtained from suppliers who have registered under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) and based on the information available with the Corporation the balance due to Micro & Small Enterprises as defined under the MSMED Act, 2006 is ₹ **Nil** (*Previous Year ₹ Nil*). Further, no interest during the year has been paid/ or is payable/accrued under the terms of the MSMED Act, 2006.
 For the BIL Group, trade payables due to Micro, Small and Medium Enterprises is ₹ **453 Lakhs** (*Previous Year ₹ 596 Lakhs*).
47. In the earlier years, the Corporation took up development of Real Estate in the vacant properties at Pune, Coimbatore and Mumbai, and converted these assets as stock-in-trade at cost.
48. Adjustment of erstwhile EAPL’s profits, ₹ **Nil** (*Previous Year ₹ 139.64 Lakhs*), dividend adjustment of ₹ **4977.36 Lakhs** (*Previous Year ₹ 4,857.00 Lakhs*), dividend distribution tax adjustment of ₹ **3 Lakhs** (*Previous Year ₹ 1,647 Lakhs*), General Reserve adjustment ₹ **Nil** (*Previous Year ₹ 951.93 Lakhs*), pertains to the previous year.
49. Figures in respect of current financial year have been rounded off to the nearest thousand and are expressed in terms of decimals of Lakhs.

For B S R & Co. & LLP
 Chartered Accountants
 Firm’s Registration No. 101248W
 Vinayak Padwal
 Partner
 Membership No. 049639
 Mumbai,
 Dated : 27th May, 2014

For and on behalf of the Board

	NUSLI N. WADIA <i>Chairman</i>
	A. K. HIRJEE <i>Vice Chairman</i>
	M. L. APTE <i>Director</i>
	D. E. UDWADIA <i>Director</i>
A. PANJWANI <i>Managing Director</i>	JEH WADIA <i>Director</i>
N. H. DATANWALA <i>Vice President Corporate & Co. Secretary</i>	VINITA BALI <i>Director</i>

The Bombay Burmah Trading Corporation, Limited

Summarised Statement of financials of subsidiary companies pursuant to approval under Section 212(8) of the Companies Act, 1956.

(₹ in Lakhs)

Sr. No.	Name of Subsidiary	Afco Industrial & Chemicals Ltd.	DPI Products & Services of India Ltd.	Sea Wind Investment & Trading Co. Ltd.	Subham Vinayog Pvt. Ltd.	Britannia Industries Limited	Boribunder Finance & Investments Private Limited	Britannia Dairy Private Limited
1.	Capital	76.05	20.00	5.98	40.00	2,399.00	267.10	1,178.00
2.	Reserves	(23.22)	235.82	148.98	(11.23)	82,947.04	(131.52)	4,495.00
3.	Total Assets	96.76	332.23	158.35	44.87	184,444.04	137.95	8,538.00
4.	Total Liabilities	43.92	76.41	3.39	16.10	99,098.00	2.37	2,865.00
5.	Investments (except in subsidiaries)							
	(a) Government Securities	—	—	—	—	—	—	—
	(b) Quoted Equity Shares	34.31	245.05	0.05	0.57	646.00	—	—
	(c) Unquoted Equity Shares	0.95	0.95	56.19	—	0.60	—	—
	(d) Debentures	—	—	—	—	2,500.00	—	—
	(e) Others	—	—	—	—	599.00	1.20	1,931.00
	Total Investments	35.26	246.00	56.24	0.84	3,745.60	1.20	1,931.00
6.	Turnover	49.71	2.83	5.86	0.05	623,209.00	—	30,432.00
7.	Profit Before Tax	(3.77)	0.30	(6.45)	(1.04)	54,262.04	(0.84)	1,067.00
8.	Provision for Tax (including deferred tax)	—	—	(1.14)	—	(17,279.00)	—	—
9.	Profit After Tax *	(3.77)	0.30	(7.59)	(1.04)	36,983.04	(0.84)	1,067.00
10.	Proposed Dividend ** (excluding Tax on Dividend)	—	—	—	—	14,391.00	—	—
11.	Original Currency	INR	INR	INR	INR	INR	INR	INR
12.	Exchange rate as on: 31st March 2013 (in INR)	1.00	1.00	1.00	1.00	1.00	1.00	1.00

* Profit After Tax is adjusted for Excess/Short Provision of taxes of previous years.

** Includes Interim and final dividend, whether paid or proposed.

(₹ in Lakhs)

Britannia Employees' Educational Welfare Association Private Limited	Britannia Employees' General Welfare Association Private Limited	Britannia Employees' Medical Welfare Association Private Limited	Daily Bread Gourmet Foods Private Limited	Flora Investments Company Private Limited	Ganges Vally Foods Private Limited	Gilt Edge Finance & Investments Private Limited	International Bakery Products Limited	J B Mangharam Foods Private Limited
17.52	17.50	18.00	2,267.26	28.43	60.00	24.98	50.00	45.02
11.56	10.36	8.09	(2,190.56)	146.88	383.31	154.67	107.24	385.56
29.61	28.64	26.63	943.34	177.72	747.41	182.10	1,297.55	2,707.70
0.53	0.78	0.54	866.64	2.41	304.10	2.45	1,140.31	2,277.12
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	0.40	—	—	—	—	—	0.54
—	—	0.40	—	—	—	—	—	0.54
1.60	1.51	1.31	2,009.00	—	1,691.87	—	1,812.09	2,562.47
0.99	1.15	0.95	(329.71)	(0.75)	42.73	(0.80)	43.83	38.24
(0.31)	(0.36)	(0.29)	—	—	(18.84)	—	(29.88)	(13.43)
0.68	0.79	0.66	(329.71)	(0.75)	23.89	(0.80)	13.95	24.81
—	—	—	—	—	—	—	—	—
INR	INR	INR	INR	INR	INR	INR	INR	INR
1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

The Bombay Burmah Trading Corporation, Limited

Summarised Statement of financials of subsidiary companies pursuant to approval under Section 212(8) of the Companies Act, 1956.

(₹ in Lakhs)

Sr. No.	Name of Subsidiary	Manna Foods Private Limited	Sunrise Biscuit Company Private Limited	Leila Lands Senderian Berhad	Island Horti-Tech Holding Pte Ltd.	Leila Lands Ltd.	Naira Holdings Ltd.	Island Landscape & Nursery Pte Ltd.
1.	Capital	37.50	1,419.95	8,608.91	949.69	0.12	601.00	1,044.66
2.	Reserves	(45.94)	117.13	9,105.55	4,351.87	37,588.47	26,735.44	2,114.50
3.	Total Assets	6,456.93	4,335.33	17,734.99	5,543.04	129,660.47	41,137.32	5,000.60
4.	Total Liabilities	6,465.37	2,798.25	20.53	241.48	92,071.87	13,800.89	1,841.44
5.	Investments (except in subsidiaries)							
	(a) Government Securities	—	—	—	—	—	—	—
	(b) Quoted Equity Shares	—	—	—	—	—	—	—
	(c) Unquoted Equity Shares	—	—	—	—	—	—	—
	(d) Debentures	—	—	—	—	—	—	—
	(e) Others	0.21	—	—	—	—	—	—
	Total Investments	0.21	—	—	—	—	—	—
6.	Turnover	2,940.02	14,418.98	58.35	127.97	5,108.48	709.50	5,618.66
7.	Profit Before Tax	(19.17)	10.38	478.35	87.51	3,563.52	(1,693.43)	497.36
8.	Provision for Tax (including deferred tax)	—	(8.13)	1.34	(5.06)	—	—	(71.22)
9.	Profit After Tax *	(19.17)	2.25	479.69	82.44	3,563.52	(1,693.43)	426.14
10.	Proposed Dividend ** (excluding Tax on Dividend)	—	—	—	—	—	—	—
11.	Original Currency	INR	INR	RM	S \$	US \$	US \$	S \$
12.	Exchange rate as on: 31st March 2013 (in INR)	1.00	1.00	18.27	47.48	60.10	60.10	47.48

* Profit After Tax is adjusted for Excess/Short Provision of taxes of previous years.

** Includes Interim and final dividend, whether paid or proposed.

(₹ in Lakhs)

Peninsula Landscape & Nursery Snd. Bhd.	Saikjaya Holdings Snd. Bhd.	Restpoint Investments Ltd.	Restpoint International Technology Corpn.	Innovative Organics Inc.	Granum Inc.	ABI Holdings Limited	Associated Biscuits International Ltd.	Britannia Brands Limited
—	91.36	0.79	—	1,427.55	720.53	4,988.28	1,597.60	—
—	123.67	3,946.02	—	1,783.52	—	19,174.93	1,231.21	7,755.24
—	216.19	3,948.83	—	3,729.59	2,659.41	26,640.00	7,351.96	8,846.97
—	1.16	2.02	—	518.51	1,938.88	2,476.79	4,523.15	1,091.73
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	0.01	35.14	421.19	—	5,110.39	5,417.96	5,478.21	2,708.98
(32.35)	(1.13)	45.90	420.28	(47.00)	196.34	5,375.61	5,418.07	2,700.18
—	—	—	—	15.98	(60.16)	—	—	—
(32.35)	(1.13)	45.90	420.28	(31.02)	136.18	5,375.61	5,418.07	2,700.18
—	—	—	—	—	136.18	5,417.96	5,417.96	2,708.98
RM	RM	US \$	US \$	US \$	US \$	GBP	GBP	GBP
18.27	18.27	60.10	60.10	60.10	60.10	99.85	99.85	99.85

The Bombay Burmah Trading Corporation, Limited

Summarised Statement of Financials of Subsidiary Companies pursuant to approval under Section 212(8) of the Companies Act, 1956

(₹ in Lakhs)

Sr. No.	Name of Subsidiary	Dowbiggin Enterprises Pte. Limited	Nacupa Enterprises Pte. Limited	Spargo Enterprises Pte. Limited	Valletort Enterprises Pte. Limited	Bannatyne Enterprises Pte. Limited
1.	Capital	233.43	233.44	233.50	233.51	225.84
2.	Reserves	12,999.15	12,989.52	12,979.95	12,983.35	12,847.78
3.	Total Assets	13,261.94	13,259.71	13,250.72	13,220.44	13,118.92
4.	Total Liabilities	29.36	36.75	37.26	3.58	45.29
5.	Investments (except in subsidiaries)					
	(a) Government Securities	—	—	—	—	—
	(b) Quoted Equity Shares	—	—	—	—	—
	(c) Unquoted Equity Shares	—	—	—	—	—
	(d) Debentures	—	—	—	—	—
	(e) Others	—	—	—	—	—
	Total Investments	—	—	—	—	—
6.	Turnover	222.51	222.80	222.68	218.83	220.75
7.	Profit Before Tax	218.97	219.26	219.15	214.77	217.12
8.	Provision for Tax (including deferred tax)	—	—	—	—	—
9.	Profit After Tax *	218.97	219.26	219.15	214.77	217.12
10.	Proposed Dividend ** (excluding Tax on Dividend)	115.12	115.12	115.12	115.12	115.12
11.	Original Currency	S \$	S \$	S \$	S \$	S \$
12.	Exchange rate as on: 31st March 2013 (in INR)	47.48	47.48	47.48	47.48	47.48

* Profit After Tax is adjusted for Excess/Short Provision of taxes of previous years

** Includes Interim and final dividend, whether paid or proposed

(₹ in Lakhs)

Al Sallan Food International Co. LLC, Dubai	Strategic Food International Co. LLC, Dubai	Britannia and Associates (Mauritius) Private Limited	Britannia and Associates (Dubai) Private Company Limited	Strategic Brands Holding Company Limited	Britannia Dairy Holdings Private Limited
3,136.40	3,205.80	14,647.58	0.16	0.16	4,455.19
(8,381.34)	(4,257.70)	(120.54)	(1,239.67)	(43.68)	(1,933.17)
6,641.92	15,764.92	26,604.16	25,429.47	0.41	2,523.32
11,886.86	16,816.82	12,077.12	26,668.99	43.93	1.29
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
13,564.09	27,223.30	378.83	386.45	—	—
(334.04)	474.23	58.08	(27.01)	(7.79)	(83.82)
—	—	(1.52)	—	—	—
(334.04)	474.23	56.56	(27.01)	(7.79)	(83.82)
—	—	—	—	—	—
OMR	AED	USD	USD	USD	USD
156.82	16.44	60.10	60.10	60.10	60.10

The Bombay Burmah Trading Corporation, Limited

10 YEARS' FINANCIAL REVIEW

(₹ in Lakhs)

	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
FINANCIAL POSITION									
Share Capital	1,396.27	1,396.27	1,396.27	1,396.27	1,396.27	1,396.27	1,396.27	1,396.27	1,396.27
Reserves and Surplus #	6,254.79	6,951.51	7,429.63	5,764.03	6,479.30	12,983.60	25,572.97	25,459.42	25,198.69
Net Worth	7,651.06	8,347.78	8,825.90	7,160.30	7,875.57	14,379.87	26,969.24	26,855.69	26,594.96
Borrowings	22,357.60	22,798.42	27,002.41	35,239.62	27,385.27	27,175.80	16,069.70	16,372.59	19,077.52
Deferred Tax Liability (Net)	516.00	534.00	532.66	614.94	289.28	168.48	(50.58)	65.22	121.39
Capital Employed	30,524.66	31,680.20	36,360.97	43,014.86	35,550.12	41,724.15	42,988.36	43,293.50	45,793.87
Gross Block	12,217.65	15,254.38	16,301.56	17,184.55	18,083.41	19,817.20	11,233.34	17,906.60	19,426.56
Net Block	6,961.75	8,953.35	9,605.76	9,833.07	10,325.07	11,103.73	5,967.53	10,445.72	10,986.64
Investments	9,291.93	9,283.59	11,856.62	10,673.91	10,673.22	10,677.06	11,183.44	16,549.14	16,553.30
Foreign Currency Monetary Item Translation Difference Account	—	—	—	2,654.59	127.45	—	—	—	—
Working Capital	14,270.98	13,443.26	14,898.59	19,853.29	14,424.38	19,943.36	25,837.39	16,298.64	18,253.93
Total Net Assets	30,524.66	31,680.20	36,360.97	43,014.86	35,550.12	41,724.15	42,988.36	43,293.50	45,793.87
OPERATING RESULTS									
Total Income	20,221.49	24,135.64	26,184.97	29,901.40	32,053.73	41,774.71	45,304.92	28,056.31	29,913.57
Total Expenses	19,234.76	22,783.86	24,904.27	31,142.07	30,827.43	32,169.78	27,649.38	25,518.30	29,190.60
Profit/(Loss) Before Taxation	986.73	1,351.78	1,280.70	(1,240.67)	1,226.30	9,604.93	17,655.54	2,538.01	722.97
Taxation	70.33	169.67	233.31	146.86	(139.25)	1,950.73	4,006.57	644.91	210.18
Profit/(Loss) After Taxation	916.40	1,182.11	1,047.39	(1,387.53)	1,365.55	7,654.20	13,648.97	1,893.10	512.79
Dividend \$	397.79	489.78	489.78	163.26	569.52	1,135.27	1,135.27	2,448.89	816.30
Dividend (%)	25.00	30.00	30.00	10.00	35.00	70.00	70.00	150.00	50.00
Book Value (₹)	54.82	59.82	63.25	51.31	56.44	103.05	193.27	^ 38.49	^ 38.12

Reserves and Surplus is net after adjustment of debit balance of Deferred Revenue Expenditure.

\$ Includes Dividend Tax.

^ Based on Face Value of ₹ 2/- per share post sub-division of shares from ₹ 10/- per share to ₹ 2/- per share from November, 2012.



The Bombay Burmah Trading Corporation, Limited

[CIN L99999MH1863PLC000002]

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

Tel.: 22079351-54, Fax: 22071612, www.bbtcl.com

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member	
Registered Address	
Email id	
Folio No./Client ID	
DP ID	

I/We, being the member (s) of _____ shares of the above named Company, hereby appoint:

1. Name: _____ of _____

Email: _____ Signature or failing him/her,

2. Name: _____ of _____

Email: _____ Signature or failing him/her,

3. Name: _____ of _____

Email: _____ Signature or failing him/her,

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 149th Annual General Meeting of the Corporation to be held at Y B Chavan Auditorium, Gen. Jagannath Bhosle Marg, Mumbai - 400 021 on Wednesday, 13th August, 2014, at 4.00 p.m. and at any adjournment thereof in respect of such resolutions as are indicated on the reverse of this page.

Resolution No.	Resolutions	For	Against
Ordinary Business			
1	Adoption of Audited Statement of Profit and Loss for the year ended 31st March, 2014 and the Balance Sheet as on that date and the Reports of the Board of Directors and Auditors thereon		
2	Declaration of Dividend for the financial year ended 31st March, 2014		
3	Appoint a Director in place of Mr. Jeh Wadia, who retires by rotation and being eligible, offers himself for re-appointment.		
4	Appoint M/s. BSR & Co. LLP, Chartered Accountants, as Statutory Auditors of the Corporation		
5	Appoint M/s. Deloit Haskins & Sells, Chartered Accountants, as Branch Auditors of the Corporation		
Special Business			
6	Approval of the Remuneration of the Cost Auditors		
7	Appoint Mr. A. K. Hirjee as Independent Director of the Corporation		
8	Appoint Mr. M. L. Apte as Independent Director of the Corporation		
9	Appoint Mr. D. E. Udawadia as Independent Director of the Corporation		
10	Appoint Mr. P. K. Cassels as Independent Director of the Corporation		
11	Appoint Mr. B. N. B. Tao as Independent Director of the Corporation		
12	Special Resolution Under Section 180(1)(c) of the Companies Act, 2013 for borrowing upto ₹ 600 crores over and above the aggregate of the paid up share capital and free reserves.		
13	Special Resolution Under Section 180(1)(a) of the Companies Act, 2013 for creating charges, mortgages and hypothecations in connection with the borrowings upto ₹ 600 crores over and above the aggregate of the paid up share capital and free reserves.		

Signed this _____ day of 2014

Affix
₹ 1/-
Revenue
Stamp

Signature of the Member

Signature of Proxy

Notes:

- (1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Corporation not less than 48 hours before the commencement of the meeting.**
- Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.



The Bombay Burmah Trading Corporation, Limited

[CIN L99999MH1863PLC000002]

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

Tel.: 22079351-54, Fax: 22071612, www.bbtcl.com

ATTENDANCE SLIP

149TH ANNUAL GENERAL MEETING - 13th AUGUST, 2014

Name and Address of the Shareholder :

Registered Folio No./DP ID & Client ID :

No. of shares held :

I certify that I am a registered Member/Proxy for the registered Member of the Corporation. I hereby record my presence at the 149th Annual General Meeting of the Corporation to be held at Y B Chavan Auditorium, Gen. Jagannath Bhosle Marg, Mumbai - 400021 on Wednesday, 13th August, 2014, at 4.00 p.m.

Name of the Member/Proxy

Signature of Member/Proxy

NOTE:

- 1) Members/Proxy holders are requested to bring this Attendance Slip to the Meeting and hand over the same at the entrance duly signed.
- 2) Shareholder/Proxy holder desiring to attend the meeting may bring his/her copy of the Annual Report for reference at the meeting.
- 3) **Kindly refer to the e-voting instructions on the reverse of this page.**

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 and clause 35B of the Listing Agreement with Stock Exchanges, the Company is pleased to provide members facility to exercise their 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 e-mail:

- (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 Ltd." 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 Company. (6 Digit Alpha-Numeric).
- (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.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. • In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number R12345 then enter RA00R12345 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant Company "The Bombay Burmah Trading Corporation Ltd.", on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.

- (xix) The e-voting period commences on 7th August, 2014 (9:00 am) and ends on 9th August, 2014 (6:00 pm). During this period shareholders of the Corporation holding shares either in physical form or in dematerialized form, as on the cut-off date of 11th July, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
- (xxi) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Corporation as on the cut-off date ie. 11th July, 2014.
- (xxii) Mr. Tushar Sridharani, Practising Company Secretary, (Membership No. FCS 2690) has been appointed as the Scrutinizer to scrutinize the evoting process in a fair and transparent manner.
- (xxiii) The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Corporation and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Corporation.
- (xxiv) The Results declared alongwith the Scrutinizer's Report shall be placed on the Corporation's website www.bbtcl.com and on the website of CDSL within two (2) days of declaration of results at or after the AGM and communicated to the Stock Exchanges.

THE WADIA GROUP

PLANTATIONS



Bombay Burmah

SINCE 1863

FOODS



SINCE 1918

TEXTILES



SINCE 1879

REAL ESTATE



SINCE 2011

AVIATION



SINCE 2005

ENGINEERING & CHEMICALS



SINCE 1960



SINCE 1954



The Wadia Group

The Group has scaled great heights in innovation and entrepreneurship, inspired by the centuries-old legacy of goodwill and trust. The British Coat of Arms, granted to Nowrosjee Wadia, symbolises this legacy and the Wadia group's commitment to advancement and innovation.

The crest is a representation of the Group, its philosophy, beliefs and businesses.

The crest and base of the shield represent the family origins in the shipbuilding industry during the 1700s. The middle and upper parts of the shield depict the Group's interests in cotton growing and its links with England in the form of the Lancastrian rose. The hand holding the hammer atop the shield signifies industriousness, together with workmanship and skill. The sun that surrounds the hand stands for global recognition and merit.

The motto, IN DEO FIDE ET PERSEVERANTIA means 'Trust in God and Perseverance'.

<http://www.wadiagroup.com/>

If undelivered, please return to :

The Bombay Burmah Trading Corporation, Ltd.
9, Wallace Street, Fort, Mumbai 400 001

