



The
Bombay Burmah Trading Corporation, Limited.

2007-2008
One hundred and forty third annual report

**ANNUAL GENERAL MEETING — 30TH JULY, 2008 AT
PATKAR HALL, SIR VITHALDAS THACKERSEY MARG,
MUMBAI 400 020 — 4.00 p.m.**

The Bombay Burmah Trading Corporation, Limited

**ONE HUNDRED AND FORTY THIRD ANNUAL REPORT
2007-2008**

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The Bombay Burmah Trading Corporation, Limited

**LOCATION OF CORPORATION'S
TEA/COFFEE ESTATES AND FACTORIES**

Tea and Coffee Estates	: (1) Mudis Group of Estates, Mudis P.O.-642 117, Coimbatore District, Tamil Nadu State. (2) Singampatti Group of Estates — Manjolai P.O.-627 420, Tirunelveli District, Tamil Nadu State. (3) Dunsandle Estate — Dunsandle P.O., Ootacamund 643 005, Nilgiri Dist., Tamil Nadu State. (4) Elk Hill Group of Estates — Post Box No. 12, Sidapur, P. & T.O.-571 253, South Coorg, Karnataka State. (5) Usambara Group, Marvera and Herkulu Estates, P.O. Box 22, Soni, Tanzania.
Formica India	: Plot No. 23 to 26 and 46 to 48, Sector 5, II E, Pant Nagar Industrial Estate, Rudrapur, Udham Singh Nagar, Uttarakhand-263 153.
BCL Springs	: M.I.D.C. Industrial Area, Plot F-13, Chikalthana, Aurangabad-431 210, Maharashtra State. : K-103, MIDC, Waluj, Aurangabad-431 133, Maharashtra State.
Weighing Products	: Plot 304, GIDC, Valsad Industrial Estate, Gundlav, Valsad-396 035, Gujarat State.
Dental Products	: Sector 5, II E, Pant Nagar Industrial Estate, Rudrapur, Udham Singh Nagar, Uttarakhand-263 153.
Malaysian Branch	: Suite 628, 6th Floor, Pan Global Plaza, Jalan Wong Ah Fook 80000, Johor Bahru, Malaysia.

The Bombay Burmah Trading Corporation, Limited

ANNUAL REPORT 2007-2008

DIRECTORS

NUSLI N. WADIA, Esq., *Chairman*
A. K. HIRJEE, Esq., *Vice Chairman*
KESHUB MAHINDRA, Esq.
M. L. APTE, Esq.
D. E. UDWADIA, Esq.
P. K. CASSELS, Esq.
B. N. B. TAO, Esq.,
ISHAAT HUSSAIN, Esq. (w.e.f. 30.5.2007)
A. PANJWANI, Esq., *Managing Director*
J. N. WADIA, Esq., *Deputy 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
THE BANK OF RAJASTHAN LIMITED

AUDITORS

DELOITTE HASKINS & SELLS
Chartered Accountants

SOLICITORS

CRAWFORD BAYLEY & CO.
UDWADIA & UDESHI

Sam Bahadur 1914 - 2008



Field Marshal Sam Manekshaw, M.C.

Director, The Bombay Burmah Trading Corporation, Limited

From 17th April, 1975 To 26th October, 2006

The Bombay Burmah family will always remember you with fondness, love and respect for the invaluable guidance, leadership and support you always rendered.

Thank you for being with us for 33 years.

NOTICE

NOTICE is hereby given that the One Hundred and Forty Third Annual General Meeting of the Members of the Corporation will be held at Patkar Hall, Sir Vithaldas Thackersey Marg, Mumbai 400 020, on Wednesday, the 30th day of July, 2008 at 4.00 p.m. for the purpose of transacting the following business:

1. To receive, consider and adopt the audited Profit and Loss Account for the year ended 31st March, 2008 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. Keshub Mahindra, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. P. K. Cassels, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. B. N. B. Tao, who holds office upto the date of the Annual General Meeting under Section 262 of the Companies Act, 1956 and in respect of whom the Corporation has, pursuant to Section 257 of the Act, received a notice in writing proposing his candidature for the office of Director.

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

“RESOLVED THAT pursuant to Section 224 and other applicable provisions, if any, of the Companies Act, 1956, Messrs Deloitte Haskins & Sells, Vadodara, Chartered Accountants, be and are hereby appointed Auditors of the Corporation, to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Corporation at a remuneration to be fixed by the Board of Directors.”

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

“RESOLVED THAT Messrs Deloitte Haskins & Sells, Chennai, Chartered Accountants be and are hereby appointed as the Branch Auditors for auditing the accounts of the branches of the Corporation in South India, for the current financial year, at the remuneration and on terms and conditions to be fixed by the Board of Directors.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to appoint, in consultation with Messrs Deloitte Haskins & Sells, Vadodara, the Corporation's Auditors, in respect of the audit of the accounts of the Corporation's branch offices outside India, a person who is either qualified for appointment as auditor of the Corporation under Section 226 of the Companies Act, 1956 or an accountant duly qualified to act as an auditor of the accounts of such branch offices, for the current financial year, in accordance with the laws of the concerned countries and to fix the remuneration and the terms and conditions of their appointment as branch auditors.”

8. To consider and, if thought fit, to pass, with or without modifications, the following Resolution as a Special Resolution:

“RESOLVED that pursuant to Section 309 (4) read with Section 309(7) and other applicable provisions, if any, of the Companies Act, 1956, so long as the Corporation has a Managing Director, a Deputy Managing Director or a Whole-time Director, the Corporation do pay to its Directors (other than the Managing Director, the Deputy Managing Director or the Whole-time Director) commission not exceeding 1% of the net profits of the Corporation computed in the manner laid down in Section 198 of the Companies Act, 1956 for each of the five financial years commencing 1st April, 2008, such commission being divisible amongst the Directors as aforesaid in such proportion as the Board may determine or failing such determination, as the Chairman for the time being of the Board shall decide from time to time.

RESOLVED FURTHER that if at any time the Corporation does not have a Managing Director, a Deputy Managing Director or a Whole-time Director, then the Corporation to pay to its Directors as aforesaid, commission not exceeding 3% of the net profits of the Corporation computed in the manner laid down in Section 198 of the Companies Act, 1956 for each of the aforesaid five financial years, such commission being divisible amongst them in the manner stated above.

The Bombay Burmah Trading Corporation, Limited

AND RESOLVED that this Resolution shall be effective for a period of five financial years commencing 1st April, 2008 and for determining the commission payable for any broken period of a year, in pursuance of the above Resolution, the net profits of the Corporation shall be arrived at on a proportionate basis."

By Order of the Board,
N. H. DATANWALA
Vice President Corporate &
Company Secretary

Registered Office:

9, Wallace Street, Fort,
Mumbai 400 001.

Dated, the 30th day of May, 2008

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE IN HIS STEAD AND A PROXY NEED NOT BE A MEMBER OF THE CORPORATION.

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

2. In respect of Item Nos.5 and 8, an Explanatory Statement as required under Section 173 of the Companies Act, 1956 is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Corporation will remain closed from Tuesday, 15th July, 2008 to Wednesday, 30th July, 2008 (both days inclusive).
4. Warrants in respect of Dividend, if declared, will be paid to the Members on or after 7th August, 2008. Dividend will be payable on and from that date to those Members whose names stand on the Register of Members of the Corporation after giving effect to all valid share transfers lodged with the Registrar & Share Transfer Agents of the Corporation on or before 14th July, 2008, in respect of shares held in physical form. In respect of shares held in electronic form, the dividend for the year ended 31st March, 2008 will be payable to the beneficial owners of shares as at the closing hours of 14th July, 2008 as per details furnished by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) for this purpose.
5. Members are requested to notify immediately any change of address:
 - (i) to their Depository Participants (DPs) in respect of their electronic share accounts, and
 - (ii) to the Corporation's Registrar & Share Transfer Agents, M/s.Sharepro Services (India) Pvt. Ltd. (R & TA), at Satam Estate, 3rd Floor, Above Bank of Baroda, Cardinal Gracious Road, Chakala, Andheri (E), Mumbai 400 099, or at 912 Raheja Centre, Free Press Journal Road, Nariman Point, Mumbai 400 021, in respect of their physical share folios, if any, quoting their folio numbers.
6. Members are advised to submit their Electronic Clearing Service (ECS) mandates to the Corporation's R & TA at either of the aforesaid addresses to facilitate remittance by means of ECS.
7. Members to note that the R & TA will be mandatorily printing on the dividend warrants as advised by the Securities and Exchange Board of India, the Members' Bank Account details. Those Members who have not furnished their Bank Account details may furnish the same to R & TA on or before 11th July, 2008. Members holding shares in dematerialised form must therefore give instructions regarding their Bank Account details to their Depository Participants. The Corporation or R & TA shall not act on any request received directly from Members for changes in their Bank Account details for shares held in dematerialised form.

Further, instructions given by the Members for shares held in physical mode would not be applicable to the dividend paid on shares also held in dematerialised form.
8. Members are advised, in their own interest that all communications to the Corporation or its R & TA which would have the effect of amending the permanent details of their ledger folio, should be signed by all the Members registered under that ledger folio.
9. Members who have not encashed the Dividend warrant(s) so far for the financial period ended 31st March, 2002 or any subsequent dividend payment(s) are requested to make their claim to the Corporation.

10. All amounts transferred to the Unpaid Dividend Account of the Corporation and remaining unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred to the Investor Education and Protection Fund established in accordance with Section 205C of the Companies Act, 1956, together with interest accrued thereon.
11. The Corporation has listed its equity shares at (1) Bombay Stock Exchange Ltd. (Regional Stock Exchange), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 and (2) National Stock Exchange of India Ltd., Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051. The Annual Listing Fee as prescribed has been paid to both Stock Exchanges.
12. Members/Proxies attending the Meeting are requested to complete the enclosed attendance slip and deliver the same at the entrance of the meeting hall.
13. Members are requested to bring their copies of the Annual Report at the time of attending the Meeting as the same will not be distributed at the Meeting.
14. Requirement under the Listing Agreement:

Pursuant to the requirement of Clause 49 of the Listing Agreement, the required information pertaining to the two Directors, Mr. Keshub Mahindra and Mr. P. K. Cassels, who retire by rotation and being eligible, offer themselves for re-appointment, is furnished below:

Mr. KESHUB MAHINDRA:

Mr. Keshub Mahindra, 84, is a graduate from Wharton University of Pennsylvania, U.S.A. He joined Mahindra & Mahindra Ltd. in 1948 as a Director and became the Chairman in 1963. He is also the Chairman of the Board of Governors of Mahindra United World College of India. He has been associated with various organisations including educational institutions – President, Governing Council, University of Pennsylvania Institute for the Advanced Study of India, New Delhi, Member International Advisory Board of University of Pennsylvania Centre for the Advanced Study of India, Philadelphia.

Mr. Mahindra has contributed actively in the deliberations of various organisations such as Bombay Chamber of Commerce & Industry (BCCI), Associated Chambers of Commerce & Industry of India (ASSOCHAM), Employers' Federation of India, Indo-American Society. He is the former President of BCCI, ASSOCHAM and Employers' Federation of India and former Chairman of Indian Institute of Management, Ahmedabad.

Mr. Mahindra had been appointed by the Government of India to serve on a number of Committees including the Sachar Commission on Company Law & MRTP, Central Advisory Council of Industries. Mr. Mahindra is the recipient of several awards including International Awards.

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

Other Directorships: Mahindra & Mahindra Ltd. (Chairman), Mahindra UGINE Steel Co. Ltd. (Chairman), Mahindra Holdings & Finance Ltd. (Chairman), Mahindra Holdings Ltd. (Chairman), Housing Development Finance Corporation Ltd. (Vice-Chairman), The Bombay Dyeing & Manufacturing Co. Ltd. and 2 private companies.

Committee Memberships: Remuneration/Compensation Committee of the Boards of Mahindra & Mahindra Ltd., The Bombay Burmah Trading Corporation Ltd., Housing Development Finance Corporation Ltd. (Chairman) and The Bombay Dyeing & Manufacturing Co. Ltd. (Chairman), Share Transfer and Shareholders'/ Investors' Grievance Committee of the Board of Mahindra & Mahindra Ltd. (Chairman).

Mr. P. K. CASSELS:

Mr. P. K. Cassels, 69, is a Timber Merchant from Malaysia who was the Managing Director of The North Borneo Timbers, Berhad, an associated company of The Bombay Burmah Trading Corporation, Limited and thereafter of Leila Lands Sendirian Berhad, a subsidiary of The Bombay Burmah Trading Corporation, Limited, incorporated in Malaysia. He has vast experience of plantation activities and he advises the Corporation from time to time with regard to rubber plantation activities in Indonesia.

Mr. P. K. Cassels has been a Director of the Corporation for the past 21 years.

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

Outside Directorships (of companies incorporated in India) : Nil and 20 foreign companies.

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

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT

Pursuant to Section 173 of the Companies Act, 1956.

Item No. 5:

Mr. B. N. B. Tao was appointed a Director on 21st March, 2006 by the Board pursuant to Section 262 of the Companies Act, 1956 to fill in the casual vacancy on the Board caused by the resignation of Mr. S. P. Tao, Director of the Corporation. Mr. S. P. Tao would have held office upto the date of the forthcoming Annual General Meeting. Mr. B. N. B. Tao therefore also holds office upto the date of forthcoming Annual General Meeting. A notice in writing has been received by the Corporation from a member under Section 257 of the Companies Act, 1956 signifying his intention to propose Mr. B. N. B. Tao as candidate for the office of Director alongwith Rs. 500/- which shall be returned to the member if Mr. B. N. B. Tao, is elected as a Director.

The vast experience of Mr. B. N. B. Tao will be useful to the Corporation. It is considered desirable and in the interest of the Corporation that the Board should receive the benefit of his advice and experience. The Directors recommend his re-appointment.

Mr. B. N. B. Tao, 51, was born in Myanmar. He moved with his family to Singapore in 1963 and was schooled 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 is interested in the Resolution at Item No. 5 since it relates to his own appointment.

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

Outside Directorships (of companies incorporated in India): Nil and 1 foreign company.

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

Item No. 8:

In terms of the Special Resolution passed at the 138th Annual General Meeting of the Corporation held on 10th September, 2003, the Shareholders of the Corporation authorised the Board to pay Commission to be divided amongst the Directors (other than the Managing Director or Whole-time Director) equal to 1% of the net profits of the Corporation so long as the Corporation has a Managing Director or Whole-time Director and 3% of the net profits of the Corporation so long as the Corporation does not have a Managing Director or a Whole-time Director, for every financial year calculated in accordance with the provisions of the Act or such lower amount as the Board may determine for a period of five years commencing from 1st April, 2003. Pursuant to Section 309(7) of the Act, this Special Resolution was in force upto 31st March, 2008.

Having regard to the fact that the Directors render specific useful services to the Corporation, it is considered desirable that the Directors should continue to receive commission for every financial year calculated in accordance with the provisions of the Act as the Board may determine. Hence the Resolution at Item No.8 of the Notice provides that so long as the Corporation has a Managing Director, a Deputy Managing Director or a Whole-time Director, the commission payable to its Directors (other than the Managing Director, Deputy Managing Director or Whole-time Director), will not exceed 1% of the net profits of the Corporation for each of the financial year calculated in accordance with the provisions of the Act. The said Resolution also provides that so long as the Corporation does not have a Managing Director, Deputy Managing Director or Whole-time Director, the commission payable to its Directors, will not exceed 3% of the net profits of the Corporation for each of the financial years calculated in accordance with the provisions of the Act, as the Board may determine. The commission

so determined in either case will be divided amongst the Directors in such proportion as the Board may decide and failing such determination the commission shall be divided in such manner as the Chairman for the time being of the Board of Directors of the Corporation shall from time to time decide.

This arrangement, if approved by the Members, will be in force for a period of five financial years commencing from 1st April, 2008.

All the Directors, except Mr. Ashok Panjwani, the Managing Director and Mr. Jeh Wadia, the Deputy Managing Director of the Corporation may be deemed to be concerned or interested in this Resolution to the extent of the commission that may be paid to them in terms thereof.

By Order of the Board,
N. H. DATANWALA
Vice President Corporate &
Company Secretary

Registered Office:

9, Wallace Street, Fort,
Mumbai 400 001.

Dated, the 30th day of May, 2008

The Bombay Burmah Trading Corporation, Limited

10 YEARS' FINANCIAL REVIEW

(Rupees in Lakhs)

	1998-99	1999-00 18 months	2000-02 18 months	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
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‡	10,855.08	8,651.07	7,775.04	5,038.74	5,358.91	5,728.30	6,254.79	6,951.51	7,429.63
Net Worth	12,251.35	10,047.34	9,171.31	6,435.01	6,755.18	7,124.57	7,651.06	8,347.78	8,825.90
Borrowings	9,649.33	10,641.49	14,081.03	16,124.04	14,472.61	15,812.62	22,357.60	22,798.42	27,002.41
Deferred Tax Liability (Net)	—	—	—	545.96	545.96	568.96	516.00	534.00	532.66
Capital Employed	21,900.68	20,688.83	23,252.34	23,105.01	21,773.75	23,506.15	30,524.66	31,680.20	36,360.97
Gross Block	11,599.56	12,157.03	12,367.21	10,144.08	10,591.25	11,009.94	12,217.65	15,254.38	16,301.56
Net Block	7,008.14	6,845.46	6,422.01	5,109.41	5,191.72	5,408.52	6,961.75	8,953.35	9,605.76
Investments	8,353.43	8,319.38	8,295.29	8,327.15	8,327.95	9,873.41	9,291.93	9,283.59	11,856.62
Working Capital	6,539.11	5,523.99	8,535.04	9,668.45	8,254.08	8,224.22	14,270.98	13,443.26	14,898.59
Total Net Assets	21,900.68	20,688.83	23,252.34	23,105.01	21,773.75	23,506.15	30,524.66	31,680.20	36,360.97
OPERATING RESULTS									
Total Income	13,672.52	20,183.95	18,876.40	14,466.71	15,474.16	17,504.10	20,221.49	24,135.64	25,867.07
Total Expenses	13,397.66	21,795.06	20,155.54	14,237.16	14,933.87	16,728.89	19,234.76	22,783.86	24,586.37
Profit/(Loss) Before Taxation	274.86	(1,611.11)	(1,279.14)	229.55	540.29	775.21	986.73	1,351.78	1,280.70
Taxation	267.00	27.21	25.79	9.99	15.47	97.00	72.98	169.67	233.31
(Excess)/Short Provision and Refund of taxes of earlier years (net)	(2.95)	(54.71)	(87.54)	4.13	(2.50)	2.94	(2.65)	—	—
Profit/(Loss) After Taxation	10.81	(1,583.61)	(1,217.39)	215.43	527.32	675.27	916.40	1,182.11	1,047.39
Dividend \$	154.89	170.24	—	157.42	236.14	318.23	397.79	489.78	489.78
Dividend (%)	10.00	10.00	—	10.00	15.00	20.00	25.00	30.00	30.00
Book Value (Rs.)	87.21	71.64	65.67	46.08	48.39	51.04	54.82	59.82	63.25

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

\$ Includes Dividend Tax.

DIRECTORS' REPORT

Your Directors have pleasure in presenting their Report on the business and operations of the Corporation and the Audited Accounts for the year ended 31st March, 2008.

1. SUMMARISED PROFIT & LOSS ACCOUNT:

	2007-2008		<i>2006-2007</i>	
	Rupees in Lakhs	Rupees in Lakhs	<i>Rupees In Lakhs</i>	<i>Rupees in Lakhs</i>
Gross Income		24,697.79		<i>22,412.02</i>
Gross Profit before Depreciation, Interest and Tax		3,730.86		<i>2,971.46</i>
<i>Less: Interest</i>		1,749.31		<i>1,095.16</i>
Cash Profit		1,981.55		<i>1,876.30</i>
<i>Less: Depreciation</i>		700.85		<i>524.52</i>
Profit before Tax		1,280.70		<i>1,351.78</i>
<i>Less: Taxes for the year</i>		233.31		<i>169.67</i>
Profit after Tax		1,047.39		<i>1,182.11</i>
<i>Add: Balance brought forward</i>		987.17		<i>594.84</i>
Amount available for Appropriation		2,034.56		<i>1,776.95</i>
Appropriations:				
Proposed Dividend	418.63		<i>418.63</i>	
Corporate Dividend Tax thereon	71.15		<i>71.15</i>	
Transfer to General Reserve	300.00		<i>300.00</i>	
		789.78		<i>789.78</i>
Profit carried to Balance Sheet		1,244.78		<i>987.17</i>

2. OPERATIONS:

During the year under review, the Corporation achieved a gross income of Rs. 24,698 lakhs which represents an increase of 10% over the previous year. Profit before Depreciation, Interest & Tax was Rs. 3,731 lakhs which represents an increase of 25% over the previous year. However, Profit before tax was Rs. 1,281 lakhs which was marginally lower by 5% over the previous year due to higher Depreciation and Interest costs.

There was a marked improvement in the performance of Industrial Divisions viz. BCL Springs and Formica India during the year.

Formica's operations at Rudrapur (Uttarakhand) have been stabilised and shifting of existing press and other machineries from Pune to Rudrapur have augmented the capacity to manufacture Laminates. As a result, this Division has recorded substantial growth in

production and sales as also profitability out of the operations at Rudrapur.

BCL – Springs Division, despite increase in steel wire prices, achieved significant improvement in its performance with the help of productivity linked operations and by balancing positive growth in passenger car segment against the slowdown in three/two wheeler segment of automobile industry.

The performance of Tea Plantation Division was adversely affected due to unfavourable weather conditions and lower realisation on exports on account of dollar devaluation and higher freight costs.

Despite the set back in performance of Tea Plantation Division and increase in interest costs, the Corporation, with improvement in performance of Industrial Divisions, has achieved growth in cash profits and satisfactory results for the year under review.

The Bombay Burmah Trading Corporation, Limited

3. DIVIDEND:

Your Directors recommend payment of dividend at the rate of 30% (Rs. 3.00 per share). (Previous year Rs. 3.00 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 15th July, 2008.

4. SOUTH INDIA ESTATES:

(a) Tea —

The Corporation sold 76 Lakhs kgs. of tea during the year under review as against 68 Lakhs kgs. in the previous year. The average price realisation during the year was 7% lower than previous year on account of change in product mix, higher domestic sales and lower realisation on exports due to weak dollar and higher freight rates.

Our own crop was marginally lower by 1% against previous year due to adverse weather conditions in South India with drought there after heavy rains. The overall loss in crop of own tea was offset by outsourcing tea leaves. The Corporation continues to produce good quality tea and its Anai Mudi Tea has bagged "Flavour of India" Award.

(b) Coffee —

The turnover was 1,012 Tonnes as against 1,209 Tonnes in the previous year. The Corporation's coffee continued to be well accepted in the world market and a significant volume of sales is exported to niche markets in Europe and United States.

Coffee Estates received record rainfall over last 100 years resulting in lower crop. The supply was augmented by outsourcing coffee from the small growers. Coffee produced by the Corporation realised significant premium over International prices taking into account our better quality and processing standards. The

Corporation also received "Flavour of India" Award for its Organic coffee.

5. TANZANIAN ESTATES:

The crop for the year under review was 7.31 lakhs kgs. as against 7.95 lakhs kgs. in 2006-07. The performance of Tanzanian Tea Estates was affected by increase in power costs and lower realisation of tea prices due to adverse prices in Kenyan market. The Corporation has taken up the upgradation of factory machineries with a view to improve the quality of output from these factories and is also looking at growth in Organic teas to increase export sales, thereby improving margins.

6. FORMICA INDIA DIVISION:

Production for the year under review was 4,698 Tonnes as against 3,907 Tonnes for 2006-07.

The operations at Akurdi, Pune, have been closed down with effect from 1st April, 2007 and bulk of the existing plant & machinery were shifted to Rudrapur. With modification and redesign of these machines and installation at Rudrapur, the capacity to manufacture laminates has gone up. This has led to substantial growth in production and sales volume.

On closure of operations at Akurdi and payment of VRS to the employees / workmen the property at Akurdi has been taken up for development and preliminary work in this regard has started.

7. BCL SPRINGS DIVISION:

Production for the year under review was 6,488 Tonnes as against 7,072 Tonnes in 2006-07. The auto sector witnessed steep rises in input costs of steel and lower sales especially in two wheeler segment. The Corporation focussed on productivity and costs to improve its profitability.

With productivity linked operations and positive growth in passenger car and commercial vehicle, the Division has registered significant improvement in its performance despite the slowdown and negative trend shown by three/ two wheeler segment of automobile industry.

8. WEIGHING PRODUCTS DIVISION:

Sales of balances for the year under review was 799 Nos. as against 1,127 Nos. in 2006-07.

This business is stagnating due to technological changes, however the Division continues to be profitable.

9. DENTAL PRODUCTS DIVISION:

During the year the Corporation completed installation of plant for manufacture of dental products at Rudrapur (Uttarakhand). The plant commenced commercial operations from July, 2007. This new factory has helped the Division to meet increased demand with higher production at competitive costs. The product portfolio has also been upgraded by adding Dental Implants at this Division.

10. REAL ESTATE DEVELOPMENT:

The Corporation being historically a Plantation Company has been engaged in land development activities for more than 100 years and has a good landbank.

The Corporation has now identified the land available for real estate development at Akurdi, Pune as also the property at Kanjur Marg, Mumbai, and vacant land available at Coimbatore. The Corporation is examining various options to develop these properties and in the meantime, initiated the activities with regard to regulatory aspects for development of these properties and has converted them as stock-in-trade under " Real Estate development ".

11. SUBSIDIARY COMPANIES:

During the year, the Corporation acquired at cost the entire shareholding of Afco Industrial and Chemicals Limited (AFCO) a wholly owned subsidiary, in Electromags Automotive Products Pvt. Limited (EAPL) a company engaged in Auto Electric Components. Thereupon EAPL has become direct subsidiary of the Corporation.

The Corporation had applied to the Central Government for exemption under Section 212(8) of the Companies Act, 1956 from

attaching the copies of Balance Sheet, Profit and Loss Account, Report of the Board of Directors and Report of the Auditors of Subsidiary Companies to the Balance Sheet of the Corporation for the year under review. The approval of the Central Government has been received. In view thereof, the said documents have not been attached to the Balance Sheet of the Corporation. However, the Corporation will make available these documents/details upon request by any member of the Corporation interested in obtaining the same.

12. FINANCE:

The Corporation has repaid instalments 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, 2008.

13. INSURANCE:

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

14. INDUSTRIAL RELATIONS:

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

Tamil Nadu Government has proposed revision in minimum wages for Plantation workers in Annamalai Dist. by 30%. This will impact on the entire South India Tea industry. Being an industry wide issue, Planters' Association of Tamil Nadu has taken up the matter with the Government and also examining other options like legal remedies.

During the year, productivity linked wage settlement for 3 years was arrived at with the workmen at BCL-Springs, Chikalthana Plant.

15. 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 Appendix 'A' to this Report.

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

Particulars pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended, and forming part of the Directors' Report for the year ended 31st March, 2008, are attached in Appendix 'B' to this Report.

17. DIRECTORS:

During the year, Mr. Ishaat Hussain was appointed a Director by the Board with effect from 30th May, 2007 in accordance with Article 113 of the Corporation's Articles of Association and Section 262 of the Companies Act, 1956 to fill the casual vacancy caused by the resignation of Field Marshal S.H.F.J. Manekshaw M.C.

Mr. B. N. B. Tao who was appointed a Director in place of Mr. S. P. Tao under Section 262 of the Companies Act, 1956, retires and his appointment requires your approval.

Mr. Keshub Mahindra and Mr. P. K. Cassels retire by rotation and are eligible for re-appointment.

18. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies Act, 1956 as amended by the Companies (Amendment) Act, 2000 the Directors confirm that:

1. in the preparation of the annual accounts, the applicable accounting standards have been followed;
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, 2008 and of the profit for the year ended 31st March, 2008;
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.

19. CORPORATE GOVERNANCE:

Pursuant to Clause 49 of the Listing Agreements 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.

20. CONSOLIDATED FINANCIAL STATEMENTS:

Pursuant to Clause 32 of the Listing Agreements, Consolidated Financial Statements of the Corporation and its Subsidiaries prepared in accordance with the requirements of Accounting Standard AS21 prescribed by Companies (Accounting Standards) Rules, 2006, are annexed to the Report.

21. APPOINTMENT OF COST AUDITOR:

Government of India, Ministry of Company Affairs, Cost Audit Branch by its Notification dated 7th July, 2006 in exercise of power under Section 233B of the Companies Act, 1956 (the said Act) had issued an audit order to the effect that audit of cost accounting records as maintained under Cost Accounting Records (Plantation Products) Rules, 2002 be conducted in respect of 38 Plantation Companies in South India including the Corporation for the year ended 31st March, 2006 and subsequent years.

In terms of the said Order, the Corporation appointed Dr. G. L. Sankaran, a Cost and Management Accountant, from Coimbatore having qualifications prescribed in Section 233B (1) of the said Act to carry out cost audit at estates in South India. His appointment was duly approved by the Central Government for the year under review.

22. AUDITORS:

In accordance with the provisions of the Companies Act, 1956, the Auditors will be

proposed for re-appointment as mentioned in the Notice convening the Annual General Meeting at a remuneration to be fixed by the Board.

In addition, it is proposed that the Board be authorised to appoint Branch Auditors for the Corporation's branches in Tanzania and Johor Bahru, at a remuneration to be fixed by the Board.

23. AUDITORS' REPORT:

With reference to Para 4 (f) of the Auditors' Report, the Corporation, based on legal opinion and in the opinion of the Board of Directors has accounted for foreseeable derivative losses in accordance with the

provisions of the Companies Act, 1956 and the Accounting Standards notified in terms of Section 211 (3C) of the Companies Act, 1956 and that the significant accounting policy in respect thereof contained in Note No. 1 (O) and the accounting treatment followed as stated in Note No. 20 of Schedule 22 are self-explanatory.

On behalf of the Board,

Nusli N. Wadia
Chairman

Mumbai, the 30th day of May, 2008

Notes: Official Rates of Exchange were as follows:

On 31st March, 2008				On 31st March, 2007			
(Re. 1)		(Foreign Currencies)		(Re. 1)		(Foreign Currencies)	
Stg. £	0.01	Stg. £	1 - Rs. 79.84	Stg. £	0.01	Stg. £	1 - Rs. 85.44
Tanz. Sh.	30.46	Tanz. Sh.	1 - Re. 0.03	Tanz. Sh.	27.64	Tanz. Sh.	1 - Re. 0.04
RM.	0.08	RM.	1 - Rs. 12.65	RM.	0.08	RM.	1 - Rs. 12.57
U.S. \$	0.03	U.S. \$	1 - Rs. 39.97	U.S. \$	0.02	U.S. \$	1 - Rs. 43.38
Rp.	230.57	Rp.	1 - Re. 0.004	Rp.	209.64	Rp.	1 - Re. 0.005
H.K. \$	0.19	H.K. \$	1 - Rs. 5.16	H.K. \$	0.18	H.K. \$	1 - Rs. 5.58
S. \$	0.03	S. \$	1 - Rs. 29.05	S. \$	0.03	S. \$	1 - Rs. 28.73
Maur. Re.	0.66	Maur. Re.	1 - Rs. 1.52	Maur. Re.	0.74	Maur. Re.	1 - Rs. 1.34

APPENDIX 'A'

STATEMENT CONTAINING PARTICULARS PURSUANT TO THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF DIRECTORS' REPORT.

A. CONSERVATION OF ENERGY:

(a) Energy Conservation measures taken:

Plantation Division

- Conversion of less efficient motors to new better efficient motors in a phased manner.
- Heat balance controllers have been installed in all furnaces of Thay Mudi Factory.
- Reduction in downtime of State Electricity supply by maintaining better rapport with the Department.

Formica India Division

- Installed Variable Frequency Drive for hot water circulation of the Press.
- Furnace wall of Hot Water Circular Generator has been modified to separate out the ash/un-burnt fuel from the Hot Gas.
- Blow down of Hot Water System controlled and regulated.

Springs, Balances and Weighing Products Division

- Energy Audit conducted for both the plants and energy conservation measures identified for major cost centers viz. furnace and dust collection fans.
- It is proposed to install fuel fired hot air generators for furnaces and to replace existing fans with 65% energy efficient fans in dust collection area.

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

Plantation Division

- Automatic power factor controller will be installed at a cost of Rs. 7.07 Lakhs.
- Individual HT supply to each factory will be installed at a cost of Rs. 23.20 Lakhs.
- 25,350 Nos. Gum tree plants planted towards subsidising fuel costs.

Formica India Division

- Variable Frequency Drive is being planned for installation to fans of Boiler and Circulating fans of 2 Treater Machines.

Springs, Balances and Weighing Products Division

- Installation of additional Pyro heating furnaces.
- Dust Collector Fan with higher efficiency to be installed.

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

Plantation Division

- By installation of the automatic power factory controller, a saving of Rs. 4.38 lakhs/year is envisaged.
- The installation of individual HT connection to our factories will result in a direct saving of Rs. 22 lakhs/year

Formica India Division

- Reduction in electricity consumption and wood for the Boiler.

Springs, Balances and Weighing Products Division

- About 10% saving in the costs at BCL Springs as compared to conventional system.

(d) Total energy consumption and energy consumption per unit of production:

(A) POWER AND FUEL CONSUMPTION:

	TEA		LAMINATES		SPRINGS	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1. Electricity						
(a) Purchased:						
Units (KWH in lakhs)	67.77	62.19	20.52	21.72	41.91	42.23
Total amount (Rs. in lakhs)	178.45	144.24	54.69	97.97	184.18	187.48
Rate/unit (Rs.)	2.63	2.32	2.67	4.51	4.39	4.44
(b) Own Generation:						
Through diesel generator:						
Units (KWH in lakhs)	4.27	3.07	1.22	2.49	1.03	1.05
Units per ltr. of Diesel oil	2.75	2.83	3.11	5.25	16.33	12.98
Cost/unit (Rs.)	12.29	12.31	8.82	7.00	15.85	12.36
2. Coal (Leco, Lecofines, used in driers)						
Quantity (Tonnes)	1,968.52	1,681.96	7,010	1,868	—	—
Total cost (Rs. in lakhs)	78.82	66.18	117.80	32.54	—	—
Average rate (Rs. per tonne)	4,003.92	3,935.02	1,680.46	1,741.78	—	—
3. Furnace Oil/LPG						
Quantity (K. Ltrs.)	—	12.03	—	1301	—	—
Total amount (Rs. in lakhs)	—	3.89	—	246.47	—	—
Average rate (Rs. per K. Ltr.)	—	32,338	—	18,945	—	—
4. Others/internal generation (Firewood)						
Quantity (Tonnes)	—	—	—	—	—	—
Total cost (Rs. in lakhs)	—	—	—	—	—	—
Rate/unit (Rs. per tonne)	—	—	—	—	—	—

(B) CONSUMPTION PER UNIT OF PRODUCTION:

	Production Unit	Standard (if any)				
Electricity (KWH)	Tonnes		955.61	984.84	465	1137
Furnace Oil (K.Ltrs.)	Tonnes		—	—	—	0.47
Coal (Leco, Lecofines)	Tonnes		0.261	0.254	—	—
Others	Tonnes		1.413	1.522	—	—
Firewood	Tonnes		6.000	0.001	1.50	1.58
LPG						

The Bombay Burmah Trading Corporation, Limited

B. TECHNOLOGY ABSORPTION:

(e) Efforts made in technology absorption

At Plantations:

- (i) On-line monitoring of biochemical parameters during processing of tea.
- (ii) Soil fertility investigations in Singampatti.

RESEARCH AND DEVELOPMENT (R&D)

1. Specific areas in which R & D carried out by the Corporation:

Plantation Division :

- (i) Influence of soil factors such as pH and texture on growth and development of tea in nursery and fields.
- (ii) Effects of pH amendment on revival of tea.
- (iii) Effects of drainage system on "Sick" tea.

Formica India Division:

Development of Softer Compact Laminate, Cold Punching Panel grade for exports and High Glossy Laminates.

2. Benefits derived as a result of the above R & D:

Plantation Division:

Improvement of soil health by adopting the above measures reflected in improved health and yield.

Formica India Division:

Our Compact Laminates have been used at the Banguluru and Hyderabad International Airport. Also Cold Punching grade has been developed for the Australian customer.

3. Future plan of action:

Plantation Division:

- (i) Pursue with the above studies.
- (ii) Testing different chemicals and bio control agents on root disease fungi.

Formica India Division:

Development of Exterior Grade Laminates, Post-forming High Glossy Laminates, Electrically conductive Decorative Laminates and Electro Static Dissipating Decorative Laminates.

BCL Springs Division:

Testing facilities for Valve & Clutch Springs to be set up at BCL Springs Division.

4. Expenditure on R&D:

	Rs. in lakhs
(a) Capital	—
(b) Recurring	6.27
(c) Total	6.27
(d) Total R & D expenditure as a percentage of total turnover	—

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

1. Efforts, in brief, made towards technology absorption, adaptation and innovation:

- (a) Continuous efforts are being made to improve the laminate manufacturing process and the products at Formica India Division.
- (b) Latest testing equipments such as Stress measurements to be installed at BCL Springs Division.

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

- (a) Benefits derived are in terms of cost reduction and product improvement at Formica India Division.
- (b) BCL Springs Division is preferred supplier with almost all major customers.

3. Imported Technology:

- (a) Technology : Technical License Agreement with NHK Spring Co. Limited, Japan, to provide know-how, advice and other expertise, including plant layout, determination of process flow, material selection, production conditions etc., in respect of precision wire springs used for automobile engine and transmission.
- (b) Year of import : 2007-08
- (c) Has technology been fully absorbed? : No.
- (d) If not fully absorbed areas where this has not taken place, reasons therefore and future plans of action : Ongoing process – BCL Springs Division gets preference in new developments for Japanese/European vehicle makers in India.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

- (a) **Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services; and export plans:**
- (i) During the year we have exported our products to Middle-East, Australia and New Zealand.
- (ii) During the year, springs plant was audited by various customers for supply of springs to European market. The developments are in the advance stages and we expect to start export during the year 2008-09.
- (b) **Total foreign exchange used and earned:**

	Rs.in lakhs
Used	: 2,206
Earned	: 2,620

APPENDIX 'B'

INFORMATION PURSUANT TO SECTION 217(2A) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975.

Sr. No.	Name	Age Years	Designation/ Nature of Duties	Remuneration received Rupees	Qualification and Experience (Years)	Date of Commencement of Employment	Last Employment held Designation — Period for which Post held
(a)	Names of Employees employed throughout the financial year and were in receipt of remuneration of not less than Rs. 24,00,000/- per annum in terms of Section 217(2A)(i):						
1.	Ashok Panjwani	51	Managing Director	10,690,846	B. Com., F.C.A. (28)	24.06.2002	Sterlite Optical Technologies Ltd. Director & CEO — 3 years
2.	Jeh Wadia	34	Deputy Managing Director	7,448,147	Master of Science Warwick University, U.K. (15)	24.10.2002	Bombay Dyeing & Manufacturing Company Ltd. Manager — Production, Planning & Logistics — 10 years
(b)	Names of Employees employed for part of the year and were in receipt of remuneration of not less than Rs. 2,00,000/- per month in terms of Section 217(2A)(ii): NIL						

- NOTES:
- Nature of Employment — Whether contractual or otherwise: All appointments are/were contractual.
 - Other terms and conditions: All appointments are terminable by six months' notice as the case may be on either side.
 - Gross remuneration comprises salary, allowances, monetary value of perquisites, the Corporation's contribution to Provident Fund Superannuation Fund and provision for compensated absences but excludes provision for accruing gratuity.
 - Mr. Jeh Wadia is son of the Chairman, Mr. Nusli N. Wadia. No other employee is a relative of any Director.

The Bombay Burmah Trading Corporation, Limited

STATEMENT PURSUANT TO SECTION 212 OF THE

	AFCO INDUSTRIAL & CHEMICALS LIMITED	DENTAL PRODUCTS OF INDIA LIMITED	SEA WIND INVESTMENT AND TRADING CO. LTD.	SUBHAM VINIYOG PRIVATE LIMITED	ELECTROMAGS AUTOMOTIVE PRODUCTS PRIVATE LIMITED	P.T.INDO JAVA RUBBER PLANTING COMPANY
(A) The "Financial Year" of the Subsidiary or the Sub-subsidiary Company.	31st March, 2008.	31st March, 2008.	31st March, 2008.	31st March, 2008.	31st March, 2008.	31st March, 2008.
(B) Number of Shares held by the Corporation in the Subsidiary Company or by the Subsidiary Company in the Sub-subsidiary Company at the end of the financial year of the Subsidiary Company or the Sub-subsidiary Company as the case may be.	76,050 Equity Shares of Rs. 100 each fully paid-up.	20,000 Equity Shares of Rs. 100 each fully paid-up.	5,982 Equity Shares of Rs. 100 each fully paid-up.	4,00,000 Equity Shares of Rs. 10 each fully paid-up.	2,97,000 Equity Shares of Rs.10 each fully paid-up.	503 Shares of Rp. 1,71,927 each fully paid-up.
(C) The Total Issued Capital of the Subsidiary Company/Sub-subsidiary Company.	76,050 Equity Shares of Rs. 100 each.	20,000 Equity Shares of Rs. 100 each.	5,982 Equity Shares of Rs.100 each.	4,00,000 Equity Shares of Rs. 10 each.	2,97,000 Equity Shares of Rs. 10 each fully paid-up.	1,000 Shares of Rp. 1,71,927 each.
(D) The net aggregate of Profits/Losses of the Subsidiary Company/ Sub-subsidiary Company so far as it concerns the members of the Corporation:						
(a) Not dealt with in the accounts of the Corporation for the year ended 31st March, 2008 amounted to:						
(i) For the Subsidiary's or the Sub-subsidiary's financial year ended as in 'A'above.	Rs. (8,39,951)	Rs. 1,42,859	Rs. (3,63,573)	Rs. (78,560)	Rs. 26,61,170	Rp. 1,809,417,284
(ii) For the previous financial years of the Subsidiary or of the Sub-subsidiary Company	Rs. 22,52,661	Rs. 4,21,890	Rs. 7,92,265	Rs. (4,79,927)	Rs. 52,18,417	Rp. 8,184,354,178
(b) Dealt with in the accounts of the Corporation for the year ended 31st March, 2008 amounted to:						
(i) For the Subsidiary's or the Sub-subsidiary's financial year ended as in 'A'above	NIL	NIL	NIL	NIL	NIL	Rp. 11,066,000,000
(ii) For the previous financial years of the Subsidiary or of the Sub-subsidiary Company	NIL	NIL	NIL	NIL	NIL	NIL
(E) Changes in the interest of the Corporation or the Subsidiary Company between the end of the financial year of the Subsidiary Company or of the Sub-subsidiary Company as the case may be and 31st, March, 2008	NIL	NIL	NIL	NIL	NIL	NIL
(F) Material changes between the end of the financial year of the Subsidiary Company or of the Sub-subsidiary Company as the case may be and 31st March, 2008:						
(i) Fixed Assets (Purchased)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
(ii) Investments – (Purchased) (Sold)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
(iii) Money lent by the Subsidiary or by the Sub-subsidiary (Loan repaid)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
(iv) Moneys borrowed by the Subsidiary or by the Sub-subsidiary other than that of meeting current liabilities	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

Note: Figures in brackets indicate losses.

The Bombay Burmah Trading Corporation, Limited

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

	RESTPOINT INVESTMENTS LTD.	ISLAND TELESYSTEMS PTE. LTD.	RESTPOINT INT'L TECHNOLOGY CORPN.	INNOVATIVE ORGANICS, INC.	GRANUM INC.
(A) The "Financial Year" of the Subsidiary or the Sub-subsidiary Company.	31st December, 2007.	31st December, 2007.	31st December, 2007.	31st December, 2007.	31st December, 2007.
(B) Number of Shares held by the Corporation in the Subsidiary Company or by the Subsidiary Company in the Sub-subsidiary Company at the end of the financial year of the Subsidiary Company or the Sub-subsidiary Company as the case may be.	2,634 Shares of US\$0.50 each fully paid-up.	2 Shares Fully paid-up shares	100 Shares of US\$1.00 each fully paid-up.	76,804 Shares of US\$10.00 each fully paid-up.	11,933 Shares of US\$1.00 each fully paid-up.
(C) The Total Issued Capital of the Subsidiary Company/Sub-subsidiary Company.	2,634 Shares of US\$0.50 each.	2 Shares Fully paid-up shares	100 Shares of US\$1.00 each	140,000 Shares of US\$10.00 each	12,561 Shares of US\$1.00 each
(D) The net aggregate of Profits/Losses of the Subsidiary Company/Sub-subsidiary Company so far as it concerns the members of the Corporation:					
(a) Not dealt with in the accounts of the Corporation for the year ended 31st March, 2008 amounted to:					
(i) For the Subsidiary's or the Sub-subsidiary's financial year ended as in 'A' above.	US\$ 151,750	S\$ (2,550)	US\$ 480,673	US\$ (141,098)	US\$ 234,569
(ii) For the previous financial years of the Subsidiary or of the Sub-subsidiary Company	US\$ (582,196)	S\$ (183,437)	US\$ (1,167,440)	US\$ Nil	US\$ Nil
(b) Dealt with in the accounts of the Corporation for the year ended 31st March, 2008 amounted to:					
(i) For the Subsidiary's or the Sub-subsidiary's financial year ended as in 'A' above	NIL	NIL	NIL	NIL	NIL
(ii) For the previous financial years of the Subsidiary or of the Sub-subsidiary Company	NIL	NIL	NIL	NIL	NIL
(E) Changes in the interest of the Corporation or the Subsidiary Company between the end of the financial year of the Subsidiary Company or of the Sub-subsidiary Company as the case may be and 31st March, 2008	NIL	NIL	NIL	NIL	NIL
(F) Material changes between the end of the financial year of the Subsidiary Company or of the Sub-subsidiary Company as the case may be and 31st March, 2008:					
(i) Fixed Assets (Purchased)	NIL	NIL	NIL	NIL	NIL
(ii) Investments – (Purchased) (Sold)	NIL	NIL	NIL	NIL	NIL
(iii) Money lent by the Subsidiary or by the Sub-subsidiary (Loan repaid)	NIL	NIL	NIL	NIL	NIL
(iv) Moneys borrowed by the Subsidiary or by the Sub-subsidiary other than that of meeting current liabilities	NIL	NIL	NIL	NIL	NIL

Note: Figures in brackets indicate losses.

For and on behalf of the Board,

			NUSLI N. WADIA	<i>Chairman</i>
	A. PANJWANI	<i>Managing Director</i>	A. K. HIRJEE	<i>Vice-Chairman</i>
			K. MAHINDRA	<i>Director</i>
<i>Mumbai:</i>	N. H. DATANWALA	<i>Vice President Corporate & Co. Secretary</i>	D. E. UDWADIA	<i>Director</i>
<i>Dated, 30th May, 2008.</i>			M. L. APTE	<i>Director</i>

MANAGEMENT DISCUSSION AND ANALYSIS

1. Business Segment

(a) Tea:

Industry Structure and Developments:

Indian crops showed a marginal decline during Current Year 2007, dropping to 945 million kgs., a decline of 11 million kgs. South Indian crops were lower by 6 million kgs. at 220 million kgs. Excessive rains and poor growing conditions led to the crop decline both in Assam as well as South India.

Indian exports in 2007 hit an all time low of 157 million kgs.; a decline of 28.3%. South Indian exports were the most affected, with exports from this region declining to 73 million kgs. from 120 million kgs. recorded in the earlier year; a decline of 39%. This decline in exports is attributed to the strong rupee and the steep increase in ocean freights. Demand from Pakistan was lower and Iraq was virtually absent.

Imports of teas in Current Year 2007 were lower by 32.8% at 16 million kgs. as against 23.81 million kgs. imported in 2006. The average price of the imports shot up to Rs. 65.43 as against Rs. 50.15 in 2006.

Internal consumption is estimated by Tea Board to be 786 million kgs.

The carry over stock along with poor exports have led to an increase in plainer teas in the market. Higher consumption has greatly helped in keeping the stocks at manageable levels.

Outlook:

Low crops in Kenya have led to greater demand for Indian Teas, from Egypt and Pakistan. Strong

Orthodox markets coupled with incentives offered by Tea Board are expected to increase the Orthodox output leading to increased pressure for good liquoring CTC teas. Strong domestic demand will ensure that the better liquoring teas will average well and the 36% increase in domestic sale recorded by the Corporation in Financial Year 2008 can be further consolidated in the year ahead. Exports will continue to face global competitive pressures.

Performance Highlights:

The overall crop showed a healthy growth of 13.27%, backed by good rains in the second and third quarters of Financial Year 2008. Organic exports were higher by 10.97%. However, non Organic exports declined by 25.31% due to management decision to change product mix and reduce exports owing to a strong rupee and increase in costs, especially ocean freights. The Corporation's domestic sales quantities during Financial Year 2008 increased by 36%, the average price realised were lower by Rs. 0.46. The South Indian Auction quantities were lower by 4.7% due to product mix changes and lower prices which declined by Rs. 1.56 per kg. compared to the corresponding period in Financial Year 2007.

Opportunities:

The Corporation's leadership position in Organic tea production will help tap the fast growing Organic markets overseas and further improve its presence in the emerging markets for Organic teas in Europe and USA. The ability of the Corporation to produce for the specific requirement of blenders in the UK and Europe, have helped in maintaining higher price averages for CTC leaf. Lower crops in

Kenya and strong domestic demand will help improve the averages of the superior CTCs, targeted at specific Indian markets such as Kerala, Gujarat and Maharashtra. Improved grade percentage and quality will help further establish the Corporation's teas in the Kerala market.

Threats:

A quicker revival of the Kenyan crops could lead to lesser exports than expected to Egypt and Pakistan. Higher ocean freights and a strong Rupee could put pressure on our margins on the quantity we export.

Higher oil prices in the international markets could increase cost of production on account of higher power generation and transport costs.

(b) Coffee:

Industry Structure and Developments:

Brazil and Vietnam continue to dominate the world coffee market in Arabica and Robusta production respectively. The production for 2006/2007 is lower compared to the previous year. Brazil was lower by 20% and Vietnam was lower by 10%. The crop harvest in Vietnam was hampered by rain and harvest was considerably delayed. In the case of crop year 2007/08, which has just ended in certain countries, including Brazil, total production is around 117 million bags. Arabica production totals 71.2 million bags while Robusta production totals 45.7 million bags.

India's production for last year is put by ICO at 4.85 million bags although reports are that with the wet weather that was prevailing could be a drop in the final crop. Washed Robusta production declined in India during the year gone by due to the weather conditions.

World production for 2008/2009 is expected to be in the region of 126 million bags. Brazil expects a crop of 42 million bags in the year 2008/2009 and with Vietnam, also expecting a higher crop, there is likely to be volatility in the world markets. However, demand is estimated at exceeding 125 million bags due to higher consumption in producing countries like Brazil, India etc. and if this estimate is correct, prices should be stable especially for Robusta.

Outlook:

Brazilian Coffee crop for 2008/2009 is estimated at 42 million bags.

ICO estimates consumption rising with supply and could exceed 125 million bags.

Production for Vietnam is expected to be over 20 million bags for 2008/2009.

Indonesia is expecting lower yields due to large scale replanting.

There is an upward trend in consumption in producing countries.

Opportunities:

Our coffees continue to be well accepted in the world market and have found new buyers in the UK.

Our buyers in the US and Italy continue to support our coffee and the German Organic buyer reiterates his desire to take whatever we can produce.

Quality is of paramount importance and with the introduction of new and better techniques of processing, we hope to keep pace with developments elsewhere. Our Organic Coffee won the "Flavour of India Award" this year and other coffees were placed 3rd in the standings.

Increased water holding capacity will ensure that we can irrigate and

provide backing showers to our yielding coffee areas in order to ensure a steady crop.

Large scale planting of our low yielding areas with superior varieties will give us a competitive advantage by increasing yields and controlling costs.

Threats:

Widespread damage by White Stem Borer continues to be a worry.

Currency fluctuations have affected export realisations

Settling of wages and governmental control over the same play a large part in our cost.

Severe labour shortage is envisaged in the coming year.

Rain on the opening day of the Blossom could affect the setting of fruit for this year's crop.

A bumper crop in Brazil could affect price estimates in the coming year.

(c) Auto Ancillaries – Springs:

Industry Structure and Developments:

The Corporation's Springs Division is engaged in Auto Components business and dependent on the performance of the automobile business.

The automotive industry has this year shown overall negative trend by 2.3% over the last year. The segment wise trend in this industry is as under :

Segment	Trend in %
Passenger Cars	+ 14.00
Commercial Vehicles	+ 4.90
Three Wheelers	- 10.00
Two Wheelers	- 5.20

BCL is dependent to a large extent, almost 30% of its business, on the two/three wheeler industry. This year we plan to reduce this dependency by increasing the business in other segments.

Product wise performance:

Precision Springs

The market share for Precision springs increased by 5% during the year 2007-08 over the previous year. During the year under review, the Division became the largest manufacturer of Precision springs in India.

Suspension Springs:

This activity grew by 5% over the last year and the market share increased from 15% to 17%. We are reducing the dependence on two wheeler market which is very volatile by developing other products for four wheeler applications.

Outlook:

The passenger car market including utility vehicle has shown a positive growth last year which will continue as per the current market analysis. The passenger car production is expected to touch a figure of 2 Million numbers by 2010 and almost all the car makers are augmenting their capacities accordingly.

The commercial vehicles market has also growth potential. The two wheeler segment has slowed down for the year. However, there is a potential for further growth in this segment.

Auto component industry growth is directly linked to the growth of automobile industry. However, in recent years, component exports are becoming an important growth driver and it is expected to assume greater significance in future.

The Division has planned for a growth of 25% during the financial year 2008-09 thereby achieving a market share of 35% in Precision springs and 18% in Suspension spring business.

Threats:

The availability of steel in the domestic market continues to be a major threat. The domestic wire suppliers have been increasing the prices every quarter. During the year 2007-08, the prices have increased by 50% and we expect a further 20% rise in the first quarter of 2008-09.

Opportunities:

The Corporation has a strong support from its Japanese collaborator NHK Springs who are the world's largest spring makers. There are many Japanese vehicle makers in India where BCL gets a preference in new developments.

The technical support provided to our customers has helped us in gaining a major share in most of the developments in new models.

(d) Laminates:

Industry Structure and Developments:

The Industry structure consisting of organised and unorganised players continues. The unorganised sector consisting of small players manufacturing thinner laminates with disregard towards quality continues to operate with the unethical practices. The Government's resolve to move towards the unified tax regime over the years is welcome as it would reduce such practices substantially. It is expected that during next few years, the Industry would witness the consolidation process of various small players.

Industry Outlook:

The upbeat sentiments in the housing and building products industry continue. Desire to own a house coupled with Government's positive policies towards housing sector augur well for the Industry. Additionally sound growth of Indian economy in both industrial and services sectors, increasing middle class segment with higher disposable income and their changed spending habits - all of them go only further to improve the market for building products industry, which is expected to continue for quite some time.

Operational Performance:

Despite increasing raw material prices, mainly phenol, the Division has achieved satisfactory financial results during the year under review. The continued efforts of cost reduction without compromising with the quality have been the key. The product mix is undergoing a change with greater emphasis on retail segment rather than traditional project segment. The product range is accordingly undergoing change as well to be more retail friendly.

Highlights of the year were growth recorded in production and sales volume as also profitability out of the newly established unit at Uttarakhand.

Opportunities & Threats:

Opportunities:

- Growing market
- Housing/Building Products sector on boom
- Corporatisation taking place in housing sector will improve the market share of branded laminates over unbranded ones.
- Introduction of VAT and marching towards single point GST will

improve our competitiveness vis-à-vis market competition.

Threats:

- Unethical trade practices from the unorganised/small scale sector
- Competitors offering products in various sizes
- Growing bargaining power of customers

2. Internal Control Systems and Adequacy:

The Corporation has adequate internal control procedures commensurate with its 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.

3. Human Resources:

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

The Corporation encourages its workmen to participate in quality circle activities and has incentive schemes to reward exceptional contributions.

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.

The total number of employees in the Corporation as on 31st March, 2008 was 4,635.

4. 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.

Dated: 30th May, 2008

CORPORATE GOVERNANCE

A. MANDATORY REQUIREMENTS :

1. Corporation's Philosophy on code of governance:

Your Corporation firmly believes in transparency in its dealings and lays emphasis on integrity and regulatory compliance. The Wadia Group considers good corporate governance a prerequisite for meeting the needs and aspirations of its shareholders.

2. Board of Directors:

The Board is headed by the Non-Executive Chairman, Mr. Nusli N. Wadia, and comprises of eminent persons with considerable professional experience in varied fields. The Board of Directors consists of 10 members. Of these, 2 are Executive Directors and 8 are Non-Executive Directors and more than one-half of the Board consists of Independent Directors.

Mr. Ishaat Hussain joined the Board with effect from 30th May, 2007.

During the year under review, 4 Board Meetings were held, the dates being 30th May, 2007, 31st July, 2007, 26th October, 2007 and 28th January, 2008.

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

Name of the Director	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	8	12,28,301	—	4	Yes
Mr. A. K. Hirjee, Vice Chairman	Non-Executive & Independent	5	350	6 (Chairman of 2)	4	Yes
Mr. Keshub Mahindra	Non-Executive & Independent	6	—	1 (Chairman of 1)	3	Yes
Mr. M. L. Apte	Non-Executive & Independent	9	—	4	3	Yes
Mr. D. E. Udwadia	Non-Executive & Independent	14	—	9	1	Yes
Mr. P. K. Cassels	Non-Executive & Independent	—	—	—	1	—
Mr. B. N. B. Tao	Non-Executive & Independent	—	—	—	1	—
Mr. Ishaat Hussain (Appointed w.e.f. 30-5-2007)	Non-Executive & Independent	13	—	10 (Chairman of 4)	4	Yes
Mr. Ashok Panjwani, Managing Director	Non-Independent and Executive	5	Not Applicable	—	4	Yes
Mr. Jeh Wadia, Deputy Managing Director	Promoter/ Executive	3	Not Applicable	—	3	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.

The Board has adopted Code of Conduct for all its Directors and members of Senior Management in its meeting held on 26th July, 2005. The same has 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, 2008.

3. Audit Committee:

The Corporation constituted an Audit Committee on 30th January, 2001 in accordance with the requirements of Section 292A of the Companies Act, 1956 ('the Act') and Clause 49 of the Listing Agreements with Stock Exchanges.

The present Audit Committee consists of 3 Non-Executive Independent Directors as under :

Mr. M. L. Apte – Chairman

Mr. D. E. Udawadia

Mr. A. K. Hirjee

The broad terms of reference of the Audit Committee are to review Internal Audit Reports, the Statutory Auditors' Report on the financial statements, to generally interact with the Internal Auditors and Statutory Auditors, to review weaknesses in internal controls, to select and establish accounting policies and to review financial statements before submission to the Board.

It may be clarified that the role of the Audit Committee includes matters specified under the revised Clause 49 of the Listing Agreements entered into between the Corporation and Bombay Stock Exchange Limited and The National Stock Exchange of India Limited where the Corporation's shares are listed.

During the year under review, 4 Meetings of the Audit Committee were held, the dates being 28th May, 2007, 31st July, 2007, 26th October, 2007 and 25th January, 2008.

Details of attendance of each member at the Audit Committee Meetings are as follows :

Name of the Director:	No. of Audit Committee Meetings attended
Mr. M. L. Apte	4
Mr. A. K. Hirjee	4
Mr. D. E. Udawadia	2

4. Remuneration Committee:

(a) Terms of reference, composition and attendance:

Pursuant to Clause 49 of the Listing Agreements with the Stock Exchanges as also a notification dated 16th January, 2002 issued by Department of Company Affairs with regard to minimum remuneration under Schedule XIII of the Act, a Remuneration Committee was constituted vide resolution dated 4th June, 2002.

Mr. Keshub Mahindra and Mr. D. E. Udawadia were appointed as the Members of the Committee in place of Mr. J. Matthan and Field Marshal S. H. F. J. Manekshaw, M. C. with effect from 25th May, 2007.

The present Committee consists of 4 Independent Non-Executive Directors and 1 Non-Executive Promoter Director as under.

Mr. M. L. Apte – Chairman

Mr. Nusli N. Wadia

Mr. A. K. Hirjee

Mr. Keshub Mahindra (w.e.f. 25.5.2007)

Mr. D. E. Udawadia (w.e.f. 25.5.2007)

The terms of reference of the Committee are:

- to decide all elements of remuneration package of all the directors i.e. salary, benefits, bonus, pension etc.

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- to decide details of fixed component and performance linked incentive along with the performance criteria.
- to decide service contracts, notice period, severance fees.
- to decide stock options details if any.

During the year under review, the Remuneration Committee met twice – on 28th May, 2007 and 31st July, 2007.

Details of attendance of each member at the Remuneration Committee Meetings are as follows:

Name of the Director:	No. of Remuneration Committee Meetings attended
Mr. M. L. Apte	2
Mr. Nusli N. Wadia	2
Mr. A. K. Hirjee	2
Mr. Keshub Mahindra	2
Mr. D. E. Udwadia	1

The Remuneration Committee met on 28th May, 2007 and 31st July, 2007 :

- (1) to revise and fix remuneration payable to Mr. Ashok Panjwani as Managing Director on his re-appointment with effect from 24th June, 2007 and
- (2) to revise remuneration payable to Mr. Jeh N. Wadia as Deputy Managing Director with effect from 1st July, 2007 and to fix the same with effect from 24th October, 2007 on his re-appointment as Deputy Managing Director.

(b) **Remuneration Policy:**

The remuneration of Managing Director/Deputy Managing Director 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 Director/Deputy Managing Director. Annual increments are decided by the Remuneration Committee within the overall salary scale approved by the Members.

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.

There are no pecuniary transactions or relations of the non-executive Directors vis-à-vis the Corporation for the year ended 31st March, 2008.

(c) **Remuneration to Directors:**

- (i) Details of payments made to Non-Executive Directors during the year 2007-08 are given below:

(In Rupees)

Name	Sitting fees
Mr. Nusli N. Wadia	60,000
Mr. A. K. Hirjee	1,40,000
Mr. Keshub Mahindra	50,000
Mr. M. L. Apte	1,40,000
Mr. D. E. Udwadia	40,000
Mr. P. K. Cassels	10,000
Mr. B. N. B. Tao	10,000
Mr. Ishaat Hussain	50,000

- (ii) Details of remuneration paid to Managing Director/Deputy Managing Director during the year 2007-08 are given below :

(In Rupees)

	Salary (including Provision for Compensated Absences)	Contribution to Provident Fund & Other Funds	Perquisites in cash or in kind
Mr. Ashok Panjwani	82,49,500	13,58,167	10,83,179
Mr. Jeh Wadia	46,68,500	10,63,733	17,15,914

The above remuneration excludes provision for accruing gratuity and in the previous year provision for Compensated Absences made on the basis of the actuarial valuation for the Corporation as a whole.

Notes: (a) The Agreements with the Managing/Deputy Managing Director are for a period of five years. Either party to the Agreement is entitled to terminate the Agreement by giving not less than six calendar months' prior notice in writing to the other party provided however that the Corporation is entitled to terminate the employment of the other party at any time by payment to him of six months' salary in lieu of such notice.

(b) Presently, the Corporation does not have a scheme for grant of stock options either to the wholetime directors or to its employees. However the Shareholders' approval under Section 79A and 81 of the Companies Act, 1956 to offer, issue and allot equity shares to the employees under Employee Stock Option Scheme, is taken.

5. Investment Committee:

(a) Terms of reference, composition and attendance:

The Corporation constituted Investment Committee on 31st July, 2007 consisting of Mr. M. L. Apte as the Chairman and Mr. Nusli N. Wadia, Mr. A. K. Hirjee, Mr. Ishaat Hussain and Mr. Ashok Panjwani as the Members, to deal with the investments to be made by the Corporation from time to time.

During the year under review, the Investment Committee met once - on 5th September, 2007 to accept offer of warrants on Preferential Allotment basis received from The Bombay Dyeing And Manufacturing Company Limited.

Details of attendance of each member at the Investment Committee Meeting are as follows:

Name of the Director:	Whether Investment Committee Meeting attended
Mr. M. L. Apte	Yes
Mr. Nusli N. Wadia	No
Mr. A. K. Hirjee	No
Mr. Ishaat Hussain	Yes
Mr. Ashok Panjwani	Yes

6. Shareholders' Committees:

(a) Shareholders'/Investors' Grievance Committee:

The Corporation constituted Shareholders'/Investors' Grievance Committee on 25th July, 2001 in accordance with the requirements of Clause 49 of the Listing Agreements with Stock Exchanges.

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The present Committee consists of 2 Non-Executive Directors and 1 Executive Director namely :

Mr. A. K. Hirjee – Chairman

Mr. M. L. Apte

Mr. Jeh Wadia

During the year under review, four Meetings of the Shareholders'/Investors' Grievance Committee were held, the dates being 25th May, 2007, 31st July, 2007, 26th October, 2007 and 25th January, 2008.

Details of attendance of each member at the Shareholders'/Investors' Grievance Committee Meetings are as follows:

Name of the Director :	No. of Shareholders'/Investors' Grievance Committee Meetings attended
Mr. A. K. Hirjee	4
Mr. M. L. Apte	4
Mr. Jeh Wadia	3

This Committee looks into the redressing of shareholders' and investors' complaints like transfer/transmission of shares, non-receipt of balance sheets, non-receipt of dividend, etc.

(b) Share Transfer Committee:

The Board has given authority to any 2 Directors residing in Mumbai to approve the transfer deeds presented for transfer of shares of the Corporation. The transfer deeds received are sent to the Directors normally twice in a month for their approval and the same are confirmed at the subsequent Board Meeting.

All shares received for transfer were registered and dispatched within 30 days of receipt, if the documents were correct and valid in all respects. The transfer deeds were sent 23 times during the year, 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 : 27

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

No. of pending share transfers : Nil.

7. General Body Meetings:

(a) Location and time of General Meetings:

Sr. No.	Type	Date	Location	Time
1.	AGM	31st July, 2007.	Patkar Hall, Sir Vithaldas Thackersey Marg, Mumbai 400 020	4.30 P.M.
2.	AGM	25th July, 2006.	Patkar Hall, Sir Vithaldas Thackersey Marg, Mumbai 400 020	3.45 P.M.
3.	AGM	26th July, 2005.	Patkar Hall, Sir Vithaldas Thackersey Marg, Mumbai 400 020	3.45 P.M.

(b) **The details of Special Resolutions passed in the previous 3 AGMs:**

At the Annual General Meeting held on 26th July, 2005, no Special Resolutions were passed.

The details of the Special Resolutions passed at the last two Annual General Meetings are as under:

Financial Year ended	Date and Time	Venue	Special Resolutions passed
31st March, 2006	25th July, 2006, 3.45 p.m.	Patkar Hall, Sir Vithaldas Thackersey Marg, Mumbai 400 020	<ul style="list-style-type: none"> – Approval under Section 372A of the Companies Act to invest the funds of the Corporation upto Rs. 50 crores by acquiring equity shares of The Bombay Dyeing & Manufacturing Co. Ltd. – Approval for revision in the remuneration payable to Mr. Ashok Panjwani, Managing Director. – Approval for revision in the remuneration payable to Mr. Jeh Wadia, Deputy Managing Director.
31st March, 2007	31st July, 2007, 4.30 p.m.	Patkar Hall, Sir Vithaldas Thackersey Marg, Mumbai 400 020	<ul style="list-style-type: none"> – Re-appointment of Mr. Ashok Panjwani as Managing Director of the Corporation for 5 years on remuneration and other terms as set out. – Re-appointment of Mr. Jeh Wadia as Deputy Managing Director of the Corporation for 5 years on remuneration and other terms as set out. – Approval under Sections 79A and 81 of the Companies Act to offer, issue and allot equity shares and/or equity linked instruments to the employees of the Corporation including Whole-time and Executive Directors, under Employee Stock Option Scheme.

(c) **The details of Special Resolutions passed last year through postal ballot:**

During the year, the Special Resolution contained in the Postal Ballot Notice dated 31st July, 2007 for approval under Section 372A of the Companies Act, 1956, was passed by the Shareholders of the Corporation through Postal Ballot. The result of the postal ballot was declared on 4th September, 2007.

(d) **Person who conducted the postal ballot exercise:**

The Board appointed Mr. Tushar Shridharani, Practising Company Secretary, as the Scrutinizer to conduct the Postal Ballot process. Details of voting pattern were as under.

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Description of Resolution	No. of valid Postal Ballot Forms recd.	Votes Cast	
		For	Against
Approval under Section 372A of the Companies Act, 1956 for making investments to the extent of Rs. 300 Crores in excess of limits prescribed under the said Section for subscribing to preferential issue of warrants and for acquiring equity shares/ other securities of The Bombay Dyeing & Mfg. Co. Ltd.	498	1,01,96,018	7,771

Accordingly, the said Resolution was approved by the Shareholders, with requisite and overwhelming majority of 99.92%.

- (e) Whether any Special Resolution is proposed to be conducted through postal ballot at the ensuing AGM : No
- (f) Procedure for postal ballot : Not Applicable.

8. 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 units like South India Plantations, BCL Springs Division and Formica India Division.
- (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:
- Presently, the Corporation does not have a Whistle Blower Policy.
- (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.

9. 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.

10. General Shareholder Information:

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

30th July, 2008 - 4.00 p.m. at Patkar Hall, Sir Vitaldas Thackersey Marg, Mumbai 400 020.

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

Financial reporting for the quarter ending June, 2008	End July, 2008
Financial reporting for the quarter ending Sept. 2008	End Oct. 2008
Financial reporting for the quarter ending Dec. 2008	End Jan. 2009
Financial reporting for the year ending March 31, 2009	End May, 2009
Annual General Meeting for the year ending March 31, 2009	Last week of July 2009

(c) Book closure period: 15th July, 2008 to 30th July, 2008 (both days inclusive).

(d) Dividend payment date: 7th August, 2008.

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

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

Listing fees as prescribed, have been paid to the aforesaid Stock Exchanges upto March, 2009.

(f) **Stock Code** : BSE National Stock Exchange (NSE)
Physical form : 1425 BBTC EQ.
Demat form : 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.

Registered Office:

Unit: The Bombay Burmah Trading Corporation, Limited

Satam Estate, 3rd Floor, Cardinal Gracious Road

Chakala, Andheri (East), Mumbai 400 099.

Tel: 67720300

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 30 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, 2007 to 31st March, 2008 were:

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Particulars	No. of Transfers	No. of Shares
Transfers	100	16,130
Transmission	54	12,230
Total	154	28,360

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

67.66% of the paid-up capital of the Corporation has been dematerialised as on 31st March, 2008.

Trading in Equity Shares of the Corporation is permitted only in dematerialised form with effect from 26th June, 2000.

(l) (i) **Distribution of shareholding as on 31st March, 2008.**

Group of Shares:	No. of Shareholders	No. of Shares held	% of Total Shares
1 to 500	10,502	10,85,742	7.78
501 to 1000	585	4,20,772	3.02
1001 to 2000	315	4,32,524	3.10
2001 to 3000	113	2,79,065	2.00
3001 to 4000	36	1,24,889	0.90
4001 to 5000	25	1,12,173	0.80
5001 to 10000	51	3,60,215	2.58
10001 and above	38	1,11,39,000	79.82
Total	11,665	1,39,54,380	100.00

(ii) **Shareholding pattern as on 31st March, 2008.**

	No. of Shares held	% of Shares
Promoter Group*	89,36,149	64.04
Financial Institutions	1,99,539	1.43
Nationalised Banks	19,242	0.14
Mutual Fund & UTI	27,350	0.19
FIs	80,972	0.58
Others	46,91,128	33.62
Total	1,39,54,380	100.00

* Promoter Group Companies:

Mr. Nusli N. Wadia and his relatives in terms of Section 6 of the Companies Act, 1956, Archway Investments Company Ltd., Jehreen Investments Pvt. Ltd., Lochness Investments Pvt. Ltd., Nowrosjee Wadia & Sons Ltd., N. W. Exports Ltd., Damascus Investments & Trading Co. Ltd., Gherzi Eastern Investments Ltd., Nessville Trading Pvt. Ltd., National Peroxide Ltd., Naperol Investments Ltd., Varnilam Investments & Trading Co. Ltd., Pointer Export Pvt. Ltd., Sunflower Investments & Textiles Pvt. Ltd., Go Investments and Trading Private Limited (Formerly, Sewakunj Investments And Trading Company Pvt. Ltd.) and their holding companies, subsidiary companies and associates.

(m) Plant Locations :

- Tea and Coffee Estates : (1) Mudis Group of Estates, Mudis P.O. 642117, Coimbatore Dist. Tamil Nadu State.
 (2) Singampatti Group of Estates, Manjolai P.O. 627 420, Tirunelveli Dist. Tamil Nadu State.
 (3) Dunsandle Estate, Dunsandle P.O., Ootacamund 643 005, Nilgiri Dist., Tamil Nadu State.
 (4) Elk Hill Group of Estates, P.O. Box No.12, Sidapur P & T.O. 571253, South Coorg, Karnataka State.
 (5) Usambara Group, Marvera & Herkulu Estate, P.O. Box 22, Soni, Tanzania.
- Formica India Division : Plot No. 23 to 26 and 46 to 48, Sector 5, II E, Pant Nagar Industrial Estate, Rudrapur, Udham Singh Nagar, Uttarakhand 263 153.
- BCL Springs Division : M.I.D.C. Industrial Area, Plot F-13, Chikalthana, Aurangabad-431 210, Maharashtra State.
 K-103, MIDC, Waluj, Aurangabad-431 133, Maharashtra State.
- Weighing Products Division : Plot 304, GIDC, Valsad Industrial Estate, Gundlav, Valsad-396 035, Gujarat State.
- Dental Products of India Division : Plot No. 23 to 26 and 46 to 48, Sector 5, II E, Pant Nagar Industrial Estate, Rudrapur, Udham Singh Nagar, Uttarakhand-263 153.
- 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. (a) 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. The Corporation reimburses Chairman's proportionate office expenses.
- (b) Independent Directors may have a tenure not exceeding, in the aggregate, a period of nine years, on the Board of the Corporation :
 - All the Independent Directors have a tenure exceeding, in the aggregate, a period of nine years, on the Board of the Corporation, except Mr. B. N. B. Tao and Mr. Ishaat Hussain.
2. Remuneration Committee:
 - Please refer to Sr. No. A. 4 of this Report.
3. Shareholder rights – The half-yearly declaration of financial performance including summary of the significant events in last six months should be sent to each household of Shareholders:
 - As the Corporation's half yearly results are published in English newspapers having a circulation all over India and in a Marathi newspaper (having a circulation in Mumbai) the same are not sent to the Shareholders of the Corporation.
4. Audit Qualification:
 - The Corporation will endeavour to resolve the observations of Auditors in their report with regard to the Accounting treatment of the Derivative Contracts, the Accounting Standard in respect thereof is yet to be made applicable.

The Bombay Burmah Trading Corporation, Limited

5. Training of Board Member – Corporation may train in Board Members in the business model of the Corporation as well as the risk profile of the business parameters of the Corporation, their responsibilities as directors, and the best ways to discharge them:
 - Presently the Corporation does not have such a training programme.
6. Mechanism for evaluating non-executive Board Members - The performance evaluation of non-executive Directors may be done by a peer group comprising the entire Board of Directors, excluding the Director being evaluated; and Peer Group evaluation should be the mechanism to determine whether to extend/continue the terms of appointment of Non-Executive Directors:
 - Presently the Corporation does not have such a mechanism.
7. Whistle Blower Policy:
 - Presently the Corporation does not have a Whistle Blower Policy.

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, 2008.

For The Bombay Burmah Trading Corporation, Limited

ASHOK PANJWANI
Managing Director

Mumbai, the 30th day of May, 2008

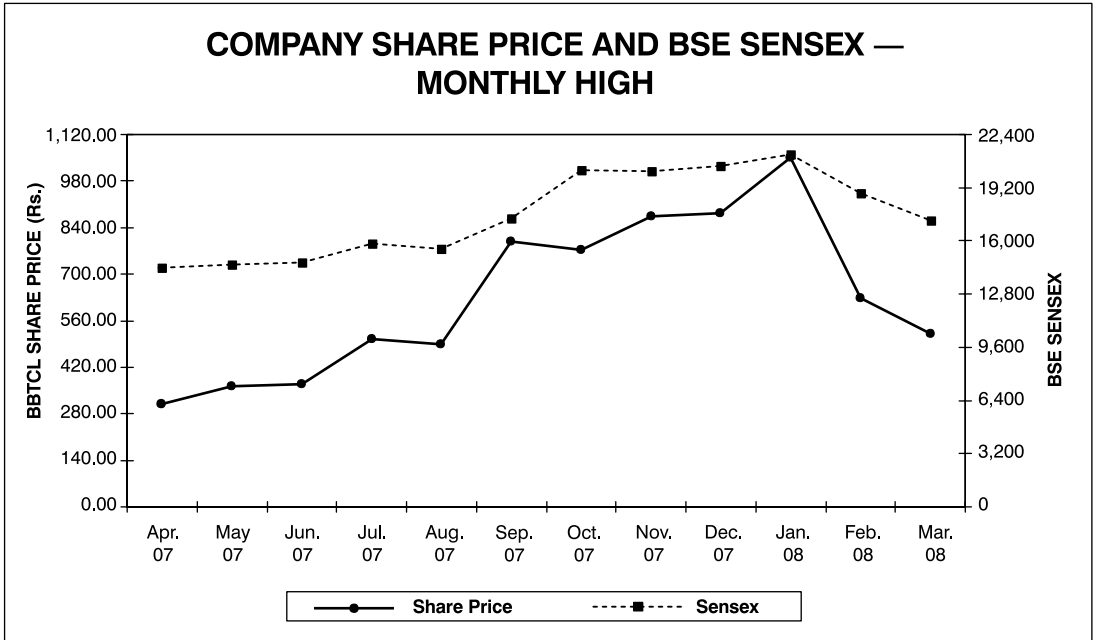
Annexure 1

STOCK MARKET DATA

Month	Month's High Price (In Rs.)		Month's Low Price (In Rs.)		No. of Shares Traded		No. of Trades		Value Rs. (In Lakhs)	
	BSE	NSE	BSE	NSE	BSE	NSE	BSE	NSE	BSE	NSE
April, 2007	309.00	312.00	243.00	242.00	67,141	37,227	2,099	1,459	182.99	100.90
May, 2007	362.70	359.90	262.20	258.00	1,59,683	78,623	3,212	2,447	514.94	254.61
June, 2007	369.15	372.75	320.00	322.50	59,602	25,651	1,393	692	206.18	88.97
July, 2007	506.00	506.00	349.00	351.20	2,43,988	1,13,183	5,304	3,266	1119.08	511.32
August, 2007	490.45	494.90	392.40	389.00	76,890	44,891	1,999	1,291	344.51	203.51
September, 2007	797.70	785.00	452.25	452.20	5,65,940	2,77,639	10,043	6,546	3717.07	1723.52
October, 2007	773.70	762.35	564.00	565.65	3,30,140	1,36,210	6,900	3,039	2151.60	877.55
November, 2007	873.00	874.45	704.00	700.10	2,03,804	1,50,284	5,879	3,526	1585.55	1169.59
December, 2007	884.60	880.00	755.00	760.25	1,45,508	86,970	2,766	1,945	1179.05	704.82
January, 2008	1050.00	1049.50	590.00	590.25	2,17,201	85,254	4,600	2,576	1863.82	738.35
February, 2008	629.00	630.00	474.00	477.00	71,061	21,651	1,111	695	403.80	122.08
March, 2008	520.95	520.00	291.25	296.75	1,90,084	54,951	1,336	791	671.29	201.04

Annexure 2

STOCK PERFORMANCE



Certificate 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 Corporation") for the year ended on 31st March, 2008, as stipulated in clause 49 of the Listing Agreements of the said Corporation 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 Corporation for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Corporation.

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

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

For and on behalf of
Deloitte Haskins & Sells
Chartered Accountants

R. SALIVATI
Partner
Membership No. 34004

Mumbai, 30th May, 2008

The Bombay Burmah Trading Corporation, Limited

CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

We, Ashok Panjwani, Managing Director and Nitin H. Datanwala, Vice President Corporate and Company Secretary, of The Bombay Burmah Trading Corporation, Limited to the best of our knowledge and belief, certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Corporation's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Corporation during the year which are fraudulent, illegal or violative of the Corporation's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Corporation and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the audit committee:
 - (i) significant changes in internal control during the year;
 - (ii) all significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Corporation's internal control system.
- (e) We affirm that we have not denied any personnel, access to the audit committee of the Corporation (in respect of matters involving alleged misconduct) and we have provided protection to 'whistle blowers' from unfair termination and other unfair or prejudicial employment practices; and
- (f) We further declare that all board members and senior managerial personnel have affirmed compliance with the code of conduct for the current year.

Ashok Panjwani
Managing Director

Nitin H. Datanwala
*Vice President Corporate and
Company Secretary*

Mumbai
May, 30, 2008.

AUDITORS' REPORT

TO THE MEMBERS OF THE BOMBAY BURMAH TRADING CORPORATION, LIMITED

1. We have audited the attached Balance Sheet of The Bombay Burmah Trading Corporation, Limited ("The Corporation") as at 31st March, 2008 and also the Profit and Loss account and the Cash Flow statement for the year ended on that date annexed thereto, in which are incorporated the accounts of Johor Bahru, Usambara, and South India Branches audited by other auditors. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure, a Statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, 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 Corporation so far as appears from our examination of the books and proper returns adequate for the purposes of our audit have been received from branches not visited by us. The Branch Auditors' reports have been forwarded to us and have been appropriately dealt with;
 - (c) The Balance Sheet, Profit and Loss account and the Cash Flow Statement dealt with by this report are in agreement with the books of account and with the audited returns from the branches;
 - (d) In our opinion, the Balance Sheet, Profit and Loss account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (e) On the basis of written representations received from the directors as on 31st March, 2008 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - (f) *We draw attention to Note No. 20 of Schedule No. 22 regarding provision for foreseeable losses on outstanding derivative contracts on the basis stated in the note. We are unable to form an opinion in this matter.*
 - (g) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and

The Bombay Burmah Trading Corporation, Limited

subject to the limited extent of our comments in paragraph (f) above, give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Balance Sheet, of the state of affairs of the Corporation as at 31st March, 2008;
- (ii) in the case of the Profit and Loss account, of the profit for the year ended on that date; and

(iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Deloitte Haskins and Sells
Chartered Accountants

R. SALIVATI
Partner

Membership No: 34004

Mumbai,
Dated: 30th May, 2008

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 3 of our report of even date on the accounts for the year ended 31st March, 2008 of The Bombay Burmah Trading Corporation, Limited ("the Corporation").

- (i) The nature of the Corporation's activities during the year has been such that clauses (xiii) and (xiv) of paragraph 4 of the order are not applicable to the Corporation for the year.
- (ii) In respect of its fixed assets:
 - (a) The Corporation has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) All the fixed assets have not been physically verified by the management during the year but there is a regular program of verification which in our opinion is reasonable having regard to the size of the Corporation and the nature of its assets. Accordingly, the management during the year has conducted a physical verification of certain fixed assets. We are informed that no material discrepancies were noticed by the management on such verification.
 - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Corporation and such disposal has, in our opinion, not affected the going concern status of the Corporation.
- (iii) In respect of its inventories:
 - (a) As explained to us, inventories were physically verified during the year by the management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Corporation and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Corporation is maintaining proper records of its inventories and discrepancies noticed on verification between the physical stocks and the book records were not material in relation to the operations of the Corporation.
- (iv) According to the information and explanations given to us the Corporation has not granted or taken any loans, secured or unsecured, to or from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.

In view of what has been stated above, sub-clauses (b), (c), (d), (f) and (g) of clause (iii) of paragraph 4 of the order are not applicable to the Corporation for the year.
- (v) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Corporation and the nature of its business with regard to purchases of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Corporation and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control systems.
- (vi) (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 Companies Act, 1956 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 such contracts or

The Bombay Burmah Trading Corporation, Limited

arrangements exceeding value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.

(vii) The Corporation has not accepted any deposits from the public during the year and hence the directives issued by the Reserve Bank of India and the provisions of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under, are not applicable to the Corporation.

(viii) In our opinion, the Corporation has an internal audit system commensurate with its size and the nature of its business.

(ix) We have broadly reviewed the books of account maintained by the Formica India Division of the Corporation in regard to Synthetic Resins and Plastics and by South India Branches in regard to Tea and Coffee Plantation Products, pursuant to the Rules made by the Central Government for maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956. We are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the books with a view to determine their accuracy or completeness.

To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records for any of the other products of the Corporation.

(x) In respect of statutory dues:

(a) According to the information and explanations given to us, the Corporation has been generally regular in depositing undisputed material statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales

tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues applicable to it with the appropriate authorities during the year.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income tax, Wealth tax, Service Tax, Sales tax, Custom duty and Excise duty were outstanding as at 31st March, 2008 for period of more than six months from the date they became payable.

(c) According to the records of the Corporation and the information and explanations given to us, the following are the disputed amounts payable on account of Excise Duty that have not been deposited on account of a dispute.

Name of the Statute	Nature of Dues	Amount (Rs. In lakhs)	Year to which it relates	Forum where the dispute is pending
Central Excise Act	Excise duty	1.99	1999-2000	Commissioner – Appeals
Central Excise Act	Excise duty	162.50	April 1998 – April 2004	Central Board of Excise & Customs
Central Excise Act	Excise duty	37.65	May 2004 – Dec 2005	Appellate tribunal of Central Excise
Central Excise Act	Excise duty	3.62	Sept 2004 to Jan 2007	Central Board of Excise & Customs
Central Excise Act	Excise duty	148.62	2003-2004	Appellate tribunal of Central Excise
Central Excise Act	Excise duty	8.66	2004	Joint Commissioner of Central Excise

(xi) The Corporation has no accumulated losses as at 31st March, 2008 and has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xii) In our opinion and according to the information and explanations given to us, the Corporation has not defaulted in the

repayment of dues to financial institutions or banks during the year. The Corporation has not borrowed any monies through issue of debentures. Hence the question of default in repayment of dues to debenture holders during the year does not arise.

- (xiii) According to the information and explanations given to us, the Corporation has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiv) The Corporation has given guarantees for loans taken by a wholly owned subsidiary from banks aggregating to Rs. 70 lakhs where the terms and conditions, in our opinion, are not prima facie prejudicial to the interest of the Corporation.
- (xv) In our opinion and according to the information and explanations given to us, the term loans availed by the Corporation were, prima facie, applied by the Corporation during the year for the purposes for which the loans were obtained, other than temporary deployment pending application.
- (xvi) According to the information and explanations given to us and on an overall examination of the balance sheet of the Corporation, funds raised on short-term

basis have, prima facie, not been used during the year for long-term investment.

- (xvii) The Corporation has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956 during the year.
- (xviii) The Corporation has not borrowed any monies through issue of debentures. Hence, the requirement of reporting under clause (xix) of the order does not arise.
- (xix) The Corporation has not raised any money by public issue during the year. Accordingly, provisions of clause (xx) are not applicable to the Corporation.
- (xx) According to the information and explanations given to us, no fraud on or by the Corporation was noticed or reported during the year.

For Deloitte Haskins and Sells
Chartered Accountants

R. SALIVATI
Partner

Membership No: 34004

Mumbai,
Dated: 30th May, 2008

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008.

(Rupees in Lakhs)

	Schedule No.	Rupees	Previous Year	
			Rupees	Rupees
INCOME				
Sales	14	23,778.94	22,169.71	
Less: Excise Duty recovered on Sales		1,169.28	1,723.62	
Net Sales		22,609.66		20,446.09
Other Income	15	2,088.13		1,965.93
		<u>24,697.79</u>		<u>22,412.02</u>
EXPENDITURE				
Decrease/(Increase) in Stocks	16	67.11		(41.90)
Raw Materials Consumed		8,718.42		7,395.79
Purchase of Trading Goods		1,502.44		1,478.29
Operation and Other Expenses	17	6,821.10		6,441.84
Payments to and Provision for Employees	18	3,831.07		4,166.54
Cost relating to Real Estate Division	19	26.79		—
Interest	20	1,749.31		1,095.16
Depreciation		701.40	525.15	
Less: Transfer from Revaluation Reserve		0.55	0.63	
		<u>700.85</u>		<u>524.52</u>
		<u>23,417.09</u>		<u>21,060.24</u>
PROFIT BEFORE TAXATION				
Provision for Taxation	21	233.31		169.67
		<u>1,280.70</u>		<u>1,351.78</u>
PROFIT AFTER TAXATION				
Brought Forward from Previous Year		987.17		594.84
		<u>1,047.39</u>		<u>1,182.11</u>
PROFIT FOR THE YEAR AVAILABLE FOR APPROPRIATION				
		<u>2,034.56</u>		<u>1,776.95</u>
APPROPRIATIONS				
Proposed Dividend		418.63		418.63
Corporate Dividend Tax thereon		71.15		71.15
Transfer to General Reserve		300.00		300.00
Surplus carried to Balance Sheet		1,244.78		987.17
		<u>2,034.56</u>		<u>1,776.95</u>
Basic and Diluted Earnings per Share (in Rs.) – Face Value Rs. 10 each Refer Note No.12 of Schedule No. 22		7.51		8.47
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS				

As per our attached report of even date.

For DELOITTE HASKINS & SELLS
Chartered AccountantsR. SALIVATI
Partner
Mem. No. 34004Mumbai:
Dated, 30th May, 2008.

The foregoing Profit and Loss Account for the year ended 31st March, 2008 including Schedule Numbers 14 to 22 is hereby authenticated by us.

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*
K. MAHINDRA *Director*
D. E. UDWADIA *Director*
M. L. APTE *Director*

The Bombay Burmah Trading Corporation, Limited

CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR YEAR ENDED 31ST MARCH, 2008

(Rupees in Lakhs)

	Rupees	Rupees	Previous Year Rupees	Rupees
A. Cash flows from operating activities:				
Profit before Taxation and Extraordinary Items		1,280.70		1,351.78
Adjustments for:				
Depreciation	700.85		524.52	
Profit on Sale of Fixed Assets (Net)	(3.69)		(10.47)	
Net Block of Leasehold and Freehold Land and Building transferred to Cost relating to Real Estate	(140.98)		—	
Long term investment written off	22.98		—	
Provision for Doubtful Debts (Net)	52.13		21.35	
Excess Provision written back	(34.03)		(17.08)	
Advances/Doubtful Debts written off	4.26		0.32	
Provision for Doubtful Advances	—		1.16	
Compensation for surrender of land	—		(82.91)	
Interest expense	1,749.31		1,095.16	
Interest income	(270.35)		(202.10)	
Dividend income	(747.50)		(921.81)	
		1,332.98		408.14
Operating Profit before working capital changes		2,613.68		1,759.92
Adjustments for:				
Increase in Sundry Debtors and other receivables	(806.24)		(1,531.38)	
Increase in Inventories	(1,735.81)		(439.16)	
Increase in Sundry Creditors and Provisions	711.50		702.54	
		(1,830.55)		(1,268.00)
Cash from operations		783.13		491.92
Currency alignment on conversion of accounts of non-integral foreign branches & on fixed assets		(35.00)		8.92
Transitional liability on account of Revised AS-15		(39.72)		—
Direct taxes paid (Net)		(258.05)		(175.40)
Net cash from operating activities		450.36		325.44
B. Cash flows from investing activities:				
Purchase of fixed assets		(1,569.77)		(2,526.82)
Net Block of Leasehold and Freehold Land and Building transferred to Cost relating to Real Estate		140.98		—
Proceeds from sale of fixed assets		215.43		16.64
Compensation for surrender of land		—		82.91
Purchase of Investments		(2,596.01)		(4,496.94)
Proceeds from sale of investments		—		4,505.28
Advances & Loans to Subsidiaries (Net)		(352.56)		(820.83)
Interest income		268.98		187.49
Dividend income		983.40		810.41
Net cash used in investing activities		(2,909.55)		(2,241.86)

CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR YEAR ENDED 31ST MARCH, 2008 (Contd.)

(Rupees in Lakhs)

	Rupees	Rupees	Previous Year Rupees	Rupees
C. Cash flows from financing activities:				
Proceeds from Short term loan		—		0.28
Repayment of Short term loan		—		(3,000.00)
Proceeds from Hire Purchase loan (Net)		(7.33)		6.01
Proceeds of term loans (Net)		3,894.00		4,865.45
Repayment of Intercompany Deposits		(10.00)		—
Proceeds/(Repayment) of Cash Credit/Overdraft account		327.32		(1,430.92)
Interest paid		(1,893.28)		(1,059.53)
Dividends paid (including Corporate Dividend Tax)		(485.80)		(394.41)
Net cash from financing activities		1,824.91		(1,013.12)
Net decrease in cash and cash equivalents (A + B + C)		(634.28)		(2,929.54)
Cash and cash equivalents as at the commencement of the year		4,566.11		7,495.65
Cash and cash equivalents as at the end of the year		3,931.83		4,566.11
Net decrease as disclosed above		(634.28)		(2,929.54)
Components of Cash and Cash Equivalents as at		31-03-2008		31-03-2007
Cash on hand		10.47		10.93
Balances with Banks — on Current Account		1,274.19		1,414.89
— on Deposit Account		2,647.17		3,140.29
		3,931.83		4,566.11

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) Bank Deposits includes **Rs. 147.17 lakhs** (Previous Year Rs. 3,140.29 lakhs) on which charge is created.
- (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 DELOITTE HASKINS & SELLS
Chartered AccountantsR. SALIVATI
Partner
Mem. No. 34004Mumbai:
Dated, 30th May, 2008.A. PANJWANI
Managing Director
N. H. DATANWALA
Vice President Corporate
& Co. Secretary

For and on behalf of the Board,

NUSLI N. WADIA
Chairman
A. K. HIRJEE
Vice-Chairman
K. MAHINDRA
Director
D. E. UDWADIA
Director
M. L. APTE
Director

The Bombay Burmah Trading Corporation, Limited

SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2008

	(Rupees in Lakhs)	
Rupees	As at 31st March, 2008 Rupees	As at 31st March, 2007 Rupees
SCHEDULE NO. 1		
SHARE CAPITAL:		
AUTHORISED —		
1,50,00,000 Equity Shares of Rs. 10/- each	1,500.00	<i>1,500.00</i>
	1,500.00	<i>1,500.00</i>
ISSUED AND SUBSCRIBED —		
1,39,54,380 Equity Shares of Rs. 10/- each fully paid-up	1,395.44	<i>1,395.44</i>
Of the above —		
(1) 25,000 Shares of Rs. 10/- each are allotted as fully paid-up pursuant to a contract without payment being received in cash and 1,25,000 Shares of Rs. 10/- each are allotted as fully paid-up pursuant to the Scheme of Arrangement for relinquishment of special rights attached to the original shares.		
(2) 1,07,94,377.50 Shares of Rs. 10/- each are allotted as fully paid-up by way of Bonus Shares by capitalisation of General Reserve and Securities Premium Account.		
(3) On 10,50,000 Shares of Rs. 10/- each a sum of Rs. 6/- per share was credited by way of Bonus by capitalisation of Reserves.		
<i>Add: Forfeited Shares —</i>		
Amount paid-up	0.83	<i>0.83</i>
TOTAL	1,396.27	<i>1,396.27</i>
<hr/>		
SCHEDULE NO. 2		
RESERVES AND SURPLUS:		
Capital Reserve Account —		
As per last Balance Sheet	89.47	<i>89.47</i>
Revaluation Reserve Account —		
As per last Balance Sheet	0.55	<i>1.18</i>
<i>Less: Difference between depreciation on Revalued Cost of Plant and Machinery and Original Cost thereof for the year transferred to Profit and Loss Account</i>	0.55	<i>0.63</i>
	—	<i>0.55</i>
Securities Premium Account —		
As per last Balance Sheet	3,637.21	<i>3,637.21</i>
Foreign Currency Translation Reserve Account —		
As per last Balance Sheet	(11.74)	<i>(16.76)</i>
<i>Add: Amount transferred on account of resulting exchange differences on conversion of non-integral foreign branches</i>	(39.22)	<i>5.02</i>
	(50.96)	<i>(11.74)</i>
General Reserve Account —		
As per last Balance Sheet	2,248.85	<i>1,948.85</i>
<i>Add: Transfer from Profit and Loss account</i>	300.00	<i>300.00</i>
<i>Less: Transitional liability arising on account of adoption of Revised AS-15</i>	(39.72)	—
	2,509.13	<i>2,248.85</i>
Profit and Loss Account —		
	1,244.78	<i>987.17</i>
TOTAL	7,429.63	<i>6,951.51</i>

SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2008

(Rupees in Lakhs)

	As at 31st March, 2008 Rupees	As at 31st March, 2007 Rupees
SCHEDULE NO. 3		
SECURED LOANS:		
Loans and Advances from Banks —		
Cash Credit/Overdraft Accounts (Secured by hypothecation of all stocks of Raw Materials, Finished Goods, Semi-finished Goods, Goods-in-process, Stores and Book Debts, both present and future and further secured by charge on property/investments as described below and Bank Deposits in Schedule 9).	1,686.91	<i>1,359.59</i>
Term Loans —		
Term Loans and other facilities from a Bank aggregating to Rs. 16,000 lakhs are secured by way of an Equitable Mortgage by Deposit of title deeds of Mudis and Singampatti Estates together with Buildings and structures thereon and all plant and machinery permanently attached to the earth and by way of hypothecation of current assets including inventories and receivables, present and future, subject to the prior charges created in favour of the Corporation's bankers for working capital requirements. The said facilities are further secured by a pledge of 8,50,000 equity shares of The Bombay Dyeing and Manufacturing Company Limited.		
Term Loans and other facilities from a Bank aggregating to Rs. 15,100 lakhs are secured by an extension of first charge on Elkhill estates and exclusive charge on Fixed Assets including land of Formica India Division at Rudrapur, Uttarakhand and also by way of first charge on BCL Springs Division at Aurangabad as collateral.		
Term Loans of Rs. 3,500 lakhs from a Bank availed during the year is secured by way of second mortgage of Singampatti Estate together with Building and structures thereon and all plant and machinery permanently attached to the earth and second charge by way of hypothecation of movable assets and also a collateral by way of pledge of 6,00,000 equity shares of The Bombay Dyeing and Manufacturing Company Limited.	25,225.31	<i>21,331.58</i>
Hire Purchase Loan	103.21	<i>109.84</i>
Less: Unmatured Finance charges	13.47	<i>12.77</i>
	89.74	<i>97.07</i>
[Principal amounts payable within 1 year Rs. 40.79 lakhs (<i>Previous Year Rs. 45.80 lakhs</i>)] (Hire Purchase Loan is secured by a lien on vehicle purchased under Hire Purchase agreement)		
TOTAL	27,001.96	<i>22,788.24</i>

SCHEDULE NO. 4

UNSECURED LOANS:

Intercompany Deposits	—	<i>10.00</i>
From Others	0.45	<i>0.18</i>
TOTAL	0.45	<i>10.18</i>

The Bombay Burmah Trading Corporation, Limited

SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2008

SCHEDULE NO. 5

FIXED ASSETS :

	(Rupees in Lakhs)											
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees		
Original/ Revalued Cost or Balance as at 1st April, 2007	Cost of Additions during year [^]	Cost of Disposals/ Transfers during year	Currency Alignment on Closing Balance	Cost/ Revalued Balance as at 31st March, 2008	Accumulated Depreciation/ Amortisation as on 1st April, 2007	Currency Alignment on Opening Balance year	Depreciation/ Amortisation for the year	Depreciation/ Amortisation on Disposals/ Transfers during the year	Depreciation/ Amortisation to 31st March, 2008	Net Book Value as at 31st March, 2008	Net Book Value as at 31st March, 2007	
INTANGIBLE ASSETS:												
Goodwill	52.09	—	—	52.09	10.42	—	10.42	—	20.84	31.25	41.67	
Technical know-how	25.64	—	—	25.64	15.38	—	5.13	—	20.51	5.13	10.26	
Computer Software	20.02	—	—	20.02	2.15	—	1.07	—	3.22	16.80	17.87	
TANGIBLE ASSETS:												
LAND:												
Freehold	215.67	—	\$(34.48)	181.19	—	—	—	—	—	181.19	215.67	
Leasehold	418.48	—	\$(1.18)	417.25	10.92	(0.01)	5.29	—	16.20	401.05	407.56	
ROADS	101.93	—	—	101.93	34.91	—	3.26	—	38.17	63.76	67.02	
DEVELOPMENT – Plantations	1,074.81	210.85	—	1,285.50	20.12	—	—	—	20.12	1,265.38	1,054.69	
BUILDINGS	*2,504.36	192.88	\$(114.43)	2,581.55	849.97	(0.46)	105.19	(9.11)	945.56	1,635.99	1,654.39	
PLANT AND MACHINERY	**9,660.52	***1,030.73	(298.35)	10,384.51	4,960.25	(5.12)	501.36	(231.36)	5,224.67	5,159.84	4,700.27	
MOTOR VEHICLES AND TRACTORS	564.49	89.68	(12.39)	637.97	293.44	(3.31)	40.66	(11.91)	318.69	319.28	271.05	
FURNITURE AND FIXTURES	616.37	18.29	(20.46)	613.91	251.15	(0.15)	29.02	(17.17)	262.84	351.07	365.22	
TOTAL	15,254.38	\$1,542.43	(481.29)	16,301.56	6,448.71	(9.05)	701.40	(269.55)	6,870.82	9,430.74	8,805.67	
PREVIOUS YEAR TOTAL	12,217.65	3,129.60	(68.95)	15,254.38	(6,003.89)	(527.62)	(0.02)	(82.78)	(6,448.71)	175.02	147.68	
CAPITAL WORK-IN-PROGRESS										TOTAL:	9,605.76	8,953.35

CAPITAL WORK-IN-PROGRESS

* Includes Rs. 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 Rs. 50 each fully paid-up of the New Cosmopolitan Housing Society Ltd.

** Includes Rs. 1,304.85 lakhs being the Revalued Cost of Plant & Machinery, which were revalued as on 30.9.1985.

\$ Includes Borrowing costs capitalised – Rs. Nil lakhs (Previous Year – Rs. 86.19 lakhs).

*** Additions to machinery include Rs. Nil lakhs (Previous Year – Rs. 1.77 lakhs) being increase in liability in respect of foreign currency liability as on 31st March, 2008 for machinery acquired from a Country outside India.

Motor Vehicles and Tractors include Rs. 239.28 lakhs (Previous Year – Rs. 194.58 lakhs) being cost of Assets purchased on Hire Purchase basis on which the lender has a lien.

^ Includes additions in Dental Products Division amounting to Rs. 14.70 lakhs (refer Note No. 18 of Schedule 22).

\$\$ Includes Land and Building transferred for Real Estate Development as per Note No. 19 of Schedule 22.

SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2008

				(Rupees in Lakhs)	
				As at 31st March, 2008	As at 31st March, 2007
				(Book Value) Rupees	(Book Value) Rupees
				(Face Value) Rupees	(Book Value) Rupees
SCHEDULE NO. 6					
INVESTMENTS:					
LONG TERM INVESTMENTS					
1. TRADE INVESTMENTS —					
SHARES OF OTHER COMPANIES (Unquoted) —					
Fully paid at Cost —					
1,774 Ordinary Shares of Anamallais Ropeway Co. Limited of Rs.100 each	Rs.	1.77		0.01	0.01
5 Ordinary Shares of The Nilgiris Co-operative Central Stores Limited of Rs. 50 each (Face Value Rs.250, Book Value Rs. 255)		—		—	—
250 Shares of The Valparai Co-operative Wholesale Stores Limited of Rs. 10 each	Rs.	0.03		0.03	0.03
1 Share of The Coorg Orange Growers' Co-operative Society Limited of Rs.100 (Face Value Rs. 100, Book Value Rs.100)		—		—	—
50 "Member" Shares of The Tanganyika Farmers' Co-operative Association Limited of Shs. 1,000 each (Face Value Shs.50,000 Book Value Rs. 3,090)	Rs.	0.03		0.02	0.02
				<u>0.06</u>	<u>0.06</u>
2. OTHER INVESTMENTS —					
(A) SHARES OF OTHER COMPANIES —					
<i>Fully paid at Cost — (Quoted)</i>					
59,28,875* (Previous Year 57,56,664 Equity Shares of The Bombay Dyeing and Manufacturing Co. Limited, of Rs. 10 each. (31.3.2007) Rs. (575.67)	Rs.	592.89		9,868.91	8,996.77
4,700 (Previous Year 94,091) Equity Shares of Citurgia Biochemicals Limited, of Rs. 10 each	Rs.	0.47	0.47		29.87
Less: Provision for diminution (31.3.2007) Rs. (9.41)				—	(6.42)
				<u>0.47</u>	<u>23.45</u>
16 Equity Shares of The Associated Cement Company Limited, of Rs.10 each (Face Value Rs.160, Book Value Rs.160)	Rs.	—		—	—
Fully paid at Cost – (Unquoted) 48,000 Equity Shares of Inor Medical Products Limited of Rs. 10 each	Rs.	4.80		0.29	0.29
11,580 Equity Shares of B.R.T. Limited of Rs. 100 each	Rs.	11.58		15.87	15.87
4,999 Equity Shares of Lima Investment & Trading Company Pvt. Limited of Rs. 100 each	Rs.	5.00		5.00	5.00
				<u>9,890.54</u>	<u>9,041.38</u>
Carried Forward				<u>0.06</u>	<u>0.06</u>
Carried Forward					

The Bombay Burmah Trading Corporation, Limited

SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2008

				(Rupees in Lakhs)	
				As at 31st March, 2008	As at 31st March, 2007
				(Book Value) Rupees	(Book Value) Rupees
				(Face Value) Rupees	(Book Value) Rupees
SCHEDULE NO. 6					
INVESTMENTS: (Contd.)					
2. OTHER INVESTMENTS — (Contd.)					
				0.06	<i>0.06</i>
				9,890.54	<i>9,041.38</i>
				24.50	<i>24.50</i>
				5.00	<i>5.00</i>
				5.00	<i>5.00</i>
				—	<i>—</i>
				—	<i>—</i>
				9,925.04	<i>9,075.88</i>
(B) GOVERNMENT SECURITIES —					
				4.00	<i>4.00</i>
(C) SHARES/DEBENTURES OF SUBSIDIARY COMPANIES —					
Fully paid at Cost (Unquoted) —					
				76.05	<i>60.02</i>
				29.70	<i>—</i>
				20.00	<i>73.62</i>
				106.65	<i>61.93</i>
				864.79	<i>2.09</i>
				5.98	<i>5.98</i>
				738.63	<i>203.64</i>
				10,667.67	<i>9,283.52</i>
				10,667.73	<i>9,283.58</i>

SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2008

				(Rupees in Lakhs)	
				As at 31st March, 2008	As at 31st March, 2007
				(Book Value) Rupees	(Book Value) Rupees
				(Face Value) Rupees	(Book Value) Rupees
SCHEDULE NO. 6					
INVESTMENTS: (Contd.)					
Brought Forward				10,667.73	9,283.58
3. CO-OPERATIVE HOUSING SOCIETIES —					
Fully paid at Cost (unquoted) 1 Ordinary Share of Daisylea Apartment Owners' Association of Rs.100 (Face Value Rs. 100, Book Value Rs. 100)					
	—	—		—	—
15 Shares of Hermes Park Co-operative Housing Society Limited of Rs. 50 each					
Rs.	0.01	0.01		0.01	0.01
10 Shares of Reena Park Co-operative Housing Society Limited of Rs. 50 each (Face Value Rs.500, Book Value Rs. 500)					
	—	—		—	—
				0.01	0.01
4. WARRANTS —					
19,30,000 (Previous Year Nil) Warrants of The Bombay Dyeing & Manufacturing Co. Ltd. (Rs. 61.60 paid up per warrant)					
				1,188.88	0.00
TOTAL				<u>11,856.62</u>	<u>9,283.59</u>
Note:					
Aggregate Amount of Quoted Investments — (Market Value Rs. 36,421.68 Lakhs ; 31st March, 2007 Rs. 31,150.32 Lakhs)					
				9,869.38	9,020.22
Aggregate Amount of Unquoted Investments					
				1,987.24	263.37
TOTAL				<u>11,856.62</u>	<u>9,283.59</u>
RM. — Malaysian Ringgit					
Rp. — Indonesian Rupiah					
* Out of these 14,50,000 equity shares have been pledged as Collateral Security for term loans availed from Banks.					

				(Rupees in Lakhs)	
				As at 31st March, 2008	As at 31st March, 2007
				Rupees	Rupees
SCHEDULE NO. 7					
INVENTORIES:					
Stores and Spare parts				521.09	472.21
Stock-in-trade:					
Raw Materials (includes material in transit Rs. 27.93 lakhs) (Previous Year Rs. 49.02 lakhs)					
	1,338.45			1,040.56	1,040.56
Work-in-Progress					
	273.47			386.12	386.12
Finished Goods					
	2,884.85			2,839.31	2,839.31
Real Estate under Development					
	1,456.15			—	—
				5,952.92	4,265.99
TOTAL				<u>6,474.01</u>	<u>4,738.20</u>

The Bombay Burmah Trading Corporation, Limited

SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2008

		(Rupees in Lakhs)	
	Rupees	As at 31st March, 2008 Rupees	As at 31st March, 2007 Rupees
SCHEDULE NO. 8			
SUNDRY DEBTORS: (Unsecured)			
(a) Debts outstanding for a period exceeding six months —			
Considered Good	494.59		498.32
Considered Doubtful	106.27		63.18
	<u>600.86</u>		<u>561.50</u>
Less: Provision for Doubtful Debts	106.27		63.18
		<u>494.59</u>	<u>498.32</u>
(b) Other Debts —			
Considered Good		4,984.73	4,307.98
TOTAL		<u>5,479.32</u>	<u>4,806.30</u>

SCHEDULE NO. 9

CASH AND BANK BALANCES:

Cash on hand		10.47	10.93
Cheques on hand		166.80	87.52
Bank Balances			
(a) With Scheduled Banks:			
On Current Accounts	967.59		1,163.50
On Margin Account	16.24		15.95
On Deposit Accounts			
[(includes Rs. 14.84 lakhs (Previous Year Rs. 7.96 lakhs) Pledged with Government Authorities) and Rs. 132.33 lakhs (Previous Year Rs. 3,132.33 lakhs) pledged with a Bank for credit facilities granted by the Bank]	2,647.17		3,140.29
Unpaid Dividend Accounts			
— Current Account	22.05		18.07
		<u>3,653.05</u>	<u>4,337.81</u>
(b) With Others:			
On Current Accounts:			
Standard Chartered Bank, Tawau [Maximum balance during the Year Rs. 59.48 lakhs (Previous Year Rs. 32.66 lakhs)]	59.48		32.66
Standard Chartered Bank, Singapore, [Maximum balance during the Year Rs. 124.08 lakhs (Previous Year Rs. 115.53 lakhs)]	15.63		91.42
National Bank of Commerce, Tanga – [Maximum balance during the Year Rs. 32.55 lakhs (Previous Year Rs. 109.78 lakhs)]	26.40		5.77
	<u>101.51</u>		<u>129.85</u>
		<u>101.51</u>	<u>129.85</u>
TOTAL		<u>3,931.83</u>	<u>4,566.11</u>

SCHEDULE NO. 10

OTHER CURRENT ASSETS :

Interest accrued on Investments and Deposits		27.12	25.75
Dividend Receivable		65.45	301.35
TOTAL		<u>92.57</u>	<u>327.10</u>

SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2008

	(Rupees in Lakhs)	
	As at 31st March, 2008	As at 31st March, 2007
	Rupees	Rupees
SCHEDULE NO. 11		
LOANS AND ADVANCES: (Unsecured)		
Advances and Loans to Subsidiaries	1,902.67	1,550.11
Advances and Loans to Others	652.27	502.68
Advance Payment of Income-tax etc. [Net of Provision for Tax Rs. 317.00 lakhs (Previous Year Rs. 182.00 lakhs)]	180.38	98.11
Advance Payment of Fringe Benefit tax [Net of Provision Rs. 52.00 lakhs (Previous Year Rs. 52.00 lakhs)]	1.04	1.04
Deposit in Special Account (Tea Development Account) with National Bank for Agriculture and Rural Development u/s 33AB of the Income-tax Act, 1961)	0.20	22.84
	<u>2,736.56</u>	<u>2,174.78</u>
Advances recoverable in cash or in kind or for value to be received	1,120.98	1,072.91
Balance with Government and Other Authorities	228.69	326.88
	<u>4,086.23</u>	<u>3,574.57</u>
Less: Provision for Doubtful advances	130.00	130.00
TOTAL	<u>3,956.23</u>	<u>3,444.57</u>
Advances include:		
Considered Good	3,956.23	3,444.57
Considered Doubtful	130.00	130.00
TOTAL	<u>4,086.23</u>	<u>3,574.57</u>

SCHEDULE NO. 12**CURRENT LIABILITIES:**

Acceptances	363.82	473.54
Sundry Creditors		
(i) Total Outstanding dues of micro enterprises and small enterprises (refer note no.11 of schedule 22)	—	—
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	3,093.86	2,706.49
Unclaimed Dividends*	22.05	18.07
Book overdraft with bank	62.94	—
Deposit from lessee for premises given on lease	300.00	300.00
Staff Pension and Other Funds	44.30	111.64
Interest accrued but not due on Secured Loans	69.64	213.61
TOTAL	<u>3,956.61</u>	<u>3,823.35</u>

* There is no amount due and outstanding as at Balance Sheet date to be credited to Investor Education and Protection Fund.

SCHEDULE NO. 13**PROVISIONS:**

Taxation [Net of Advance Tax Rs. 8.14 lakhs (Previous Year Rs. 6.32 lakhs)]	67.85	12.14
Fringe Benefit Taxation [Net of Advance Tax Rs. 72.04 lakhs (Previous Year Rs. 33.20 lakhs)]	7.96	4.80
Proposed Dividend	418.63	418.63
Corporate Dividend Tax	71.15	71.15
Provision for compensated absences	134.37	108.95
Provision for Derivative Loss	378.80	—
TOTAL	<u>1,078.76</u>	<u>615.67</u>

The Bombay Burmah Trading Corporation, Limited

SCHEDULES TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

(Rupees in Lakhs)

Previous Year

	Rupees	Rupees	Rupees	Rupees
SCHEDULE NO. 14				
SALES:				
Tea		5,033.36		4,849.24
Coffee		1,052.96		1,038.42
Other Plantation Products		279.42		567.61
Laminates		8,121.06		5,722.07
Precision Springs		7,729.95		8,835.09
Weighing Products		291.63		340.02
Dental Products		1,270.56		817.26
TOTAL		<u>23,778.94</u>		<u>22,169.71</u>

SCHEDULE NO. 15

OTHER INCOME:

Agency Commission		84.78		15.60
Interest received (Gross):				
Current Accounts, Loans, Deposits, etc.	111.43			144.34
Subsidiary Companies	158.92			57.76
		270.35		202.10
Dividends – Long Term Investments:				
Other Investments	289.04		174.03	
Subsidiary Companies	458.46		747.78	
		747.50		921.81
Rent (including Machinery etc. Hire Charges/Lease Rent)		102.35		97.34
Expenses recovered from Subsidiary and other Companies		269.00		137.25
Sundry Receipts		324.45		257.00
Compensation for surrender of land		—		82.19
Export Benefits and Incentives		75.63		20.17
Profit on Sale of Fixed Assets (Net)		3.69		10.47
Profit on Sale of Raw Materials		2.15		6.42
Foreign Exchange Fluctuations (Net)		174.20		193.55
Bad Debts written off earlier recovered		—		4.95
Excess Provision in respect of Previous Year [including Rs. 9.03 lakhs (Previous Year Rs. 2.56 lakhs) in respect of doubtful debts written back]		34.03		17.08
TOTAL		<u>2,088.13</u>		<u>1,965.93</u>

SCHEDULE NO. 16

DECREASE/(INCREASE) IN STOCKS:

Closing Stock				
Finished Goods	2,884.85		2,839.31	
Work-in-Progress	273.47		386.12	
		3,158.32		3,225.43
Less: Opening Stock				
Finished Goods	2,839.31		2,784.27	
Work-in-Progress	386.12		399.26	
		3,225.43		3,183.53
TOTAL		<u>67.11</u>		<u>(41.90)</u>

SCHEDULES TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

	(Rupees in Lakhs)				
				<i>Previous Year</i>	
	Rupees	Rupees	Rupees	<i>Rupees</i>	<i>Rupees</i>
SCHEDULE NO. 17					
OPERATION AND OTHER EXPENSES:					
Consumption of Stores and Spare parts			1,163.23		<i>1,145.06</i>
Power, Fuel and Oil			835.97		<i>1,086.69</i>
Processing charges			499.58		<i>448.17</i>
Repairs to Buildings and Roads			124.75		<i>115.88</i>
Repairs to Machinery			201.88		<i>221.86</i>
Freight, Transport and Carriage Charges			779.12		<i>802.96</i>
Insurance			62.84		<i>79.50</i>
Rates and Taxes			74.70		<i>59.97</i>
Excise Duty (Net)*			7.87		<i>20.54</i>
Rent			65.49		<i>51.33</i>
Technical Know-how Fees			66.50		<i>7.29</i>
Advances/Doubtful Debts written off			4.26		<i>0.32</i>
Provision for Doubtful Debts			52.13		<i>21.35</i>
Provision for Doubtful Advance			—		<i>1.16</i>
Travelling Expenses			329.20		<i>361.28</i>
Postage, Telegrams and Telephones			101.50		<i>99.38</i>
Advertisement and Sales Promotion Expenses			250.79		<i>169.88</i>
Miscellaneous Expenses			904.62		<i>760.45</i>
Selling Agents' Commission and Discount			983.15		<i>813.64</i>
Legal and Professional Charges			237.96		<i>143.49</i>
Assets Discarded Written off			43.17		<i>—</i>
Directors' Sitting fees			5.00		<i>2.75</i>
Long term investment written off			22.98		<i>—</i>
Auditors' Remuneration including at Branches – (including service tax where applicable)					
Audit Fees			16.84		<i>13.15</i>
Other Fees paid to Auditors:					
Tax Audit	0.50				<i>0.50</i>
Company Law Matters	—				<i>1.00</i>
Any Other Manner – certification etc.	9.58				<i>12.59</i>
			10.08		<i>14.09</i>
Reimbursement of expenses			2.30		<i>1.65</i>
			29.22		<i>28.89</i>
Less: Expenses transferred to Fixed Assets of Dental Products Division as per note no. 18 of Schedule 22			11.07		<i>—</i>
Less: Transferred to Real Estate cost			13.74		<i>—</i>
TOTAL			<u>6,821.10</u>		<i><u>6,441.84</u></i>

* Excise Duty shown under Expenditure represents cess on excise duty and the difference between excise duty on Opening & Closing Stock of Finished Goods.

The Bombay Burmah Trading Corporation, Limited

SCHEDULES TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

(Rupees in Lakhs)

Previous Year

	Rupees	Rupees	Rupees	Rupees
SCHEDULE NO. 18				
PAYMENTS TO AND PROVISIONS FOR EMPLOYEES:				
Salaries, Wages and Bonus [includes VRS of Rs. 1,272.59 lakhs (Previous Year Rs. Nil)]	4,483.91		3,374.71	
Contribution to Provident and Other Funds	430.17		511.11	
Labour and Staff Welfare Expenses	247.58		280.72	
		5,161.66		4,166.54
Less: Expenses transferred to Fixed Assets of Dental Products Division as per note no. 18 of schedule 22		2.37		—
Less: Transferred to Real Estate cost		1,328.22		—
TOTAL		3,831.07		4,166.54

SCHEDULE NO. 19

COST RELATING TO REAL ESTATE DIVISION:

Conversion of Leasehold/Freehold Land and Buildings from fixed assets into stock-in-trade at cost		140.98		—
Add: Expenditure relating to Real Estate Division incurred during the year				
Payments to and provision for employees [includes VRS of Rs. 1,272.59 lakhs (Previous Year Rs. Nil)]	1,328.22			—
Preliminaries and site expenses	0.20			—
Contract/retainership fees	7.64			—
Travelling and other expenses	5.90			—
		1,341.96		—
		1,482.94		—
Closing Stock [Real Estate under Development (refer note no.19 of schedule 22)]		1,456.15		—
TOTAL		26.79		—

SCHEDULE NO. 20

INTEREST:

On Term Loans (Net)		1,687.19*		969.14*
Other Interest		62.12		126.02
TOTAL		1,749.31		1,095.16

* Net of Interest Income on Bank Fixed Deposit – Rs. 317.90 lakhs (Previous Year Rs. 249.32 lakhs) and TDS Rs. 71.34 lakhs (Previous Year Rs. 55.95 lakhs).

SCHEDULE NO. 21

PROVISION FOR TAXATION:

Income-tax		131.00		101.00
Agricultural Income-tax		61.00		4.00
Fringe benefit tax		42.00		38.00
Deferred tax		(1.34)		18.00
Wealth-tax		3.00		3.00
Foreign tax		(2.35)		5.67
TOTAL		233.31		169.67

SCHEDULE NO. 22**SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2008.****1. 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 (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 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.

B. Method of Depreciation, Depletion and Amortisation of Tangible Fixed Assets:

- (i) Depreciation on Fixed Assets is provided on Straight Line basis except on assets of Formica India Division other than Plant & Machinery and Moulds and Dies of Weighing Products Division, at the rates specified in Schedule XIV to the Companies Act, 1956. Depreciation on Fixed Assets of Formica India Division other than Plant & Machinery is provided on written down value 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 Formica India Division and South India Branches (Plantations) for the year has also 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 Profit and Loss Account.
- (iii) Cost of Leasehold Land is amortised over the period of lease.
- (iv) Assets costing less than Rs. 5,000 are fully depreciated in the year of purchase.

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 Formica India Division, 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) 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.

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 amortised 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.

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(iii) Computer Software

Computer software is amortised over the period not exceeding ten years based on the management's estimate of its useful life.

E. 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.

F. 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.

G. Employee Benefits:

(i) The Corporation contributes to Government provident fund as required by the statute, which is a defined contribution plan. The same is charged to Profit and Loss account.

The Corporation contributes to recognised provident fund as required under the rules in respect of few employees. This is a defined benefit plan and the contribution is charged to Profit and Loss account.

(ii) The amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the service. These benefits include performance incentives and compensated absences.

(iii) Gratuity contribution made to gratuity fund on the basis of actuarial valuation, using projected unit credit method carried out as at the end of the year, is charged to revenue. Actuarial gains/losses are immediately taken to the profit and loss account.

(iv) Superannuation Fund is a defined contribution scheme and contribution is made to approved Superannuation Fund in respect of eligible employees as required under the rules and is recognised as an expense in the year in which it is incurred.

H. Provision, 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.

I. 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 except in the case of Formica India 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 basis except in the case of Formica India Division, where it is on First in First out basis.

(iii) Tea stock is valued at cost or net realisable value whichever is lower and inclusive of cess on excise duty. Timber, coffee, pepper and cardamom in stock are valued at since realised/contracted rates or realisable 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 Formica India Division, Weighing Products Division, Springs Division and Dental Products Division 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 Formica India Division, Weighing Products Division, Springs 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/attribution to the development/construction of the said properties. The same is valued at lower of cost or net realisable value.
- J. 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; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.
- (c) Exchange Differences:
Exchange differences arising on the settlement/conversion of monetary items are recognised as income or expense in the year in which they arise.
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. 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.
- K. 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.
- L. 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.
- M. Borrowing Cost:
Interest and other costs in connection with the borrowing of the funds to the extent related/attribution 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.
- N. 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 does 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 provision for contingencies and income tax.

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O. 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. Realised gains and losses on such contracts and interest costs in foreign currencies are accounted for at the time of settlement of the underlying 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.

Q. Leases:

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

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

ii. 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 Profit & Loss Account on accrual basis.

2. 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. Guarantees given to Banks against repayment of loans advanced from time to time to Dental Products of India Limited, a wholly owned subsidiary of the Corporation to the extent of **Rs. 70.00 Lakhs** (Previous Year Rs. 70.00 Lakhs). The balance outstanding as at 31st March, 2008 is **Rs. Nil** (Previous Year Rs. Nil).

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

	Rupees in Lakhs	Previous Year Rupees in Lakhs
Formica India Division	203.78	200.15
BCL Springs Division	157.27	157.27

D. Disputed demands of sales tax department in respect of South India Branches not provided for **Rs. 4.51 Lakhs** (Previous Year Rs. 5.78 Lakhs).

Amount deposited there against under protest **Rs. 4.51 Lakhs**. (Previous Year Rs. 5.78 Lakhs).

E. Disputed wage demands pending with the Industrial Tribunal **Rs. 232.25 Lakhs** (Previous Year Rs. 232.25 Lakhs) and back wages relief granted by Labour Court **Rs. 0.69 Lakh** (Previous Year Rs. 0.69 Lakh) in respect of South India Branches.

3. (a) Estimated amount of contracts remaining to be executed on Capital Account and not provided for **Rs. 72.90 Lakhs** (Previous Year Rs. 241.37 Lakhs).

- (b) Outstanding Foreign exchange forward contracts **US\$ 3.50 Lakhs (Sold)** — **INR 140.21 Lakhs** (*Previous Year Nil*).
- (c) Interest Rate Swap contract of USD 15.98 Million, Option contract of Euro 11.25 Million and Currency Swap contract of USD 3.88 Million are outstanding as at the year end (Previous Year Interest Rate Swap contract of USD 15.25 Million, Option contract of GBP 3.60 Million and Currency Swap contract of USD 3.88 Million, CHF 5.60 Million and JPY 1,297.43 Million).
- (d) The year end foreign currency exposure that have not been hedged by a forward contract/derivative instrument or otherwise are given below:

	Foreign Currency	Equivalent INR (Rs. in Lakhs)
Receivable in foreign currency on account of export of Goods:		
	USD 213,369 <i>(USD 266,463)</i>	85.28 <i>(115.75)</i>
	EURO 126,871 <i>(EURO 96,848)</i>	80.13 <i>(56.05)</i>
	GBP 72,458 <i>(GBP 3,440)</i>	57.48 <i>(2.93)</i>
	AUS \$ 103,606 <i>(AUS \$ Nil)</i>	37.76 <i>(Nil)</i>
Dividend receivable	RP 15,09,000,000 <i>(RP 35,21,000,000)</i>	65.45 <i>(151.35)</i>
Amount payable in foreign currency on account of import of goods and services:		
	USD 425,703 <i>(USD 451,124)</i>	170.15 <i>(195.97)</i>
	EURO 159,051 <i>(EURO 309,322)</i>	100.46 <i>(179.01)</i>
	GBP Nil <i>(GBP 1,538)</i>	Nil <i>(1.31)</i>
	CHF 94,440 <i>(CHF 79,557)</i>	37.94 <i>(28.34)</i>
	YEN 74,095,865 <i>(YEN 60,335,066)</i>	297.68 <i>(221.96)</i>
Loans Payable	USD Million 29.96 <i>(19.87)</i>	11,973.57 <i>(8631.53)</i>

4. Loans and Advances include due from a partnership firm in which a Director of the Corporation is a Partner **Rs. 0.50 lakh** (*Previous Year Rs. 0.50 Lakh*).
5. Tax amounting to **Rs. 85.42 Lakhs** (*Previous Year Rs. 84.03 Lakhs*) has been deducted at source on income from Interest.
6. Managerial remuneration under Section 198 of the Companies Act, 1956.
Remuneration to the Managing Director and Deputy Managing Director for the year ended 31st March, 2008:

	Rs. in Lakhs	<i>Previous Year Rs. in Lakhs</i>
Salary (including provision for compensated absences Rs. 16.48 Lakhs)	129.18	<i>118.15</i>
Contribution to Provident Fund & Other Funds	24.22	<i>20.03</i>
Perquisites in Cash or in Kind	27.99	<i>25.15</i>
	<u>181.39</u>	<i><u>163.33</u></i>

The above remuneration excludes provision for accruing gratuity and in the previous year provision for compensated absences made on the basis of actuarial valuation for the Corporation as a whole.

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7. Additional information pursuant to the provisions of paragraphs 3, 4C and 4D of part II of Schedule VI to the Companies Act, 1956.

(A) CAPACITIES, PRODUCTION, STOCKS AND TURNOVER:

CLASS OF GOODS	UNIT	CAPACITIES PER ANNUM	
		Licensed	* Installed
1. Tea	Kgs.	Not	\$ 15,501,480
	"	Applicable	(13,680,480)
Green Leaf	Kgs.		
	"		
Coffee	M. Tonnes	Not	Not
	"	Applicable	Applicable
Other Plantation Products			
(i) Pepper	Kgs.	Not	Not
	"	Applicable	Applicable
(ii) Cardamom	Kgs.	Not	Not
	"	Applicable	Applicable
(iii) Timber	C. Feet	Not	Not
	"	Applicable	Applicable
Phenolic Laminates (Industrial Laminates including Copperclad Laminates and Surfacing Laminates)	M. Tonnes	Not	8,200
	"	Applicable	(8,200)
Precision Springs	Kgs.	Not	8,740,000
	"	Applicable	(5,200,000)
Weighing Products	Nos.	Not	2,000
	"	Applicable	(2,000)
Consumable Dental Goods	M. Tonnes	Not	Not
	"	Applicable	Applicable
2. Trading Goods :			
(i) Purchased Tea	Kgs.		
	"		
(ii) Purchased Coffee	M. Tonnes		
	"		
(iii) Prelam/Laminates, Fabric Rod and Extenzo Tiles	M. Tonnes		
	"		
(iv) Weighing Products	Nos.		
	"		
(v) Dental Instruments/Materials and Consumable Dental Goods	Nos.		
	"		

\$ On single shift basis as certified by the Management.

@ Includes **6,27,909 Kgs.** (Previous Year 10,25,910 Kgs.) Produced by outside processors on behalf of the Corporation.

* As certified by the Management.

** Includes 38 M. Tonnes used for in house sample folders.

*** Includes 2.24 M. Tonnes used for in house sample folders.

This excludes turnover of Phenolic Laminates – Qty. **53.88 M. Tonnes** Value **Rs. 100.87 Lakhs** out of trial production.

(Rupees in Lakhs)

OPENING STOCK OF FINISHED GOODS		ACTUAL PRODUCTION	CLOSING STOCK OF FINISHED GOODS		TURNOVER	
Quantity	Rupees	Quantity	Quantity	Rupees	Quantity	Rupees
1,086,913 (900,751)	666.66 (544.21)	8,439,724 (7,640,856)	1,211,818 (1,086,913)	690.05 (666.66)	8,314,819 (7,454,694)	5,008.71 (4,818.29)
— (—)	— (—)	— (129,347)	— (—)	— (—)	— (129,347)	— (10.78)
551 (781)	499.97 (582.26)	765 (726)	743 (551)	735.74 (499.97)	573 (956)	591.66 (783.23)
3,256 (1,775)	4.23 (0.96)	2,855 (3,489)	1,287 (3,256)	— (4.23)	4,824 (2,008)	154.48 (99.25)
112 (61)	0.07 (0.06)	18 (51)	130 (112)	— (0.07)	— (—)	20.64 (0.32)
50,182 (126,678)	107.98 (428.95)	— (70)	24,843 (50,182)	51.82 (107.98)	25,339 (76,566)	104.30 (468.05)
892.81 (711.75)	949.14 (444.82)	4,698.55 (3,906.57)	901.84 (892.81)	901.54 (949.14)	** 4,689.52 (3,725.51)	7,249.70 # (5,722.07)
79,136 (224,312)	98.16 (279.82)	6,487,526 (7,072,224) @	87,937 (79,136)	104.43 (98.16)	6,478,725 (7,217,400)	7,729.95 (7,689.81)
3 (3)	0.24 (0.71)	355 (377)	3 (3)	0.24 (0.24)	355 (377)	130.59 (136.52)
6.06 (—)	56.25 (—)	94.88 (89)	10.53 (6)	35.27 (56.25)	90.41 (82)	953.22 (817.26)
18,564 (4,191)	10.58 (2.43)	— (—)	16,737 (18,564)	9.54 (10.58)	32,351 (32,421)	24.65 (20.16)
258 (117)	252.63 (110.38)	— (—)	117 (258)	134.78 (252.63)	439 (253)	461.31 (255.19)
79.22 (88.52)	107.71 (93.15)	— (—)	87.53 (79.22)	121.52 (107.71)	*** 1,133.05 (815.95)	871.37 (846.67)
175 (72)	24.42 (17.53)	— (—)	58 (175)	11.41 (24.42)	444 (750)	161.04 (203.50)
21,269 (—)	61.27 (—)	— (—)	27,841 (21,269)	88.51 (61.27)	88,492 (63,219)	317.35 (298.61)
	2,839.31 (2,505.28)			2,884.85 (2,839.31)		23,778.97 (22,169.71)

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7. B. Details of Raw Materials consumed:

		(Rupees in Lakhs)	
		Quantity	Value
Paper/Prints	M. Tonnes	4,491.00	2,165.38
	"	<i>(3,467.00)</i>	<i>(1,575.54)</i>
Chemicals	M. Tonnes	3,926.00	1,727.19
	"	<i>(5,062.00)</i>	<i>(1,264.48)</i>
Bought Leaf	Kgs.	2,49,99,567	936.01
	"	<i>(32,38,738)</i>	<i>(304.13)</i>
Miscellaneous Raw Materials		—	463.12
		<i>(—)</i>	<i>(477.13)</i>
Steel wires	M. Tonnes	6,594.64	3,383.71
	"	<i>(7,453.19)</i>	<i>(3,725.43)</i>
Electronic & Mechanical Components	Nos.	1,08,330	43.01
	"	<i>(1,37,653)</i>	<i>(49.08)</i>
			8,718.42
			<i>(7,395.79)</i>

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

C. Purchases:

Trading Goods:

(i) Prelam/Laminates, Fabric Rod and Extenzo Tiles	M. Tonnes	1,141.36	815.33
	"	<i>(806.55)</i>	<i>(670.55)</i>
(ii) Weighing Products	Nos.	327	84.83
	"	<i>(853)</i>	<i>(130.55)</i>
(iii) Tea	Kgs.	30,524	17.58
	"	<i>(46,794)</i>	<i>(30.88)</i>
(iv) Coffee	M. Tonnes	298	332.18
	"	<i>(394)</i>	<i>(372.14)</i>
(v) Dental instruments/materials & Consumable dental goods	Nos.	95,064	252.52
	"	<i>(84,488)</i>	<i>(274.17)</i>
			1,502.44
			<i>(1,478.29)</i>

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

D. Value of Imports calculated on C.I.F. Basis:

		(Rupees in Lakhs)	
			Value
Raw Materials			1,673.19
			<i>(1,751.63)</i>
Components and Spare Parts			61.20
			<i>(23.98)</i>
Capital Goods			158.39
			<i>(597.10)</i>
Traded Goods – Weighing Products			51.75
			<i>(94.64)</i>
– Dental			167.69
			<i>(88.14)</i>

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

E. Value of Raw Materials, Spare Parts and Components Consumed:

	Value Rupees in Lakhs	Percentage to total consumption
(i) Raw Materials		
Imported	1,816.16 <i>(1,959.47)</i>	20.83 <i>(26.49)</i>
Indigenous	6,902.26 <i>(5,436.32)</i>	79.17 <i>(73.51)</i>
Total	8,718.42 <i>(7,395.79)</i>	100.00 <i>(100.00)</i>
(ii) Stores and Spare Parts		
Imported	38.16 <i>(28.31)</i>	3.28 <i>(2.47)</i>
Indigenous	1,125.07 <i>(1,116.75)</i>	96.72 <i>(97.53)</i>
Total	1,163.23 <i>(1,145.06)</i>	100.00 <i>(100.00)</i>

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

F. Formica India Division manufactures Laminates of various types in different thickness and sizes. Hence, the quantities of Stocks, Raw Materials consumed and Turnover have been given uniformly in Metric Tonnes and not in the quantitative denominations in which these are normally purchased or sold in the market.

G. Expenditure in foreign currencies:
(Excluding expenses of foreign branches)

	Rupees in Lakhs	<i>Previous Year Rupees in Lakhs</i>
Commission on Exports	1.88	<i>(6.06)</i>
On account of other matters (Travelling Expenses, Subscription, Professional Services, etc.)	25.41	<i>(49.17)</i>
Technical Know-how Fees	66.50	<i>(7.29)</i>

H. Remittances in foreign currencies on account of dividends:

	No. of non-resident Shareholders	No. of Shares held by them	Aggregate amount of dividends Rupees in Lakhs
(a) Dividend for the year ended 31.3.2007 <i>(Dividend for the year ended 31.3.2006)</i>	2 <i>(2)</i>	11,38,620 <i>(11,38,620)</i>	34.16 <i>(28.47)</i>

(b) 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.

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- (c) 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 Rupees in Lakhs
Dividend for the year ended 31.3.2007	165	12,46,799	37.40
<i>(Dividend for the year ended 31.3.2006)</i>	<i>(162)</i>	<i>(13,39,593)</i>	<i>(33.49)</i>

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

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

(i) Export of Tea, Coffee & Others on F.O.B. basis	1,577.56
	<i>(2,839.80)</i>
(ii) Export of laminates on F.O.B. basis	318.21
	<i>(384.40)</i>
(iii) Export of Precision Springs on F.O.B. basis	7.67
	<i>(5.74)</i>
(iv) Export of Dental Products	18.29
	<i>(35.45)</i>
(v) Dividend	694.37
	<i>(657.97)</i>
(vi) Others (Reimbursement of Expenses)	3.54
	<i>(4.26)</i>

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

8. Disclosure of Loans/Advances to Subsidiaries, Associate Companies etc. (As required by clause 32 of the listing agreements with Stock Exchanges)

(Rupees in Lakhs)

I. Subsidiary Companies:

	Amount Outstanding	Max. Amount Outstanding
(1) Afco Industrial and Chemicals Limited	111.85	1,319.17
	<i>(1,124.96)</i>	<i>(1,124.96)</i>
(2) Dental Products of India Limited	72.39	73.53
	<i>(73.53)</i>	<i>(492.88)</i>
(3) Sea Wind Investment and Trading Company Limited	66.14	66.14
	<i>(61.66)</i>	<i>(71.42)</i>
(4) Naira Holdings Limited	202.08	202.08
	<i>(191.14)</i>	<i>(196.51)</i>
(5) Electromags Automotive Products Private Limited	1,448.73	1,448.73
	<i>(98.82)</i>	<i>(98.82)</i>
(6) Island Horti-Tech Holdings Pte. Limited	1.48	1.48
	<i>(—)</i>	<i>(—)</i>

II. Associate Companies:

(1) Lotus Viniyog Private Limited	3.49	3.49
	<i>(2.04)</i>	<i>(8.26)</i>
(2) Inor Medical Products Limited	536.31	542.39
	<i>(406.78)</i>	<i>(487.10)</i>

Notes:

- (a) Loans and advances to employees and investments by such employees in the shares of the Corporation are excluded from the above disclosure.
- (b) In respect of the above loans there is no repayment schedule and they are repayable on demand.
- (c) In respect of the loan of **Rs. 66.14 Lakhs** (*Previous Year Rs. 61.66 Lakhs*) given to Sea Wind Investment and Trading Company Limited, a wholly owned subsidiary of the Corporation, no interest is charged on the outstanding loan amounting of **Rs. 66.14 Lakhs** (*Previous Year Rs. 61.66 Lakhs*).
- (d) In respect of the loan of **Rs. 202.08 Lakhs** (*Previous Year Rs. 191.14 Lakhs*) given to Naira Holdings Ltd. a wholly owned subsidiary of the Corporation, interest is charged at the rate lower than that specified in Section 372A of the Companies Act, 1956.

However, the provisions of Section 372A of the Companies Act, 1956 are not applicable to loans/ advances covered under (c) and (d) above in view of the loanees being wholly owned subsidiaries of the Corporation.

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

9. Deferred Tax:

The break up of net deferred tax liability as at 31st March, 2008 is as under:

	Deferred Tax Asset	Deferred Tax Liability
		(Rs. in Lakhs)
Timing difference on account of:		
Difference between book written down value and Written down value under the Income-Tax Act 1961		591.72 (593.46)
Difference between book written down value and Written down value under the Agricultural Income-Tax Act		10.36 (9.04)
Provision for Doubtful Debts and Advances	69.42 (65.02)	
Expenditure on account of payment made under Voluntary Retirement Scheme to certain employees	— (3.48)	
Total	69.42 (68.50)	602.08 (602.50)
Net Deferred Tax Liability		532.66 (534.00)

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

10. Leases:

- (A) In accordance with Accounting Standard (AS 19) 'Leases' as notified under the Companies (Accounting Standards) Rules, 2006, all assets acquired under Hire Purchase agreements on or after 1st April, 2002 are capitalised and a loan liability and the interest recognised. Consequently, depreciation is provided on such assets. Instalments paid are allocated to the liability and the interest is charged to Profit & Loss Account.

The Bombay Burmah Trading Corporation, Limited

The minimum instalments as at 31st March, 2008 and the present value as at 31st March, 2008 of minimum instalments in respect of assets acquired under agreements are as follows:

Minimum Instalments	Rupees in Lakhs	<i>Previous Year Rupees in Lakhs</i>
Payable not later than 1 year	46.85	51.40
Payable later than 1 year and not later than 5 years	56.36	58.44
Total minimum instalments	103.21	109.84
Less: Future Finance Charges	(13.47)	(12.77)
Present Value of Minimum instalments	89.74	97.07
Present Value of Minimum instalments:		
Payable not later than 1 year	40.79	45.80
Payable later than 1 year and not later than 5 years	48.95	51.27
Total Present value of Minimum Instalments	89.74	97.07

(B) 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 Profit & Loss Account is **Rs. 32.70 Lakhs** (*Previous Year Rs. 24.60 Lakhs*).

11. The Corporation has not received any intimation from its Vendors regarding their status under The Micro, Small and Medium Enterprises Development Act, 2006. Hence, the disclosures as required under Schedule VI, of The Companies Act, 1956, pertaining to Micro, Small and Medium Enterprises have not been given.

12. Earnings per Share:

	Rupees in Lakhs	<i>Previous Year Rupees in Lakhs</i>
(A) Net Profit for calculation of Earnings per Share (numerator)	1,047.39	1,182.11
(B) Weighted Average number of equity shares (denominator) (Nos.)	1,39,54,380	1,39,54,380
(C) Basic and Diluted Earnings per shares (A/B) (in Rupees)	7.51	8.47
(D) Nominal value per equity share (in Rupees)	10	10

13. 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.
- **Building Products**
Segment manufactures/trades in Phenolic Laminates (Industrial Laminates including Copper Clad Laminates and Surfacing Laminates).
- **Dental Products**
Segment manufactures/trades in Health Care/Dental products.

- Auto Ancillary Products
Segment manufactures Precision Springs for automobile and other industries.
- 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.
- Real Estate
Segment represents property development.

(ii) Segment Revenues, Results and Other Information

	Plantation Products	Building Products	Dental Products	Auto Ancillary Products	Weighing Products	Investments	Real Estate	Total of Reportable Segments
(Rupees in Lakhs)								
Sales (Net of excise duty)	6,365.74 <i>(6,455.27)</i>	8,121.06 <i>(6,064.28)</i>	1,195.76 <i>(984.74)</i>	6,651.13 <i>(6,615.40)</i>	275.97 <i>(326.40)</i>	— <i>(—)</i>	— <i>(—)</i>	22,609.66 <i>(20,446.09)</i>
Other Income	228.03 <i>(108.54)</i>	254.23 <i>(189.82)</i>	4.28 <i>(1.94)</i>	68.16 <i>(141.50)</i>	21.20 <i>(21.67)</i>	747.50 <i>(921.82)</i>	— <i>(—)</i>	1,323.40 <i>(1,385.29)</i>
Segment Revenues	6,593.77 <i>(6,563.81)</i>	8,375.29 <i>(6,254.10)</i>	1,200.04 <i>(986.68)</i>	6,719.29 <i>(6,756.90)</i>	297.17 <i>(348.07)</i>	747.50 <i>(921.82)</i>	— <i>(—)</i>	23,933.06 <i>(21,831.38)</i>
Segment Results	382.21 <i>(531.16)</i>	731.48 <i>(182.13)</i>	213.82 <i>(164.90)</i>	1,008.28 <i>(798.25)</i>	57.04 <i>(58.18)</i>	724.52 <i>(921.82)</i>	-26.79 <i>(—)</i>	3,090.56 <i>(2,656.44)</i>
Segment Assets	7,165.07 <i>(6,751.37)</i>	7,258.32 <i>(6,591.66)</i>	952.57 <i>(711.31)</i>	6,104.17 <i>(5,843.67)</i>	226.91 <i>(273.14)</i>	11,855.73 <i>(12,662.03)</i>	1,456.15 <i>(—)</i>	35,018.92 <i>(32,833.18)</i>
Segment Liabilities	501.74 <i>(438.70)</i>	1,493.03 <i>(1,327.10)</i>	154.27 <i>(127.00)</i>	1,211.39 <i>(1,323.06)</i>	41.93 <i>(35.31)</i>	— <i>(—)</i>	— <i>(—)</i>	3,402.36 <i>(3,251.17)</i>
Capital Expenditure (included in segment assets)	628.20 <i>(258.01)</i>	578.39 <i>(1,382.22)</i>	69.06 <i>(148.77)</i>	273.11 <i>(679.31)</i>	— <i>(34.06)</i>	— <i>(—)</i>	— <i>(—)</i>	1,548.76 <i>(2,502.37)</i>
Depreciation/ Amortisation	219.89 <i>(210.76)</i>	256.27 <i>(124.95)</i>	15.43 <i>(12.32)</i>	170.53 <i>(145.85)</i>	8.33 <i>(9.39)</i>	— <i>(—)</i>	— <i>(—)</i>	670.45 <i>(503.27)</i>

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

(iii) Reconciliation of Reportable Segments with the Financial Statements

	Revenues	Results/ Net Profits	Assets	Liabilities	Capital Expenditure	Depreciation/ Amortisation
(Rupees in Lakhs)						
Total of Reportable Segments	23,933.06 <i>(21,831.38)</i>	3,090.56 <i>(2,656.44)</i>	35,018.92 <i>(32,833.18)</i>	3,402.36 <i>(3,251.17)</i>	1,548.76 <i>(2,502.37)</i>	670.45 <i>(503.27)</i>
Corporate/Unallocated Segment	764.73 * <i>(580.64)*</i>	-60.55 <i>(-209.50)</i>	6,377.43 <i>(3,286.04)</i>	29,168.09 <i>(24,520.27)</i>	21.01 <i>(26.96)</i>	30.40 <i>(21.25)</i>
Less: Interest		-1,749.31 <i>(-1,095.16)</i>				
Less: Taxes		-233.31 <i>(-169.67)</i>				
As per Financial Statement	24,697.79 <i>(22,412.02)</i>	1,047.39 <i>(1,182.11)</i>	41,396.35 <i>(36,119.22)</i>	32,570.45 <i>(27,771.44)</i>	1,569.77 <i>(2,529.33)</i>	700.85 <i>(524.52)</i>

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

*Comprising Profit on sale of fixed assets, expenses recovered etc.

The Bombay Burmah Trading Corporation, Limited

B. Secondary segment Reporting (by Geographical Segment)

(Rupees in Lakhs)

	Domestic	Exports*	Total
Revenues	22,494.80 <i>(18,844.10)</i>	2,202.99 <i>(3,567.92)</i>	24,697.79 <i>(22,412.02)</i>
Total Assets	40,456.02 <i>(35,564.15)</i>	940.33 <i>(555.07)</i>	41,396.35 <i>(36,119.22)</i>
Capital Expenditure	1,534.62 <i>(2,505.17)</i>	35.15 <i>(24.16)</i>	1,569.77 <i>(2,529.33)</i>

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

*It includes revenues and assets of foreign branches.

14. 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:

- (1) Afco Industrial & Chemicals Limited
- (2) Dental Products of India Limited
- (3) Sea Wind Investment & Trading Company Limited
- (4) PT Indo Java Rubber Planting Company
- (5) Leila Lands Sendirian Berhad
- (6) Electromags Automotive Products Private Limited

Sub-Subsidiaries:

- (a) **Subsidiary of Dental Products of India Limited:**
Subham Viniyog Private Limited
- (b) **Subsidiaries of Leila Lands Sendirian 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) **Subsidiary of Island Landscape & Nursery Pte. Limited:**
Peninsula Landscape & Nursery Sdn. Bhd.
- (e) **Subsidiary of ILN Investments Pte. Limited:**
Saikjaya Holdings Sdn. Bhd.
- (f) **Subsidiaries of Restpoint Investments Limited:**
Restpoint International Technology Corporation
Island Telesystems Pte. Limited
- (g) **Subsidiary of Innovative Organics Inc.**
Granum Inc.

- (2) **Key management personnel:**
 Mr. Ashok Panjwani – Managing Director
 Mr. Jeh Wadia – Deputy Managing Director
- (3) **Other Related parties – Associate Companies:**
 Lotus Viniyog Private Limited
 Inor Medical Products 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:

(Rupees in Lakhs)

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

	Subsidiaries & Sub- Subsidiaries	Key Management Personnel	Other Related Parties	Total
Purchase of Investments				
Electromags Automotive Products Pvt. Ltd. (Purchased from Afco Industrial and Chemicals Limited)	534.60 (—)	— (—)	— (—)	534.60 (—)
Sea Wind Investment & Trading Company Ltd.	— (4,494.62)	— (—)	— (—)	— (4,494.62)
Sale of Assets/Investments				
Sea Wind Investment & Trading Company Ltd.	— (4,504.80)	— (—)	— (—)	— (4,504.80)
Expenses charged by them				
Afco Industrials & Chemicals Ltd.	24.10 (21.95)	— (—)	— (—)	24.10 (21.95)
Inor Medical Products Ltd.	— (—)	— (—)	0.16 (2.49)	0.16 (2.49)
Expenses charged to them				
Afco Industrials & Chemicals Ltd.	2.13 (13.76)	— (—)	— (—)	2.13 (13.76)
Dental Products of India Ltd.	— (0.20)	— (—)	— (—)	— (0.20)
Inor Medical Products Ltd.	— (—)	— (—)	8.19 (42.45)	8.19 (42.45)
Sea Wind Investment & Trading Company Limited	1.47 (20.73)	— (—)	— (—)	1.47 (20.73)
Electromags Automotive Products Pvt. Ltd.	35.06 (50.82)	— (—)	— (—)	35.06 (50.82)
Commission Received				
Inor Medical Products Ltd.	— (—)	— (—)	54.78 (—)	54.78 (—)
Restpoint Investments Limited	30.00 (—)	— (—)	— (—)	30.00 (—)
Interest Received				
Afco Industrial & Chemicals Ltd.	122.20 (34.56)	— (—)	— (—)	122.20 (34.56)
Electromags Automotive Products Pvt. Ltd.	25.14 (—)	— (—)	— (—)	25.14 (—)
Inor Medical Products Ltd.	— (—)	— (—)	59.80 (54.63)	59.80 (54.63)
Naira Holdings Limited	11.58 (13.20)	— (—)	— (—)	11.58 (13.20)

The Bombay Burmah Trading Corporation, Limited

(Rupees in Lakhs)

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

	Subsidiaries & Sub- Subsidiaries	Key Management Personnel	Other Related Parties	Total
Dividend Received				
Dental Products of India Ltd.	— (30.00)	— (—)	— (—)	— (30.00)
P.T. Indo Java Rubber Planting Company	458.47 (507.96)	— (—)	— (—)	458.47 (507.96)
Leila Lands Sendirian Berhad	— (150.00)	— (—)	— (—)	— (150.00)
Sea Wind Investment & Trading Company Ltd.	— (59.82)	— (—)	— (—)	— (59.82)
Inor Medical Products Ltd.	— (—)	— (—)	— (1.20)	— (1.20)
Dividend Paid				
Mr. Jeh Wadia	— (—)	0.02 (0.02)	— (—)	0.02 (0.02)
Secondment Charges received				
Afco Industrial & Chemicals Ltd.	0.40 (0.35)	— (—)	— (—)	0.40 (0.35)
Sea Wind Investment & Trading Company Ltd.	1.89 (2.04)	— (—)	— (—)	1.89 (2.04)
Electromags Automotive Products Pvt. Ltd.	39.37 (—)	— (—)	— (—)	39.37 (—)
Inor Medical Products Ltd.	— (—)	— (—)	— (1.19)	— (1.19)
Lotus Viniyog Private Ltd.	— (—)	— (—)	2.45 (2.04)	2.45 (2.04)
Naira Holdings Limited	— (1.48)	— (—)	— (—)	— (1.48)
Expenses recovered				
Afco Industrial and Chemicals Limited	12.00 (24.00)	— (—)	— (—)	12.00 (24.00)
Sea Wind Investment & Trading Company Ltd.	— (0.25)	— (—)	— (—)	— (0.25)
Electromags Automotive Products Pvt. Ltd.	192.00 (48.00)	— (—)	— (—)	192.00 (48.00)
Inor Medical Products Ltd.	— (—)	— (—)	65.00 (65.00)	65.00 (65.00)
Management/Secondment Charges paid				
Afco Industrial & Chemicals Ltd.	1.29 (1.20)	— (—)	— (—)	1.29 (1.20)
Naira Holdings Limited	1.51 (—)	— (—)	— (—)	1.51 (—)
Inor Medical Products Ltd.	— (—)	— (—)	4.58 (—)	4.58 (—)
Rent received				
Afco Industrial & Chemicals Ltd.	6.15 (6.15)	— (—)	— (—)	6.15 (6.15)
Inor Medical Products Ltd.	— (—)	— (—)	69.59 (69.59)	69.59 (69.59)

(Rupees 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 Industrial & Chemicals Ltd.	99.77 (426.00)	— (—)	— (—)	99.77 (426.00)
Dental Products of India Ltd.	— (112.22)	— (—)	— (—)	— (112.22)
Sea Wind Investment & Trading Company Ltd.	— (88.50)	— (—)	— (—)	— (88.50)
Electromags Automotive Products Pvt. Ltd.	736.17 (—)	— (—)	— (—)	736.17 (—)
Inor Medical Products Ltd.	— (—)	— (—)	31.80 (54.00)	31.80 (54.00)
Advance/Inter Corporate Deposits given, now repaid				
Afco Industrial & Chemicals Ltd.	26.31 (456.00)	— (—)	— (—)	26.31 (456.00)
Dental Products of India Ltd.	— (435.00)	— (—)	— (—)	— (435.00)
Sea Wind Investment & Trading Company Ltd.	— (110.18)	— (—)	— (—)	— (110.18)
Electromags Automotive Products Pvt. Ltd.	145.00 (—)	— (—)	— (—)	145.00 (—)
Inor Medical Products Ltd.	— (—)	— (—)	155.11 (298.81)	155.11 (298.81)
Lotus Viniyog Private Ltd.	— (—)	— (—)	1.00 (—)	1.00 (—)
Managerial Remuneration				
Mr. Ashok Panjwani	— (—)	104.11 (85.65)	— (—)	104.11 (85.65)
Mr. Jeh Wadia	— (—)	77.28 (77.68)	— (—)	77.28 (77.68)
Outstanding amount payable				
Mr. Jeh Wadia	— (—)	— (0.02)	— (—)	— (0.02)
Afco Industrial & Chemicals Ltd.	0.83 (—)	— (—)	— (—)	0.83 (—)
Outstanding amount receivable				
Afco Industrial & Chemicals Ltd.	112.68 (1,124.96)	— (—)	— (—)	112.68 (1,124.96)
Dental Products of India Ltd.	72.39 (73.53)	— (—)	— (—)	72.39 (73.53)
Sea Wind Investment & Trading Company Ltd.	66.14 (61.66)	— (—)	— (—)	66.14 (61.66)
Electromags Automotive Products Pvt. Ltd.	1,448.73 (98.82)	— (—)	— (—)	1,448.73 (98.82)
Inor Medical Products Ltd.	— (—)	— (—)	536.31 (406.78)	536.31 (406.78)
Lotus Viniyog Private Ltd.	— (—)	— (—)	3.49 (2.04)	3.49 (2.04)

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(Rupees in Lakhs)

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

	Subsidiaries & Sub- Subsidiaries	Key Management Personnel	Other Related Parties	Total
Naira Holdings Limited	202.08 (191.14)	— (—)	— (—)	202.08 (191.14)
Restpoint Investments Limited	30.00 (—)	— (—)	— (—)	30.00 (—)
Island Horti-Tech Holdings Pte. Limited	1.48 (—)	— (—)	— (—)	1.48 (—)
Dividend receivable				
P.T.Indo Java Rubber Planting Company	65.45 (151.35)	— (—)	— (—)	65.45 (151.35)
Leila Lands Sendirian Berhad	— (150.00)	— (—)	— (—)	— (150.00)
Guarantees given to Banks				
Dental Products of India Ltd.	70.00 (70.00)	— (—)	— (—)	70.00 (70.00)

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

DEFINED CONTRIBUTION PLAN

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

(Rs. in Lakhs)

2007-08

Employer's Contribution to Government Provident Fund	201.23
Employer's Contribution to Superannuation Fund	54.07

DEFINED BENEFIT PLAN

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

	<u>Gratuity</u>
Liability at the beginning of the year	1,194.68
Interest cost	86.55
Current Service cost	69.39
Liability transfer out	(4.44)
Benefits paid	(363.33)
Actuarial (gain)/loss on Obligations	72.21
Liability at year end of the year	1,055.04

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

	<u>Gratuity</u>
Fair value of plan assets as at the beginning of the year	1,188.49
Expected Returns on Plan Assets	90.21
Contributions	120.86
Benefits Paid	(363.33)
Actuarial Gain/(Loss) on Plan Assets	24.39
Fair value of plan assets as at the end of the year	1,060.62

III. Actual Return on Plan Assets

	<u>Gratuity</u>
Expected Return on Plan Assets	90.21
Actuarial Gain/(Loss) on Plan Assets	24.39
Actual Return on Plan Assets	114.60

(Rs. in Lakhs)

2007-08

IV. Amount recognized in the Balance Sheet

	<u>Gratuity</u>
Liability at the end of the year	1,055.04
Fair value of Plan Assets at the end of the year	1,060.62
Difference	5.58

V. Expense recognized in the Profit and Loss Account

	<u>Gratuity</u>
Current Service Cost	69.39
Interest Cost	86.55
Expected Return on Plan Assets	(90.21)
Actuarial (Gain) / Loss	47.81
Expense recognized in the P&L A/c	127.83

VI. Investment Details

	<u>Gratuity</u>
Government of India Assets	0
Corporate Bonds	0
Special Deposit Scheme	0
State Government Securities	0
Property	0
Others	1,058.40
Insurer Managed Funds	2.22
Total	1,060.62

VII. Actuarial assumptions used

	LIC Ultimate
Mortality Table	1994-96
Discount rate	8%
Rate of return on Plan Assets	8%
Salary escalation rate	5%

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.

In accordance with Accounting Standard Board guidance on implementing AS 15, Employee Benefits (revised 2005), the Corporation has changed the method of estimating liability for compensated absences from determination on the basis of an actuarial valuation to actual cost basis as it is a short term employee benefit for the Corporation. Accordingly, pursuant to the transitional provisions, the difference in the liability on account of compensated absences created by the Corporation amounting to Rs. 39.72 Lakhs has been adjusted against General Reserve. As a result of the aforesaid change in the policy, the profit for the year is higher by Rs. 7.51 Lakhs.

Provident Fund: The Corporation contributes to recognised Provident Fund for a few employees. The Guidance note on implementing AS 15 (Revised) states that Provident Funds set up by employers which require interest shortfalls to be met by the employers are defined benefit plans. Having regard to the assets of the fund and the return on investments, the Corporation does not expect any deficiency in the foreseeable future. The details required for AS 15 (Revised) disclosure are not ascertained. During the year, the Corporation has contributed Rs. 32.67 Lakhs to the recognized provident fund.

16. Export benefits/Incentives are accounted on accrual basis. Accordingly, on the Balance Sheet date, in respect of Exports made, estimated benefit of **Rs. 75.63 Lakhs** (Previous Year Rs. 20.17 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 imported and utilised entitlement of **Rs. 54.49 Lakhs** (Previous Year Rs. 20.17 Lakhs) leaving a balance of **Rs. 21.14 Lakhs** (Previous Year Rs. Nil).

The Bombay Burmah Trading Corporation, Limited

17. Exchange gain of Rs. 5.28 Lakhs on account of purchase of asset for year ended 31st March, 2008 is included in "Other Income" in accordance with the revised Accounting Standard AS 11 "The effects of changes in Foreign Exchange rates". Such gain would have otherwise been adjusted to the carrying amount of Fixed assets in accordance with the requirements of the earlier Accounting Standard/Companies Act.
18. During the year the Corporation has completed the construction/installation of the Plant for manufacture of Dental Chemicals in the state of Uttarakhand. The plant commenced commercial production with effect from 30th July, 2007. All expenses relating thereto carried forward under the head Capital Work-in-Progress amounting to Rs. 14.70 Lakhs, have been capitalised as on that date, as per details given below:

(Rupees in Lakhs)

	Current Year	<i>Previous Year</i>
(a) Legal and professional Charges	3.22	<i>0.05</i>
(b) Travelling Expenses	2.01	<i>0.26</i>
(c) Postage Telegrams and Telephones	0.14	—
(d) Power Gas and Fuel	1.82	—
(e) Payments to and provisions for Employees	2.37	—
(f) Repairs to Machinery	0.46	—
(g) Repairs to Buildings and Roads	0.60	—
(h) Freight carriage and Transport Charges	1.13	—
(i) Rates & taxes	—	<i>0.70</i>
(j) Miscellaneous expenses	1.69	<i>0.25</i>
Total	13.44	<i>1.26</i>

19. The Corporation is developing the vacant properties at Akurdi Pune, Coimbatore and Kanjur Marg, Mumbai and is examining various options available in this regard. The Corporation has in the meantime decided to convert these assets as 'Stock-in-Trade' at cost aggregating to Rs. 140.98 Lakhs and carry forward the expenses related/attribution to the said properties amounting to Rs. 1315.17 Lakhs as 'Real Estate under Development'. Accordingly, an amount aggregating to Rs. 1,456.15 Lakhs consisting of the cost of these properties and the expenses carried forward have been shown under the head 'Real Estate under Development' in Inventory Schedule No. 7.
20. The Corporation has entered into derivative contracts for hedging its borrowings and interest costs in foreign currencies. The Corporation is accounting for gains and losses on such contracts along with the settlement of the underlying transactions. Having regard to the complex nature of the long term derivative contracts and the market volatility, the Management is at this stage not in a position to realistically ascertain the ultimate loss or gain on settlement of these contracts. However the Corporation has made necessary provisions for foreseeable losses on such derivative contracts amounting to Rs. 378.80 Lakhs.
21. The Corporation acquired at a cost of Rs. 180/- per share, 2,97,000 equity shares of Rs. 10/- each of Electromags Automotive Products Private Limited (EAPL) (representing 100% of its paid-up capital) held by Afco Industrial & Chemicals Limited (Afco) a wholly owned subsidiary of the Corporation effective 31st March, 2008. Thereupon, EAPL which was a Subsidiary of Afco and in turn a Subsidiary of the Corporation, has become a wholly owned Subsidiary of the Corporation.
22. The Corporation subscribed to 19,30,000 Warrants of The Bombay Dyeing & Manufacturing Company Limited (BDMC) issued on preferential basis. Each Warrant entitles the Corporation to subscribe to one Equity Share of the Face Value of Rs. 10/- each in BDMC at Rs. 616 per share. The Corporation shall be entitled to exercise the option to apply for and be allotted Equity Shares in one or more tranches within 18 months from the date of issue i.e. 7th September, 2007. An amount equivalent to 10% of the said price fixed for the preferential allotment of shares i.e. Rs. 61.60 per warrant has been paid by the Corporation on subscription of the said Warrants and shown as "Long term Investment" under "Investments" in Schedule No. 6. The same shall be adjusted against the issue price payable on exercise of the option.
23. 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.
24. Comparative Financial information (i.e. the amounts and other disclosures for the preceding year presented above), is included as an integral part of the current year's financial statements, and is to be read in relation to the amounts and other disclosures relating to the current year. Figures of the previous year have been regrouped/reclassified wherever necessary to conform to current year's presentation.

25. Additional information pursuant to Part IV of Schedule VI to the Companies Act, 1956.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No. State Code

Balance Sheet Date
Date Month Year

II. Capital raised during the year (Rs. Thousands)

Public issue

Rights Issue

Bonus issue

Private Placement

III. Position of Mobilisation and Deployment of Funds (Rs. Thousands)

Total Liabilities

Total Assets

Sources of Funds

Paid - Up Capital

Reserves & Surplus

Secured Loans

Unsecured Loans

Deferred Tax Liability (Net)

Application of Funds

Net Fixed Assets

Investments

Net Current Assets

Miscellaneous Expenditure

Accumulated Losses

IV. Performance of Company (Rs. Thousands)

Turnover (Net Revenue)

Total Expenditure

+ - Profit Before Tax

+ - Profit After Tax

(Please tick appropriate box + for profit, - for loss)

Basic and Diluted-Earnings Per Share in Rs. #

Dividend rate %

#Refer Note No. 12 of Schedule 22.

AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF THE BOMBAY BURMAH TRADING CORPORATION, LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE BOMBAY BURMAH TRADING CORPORATION, LIMITED AND ITS SUBSIDIARIES AND ASSOCIATES (BOMBAY BURMAH GROUP).

1. We have audited the attached consolidated Balance Sheet of The Bombay Burmah Trading Corporation, Limited ("The Corporation") and its subsidiaries (The Corporation and its subsidiaries constitute "the Group") as at 31st March, 2008 and also the consolidated profit and loss account and the consolidated cash flow statement for the year ended on that date annexed thereto, in which are incorporated the accounts of Johor Bahru, Usambara and South India Branches audited by other auditors. These financial statements are the responsibility of the management of The Bombay Burmah Trading Corporation, Limited and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit financial statements of six subsidiaries, whose financial statements reflect total assets of Rs. 68,209.59 lakhs as at 31st March, 2008, total revenue of Rs. 22,163.35 lakhs and net cash flows amounting to Rs. 2,648.28 lakhs for the year then ended and on the financial statements of nine associates wherein the Group's share of profit aggregates to Rs. 2,811.31 lakhs. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors.
4. We report that the consolidated financial statements have been prepared by the Corporation's management in accordance with the requirements of Accounting Standards (AS) 21, consolidated financial Statements and Accounting Standards (AS) 23, Accounting for Investments in Associates in Consolidated Financial Statements notified by Companies (Accounting Standards) Rules, 2006. The financial statements of foreign subsidiaries and associates have been prepared in compliance with the local laws and applicable Accounting Standards as explained in Note No. 4 of Schedule No. 22. Therefore, the consolidated financial statements of the Corporation may not be strictly in compliance with Indian GAAP; further for the purpose of consolidation of these entities financial statement for the period ended 31st December, 2007 have been considered. (Refer Note 5 and 6 of Schedule 22).
5. *We draw attention to Note No. 21 of Schedule No. 22 regarding provision for foreseeable losses on outstanding derivative contracts on the basis stated in the note. We are unable to form an opinion in this matter.*
6. Based on our audit as aforesaid, and on consideration of reports of other auditors on the separate financial statements and on the other financial information of the components to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements and *subject to the limited extent of our comments in paragraph (5) above*, give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2008;
 - (ii) in the case of the Consolidated Profit and Loss account, of the profit for the Group for the year ended on that date; and
 - (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For Deloitte Haskins and Sells
Chartered Accountants

R. SALIVATI
Partner

Mumbai,
Dated: 30th May, 2008

Membership No.: 34004

The Bombay Burmah Trading Corporation, Limited

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2008

		(Rupees in Lakhs)				
		Schedule As at 31st March, 2008		As at 31st March, 2007		
		No.	Rupees	Rupees	Rupees	Rupees
I. SOURCES OF FUNDS:						
1. SHAREHOLDERS' FUNDS —						
	(a) Capital	1	1,396.27		1,396.27	
	(b) Reserves and Surplus	2	63,453.62		60,826.51	
				64,849.89		62,222.78
2. MINORITY INTEREST						
				816.93		391.63
3. LOAN FUNDS —						
	(a) Secured Loans	3	30,497.79		26,332.26	
	(b) Unsecured Loans	4	1,772.74		2,684.68	
				32,270.53		29,016.94
4. DEFERRED TAX LIABILITY (NET)						
				660.28		602.89
	TOTAL			98,597.63		92,234.24
II. APPLICATION OF FUNDS:						
1. FIXED ASSETS —						
	(a) Gross Block	5	26,165.97		23,021.46	
	(b) Less: Depreciation		8,581.29		7,971.05	
	(c) Net Block		17,584.68		15,050.41	
	(d) Capital Work-in-Progress		184.06		147.68	
				17,768.74		15,198.09
2. INVESTMENTS						
		6		61,173.75		55,448.14
3. CURRENT ASSETS, LOANS AND ADVANCES —						
	(a) Inventories	7	7,847.53		5,940.26	
	(b) Sundry Debtors	8	8,216.88		8,177.65	
	(c) Cash and Bank Balances	9	7,567.33		10,849.89	
	(d) Other Current Assets	10	27.13		25.76	
	(e) Loans and Advances	11	4,295.01		4,092.41	
			27,953.88		29,085.97	
<i>LESS: CURRENT LIABILITIES AND PROVISIONS</i>						
	(a) Liabilities	12	7,034.72		6,617.66	
	(b) Provisions	13	1,422.11		980.90	
			8,456.83		7,598.56	
NET CURRENT ASSETS						
				19,497.05		21,487.41
4. DEFERRED TAX ASSET (NET)						
				150.69		91.90
5. MISCELLANEOUS EXPENDITURE						
	To the extent not written off or adjusted					
	Deferred Revenue Expenditure			7.40		8.70
	TOTAL			98,597.63		92,234.24
Significant Accounting Policies and Notes to Accounts		22				

As per our attached report of even date.

For DELOITTE HASKINS & SELLS
Chartered Accountants

R. SALIVATI
Partner
Mem. No. 34004

Mumbai:
Dated, 30th May, 2008.

The above Consolidated Balance Sheet including Schedule Numbers 1 to 13 and 22 is hereby authenticated by us.

For and on behalf of the Board,

A. PANJWANI	Managing Director	NUSLI N. WADIA	Chairman
N. H. DATANWALA	Vice President Corporate & Co. Secretary	A. K. HIRJEE	Vice-Chairman
		K. MAHINDRA	Director
		D. E. UDWADIA	Director
		M. L. APTE	Director

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

	Schedule No.	(Rupees in Lakhs)		Previous Year	
		Rupees	Rupees	Rupees	Rupees
INCOME					
Sales	14	38,848.69		31,220.92	
Less: Excise Duty recovered on Sales		1,854.14		2,102.41	
Net Sales			36,994.55		29,118.51
Other Income	15		3,481.18		3,886.20
Share of Profit of Associates			2,816.51		1,347.00
			43,292.24		34,351.71
EXPENDITURE					
(Increase)/Decrease in Stocks	16		(96.35)		(28.09)
Raw Materials Consumed			13,268.76		8,786.58
Cost of Horticulture and Landscape Services			1,114.97		1,016.93
Purchase of Trading Goods/Shares			1,763.76		1,733.50
Operation and Other Expenses	17		11,413.42		9,105.93
Payments to and Provision for Employees	18		6,130.95		5,668.89
Cost relating to Real Estate Division	19		26.79		—
Interest	20		2,370.39		1,245.25
Depreciation		1,238.77		781.22	
Less: Transfer from Revaluation Reserve		3.64		3.71	
			1,235.13		777.51
			37,227.82		28,306.50
PROFIT BEFORE TAXATION			6,064.42		6,045.21
Provision for Taxation	21		862.85		781.44
Short/(Excess) Provision and Refund of taxes of earlier years (net)			16.02		14.36
PROFIT AFTER TAXATION AND BEFORE MINORITY INTEREST			5,185.55		5,249.41
Minority Interest			(616.49)		(562.30)
PROFIT AFTER MINORITY INTEREST			4,569.06		4,687.11
Balance brought forward from Previous Year			8,826.87		7,827.52
Balance of Profit and Loss account of Subsidiaries brought forward on acquisition			—		61.08
Translation adjustment			—		(4.15)
Adjustment of Dividend received/Dividend proposed			(268.15)		(150.00)
AMOUNT AVAILABLE FOR APPROPRIATION			13,127.78		12,421.56
APPROPRIATIONS					
Proposed Dividend			418.63		418.63
Corporate Dividend Tax thereon			71.15		83.75
Dividend Withholding tax and exchange differences thereon			—		46.58
Transfer to Statutory Reserve			—		18.57
Transfer to General Reserve			300.00		2,908.57
Transfer to Capital Reserve on acquisition			—		118.59
Balance Carried to Balance Sheet			12,338.00		8,826.87
			13,127.78		12,421.56
Basic and Diluted Earnings per Share (in Rs.)—Face Value Rs. 10 each Refer Note No. 13 of Schedule No. 22			32.74		33.59
Significant Accounting Policies and Notes to Accounts.	22				

As per our attached report of even date.

For DELOITTE HASKINS & SELLS
Chartered Accountants

R. SALIVATI
Partner
Mem. No. 34004

Mumbai:
Dated, 30th May, 2008.

The foregoing Consolidated Profit and Loss Account for the year ended 31st March, 2008 including Schedule Numbers 14 to 22 is hereby authenticated by us.

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*
K. MAHINDRA *Director*
D. E. UDWADIA *Director*
M. L. APTE *Director*

The Bombay Burmah Trading Corporation, Limited

CONSOLIDATED CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR YEAR ENDED 31ST MARCH, 2008

	(Rupees in Lakhs)	
	Rupees	Rupees
	Rupees	Previous Year Rupees
A. Cash flows from operating activities:		
Profit before Taxation	6,064.42	6,045.21
Adjustments for:		
Depreciation	1,235.13	777.51
Currency Alignment on Depreciation	(93.56)	68.67
Share of Profit of Associates	(2,816.51)	(1,347.00)
Profit on Sale of Fixed Assets (net)	(5.32)	(10.09)
Profit on Sale of Investments (net)	(494.60)	—
Long term investments written off	250.79	—
Assets discarded written off	43.17	—
Impairment Loss on 'Available for Sale'	249.67	—
Amortisation of Miscellaneous Expenditure	1.30	0.99
Advances/Doubtful Debts written off	4.63	18.19
Provision for doubtful debts	52.13	22.51
Excess Provision in respect of previous year written back	(92.47)	(115.74)
Interest expense	2,370.39	1,245.25
Interest income	(1,080.94)	(628.02)
Dividend income	(691.67)	(2,246.46)
	(1,067.86)	(2,214.19)
Operating Profit before working capital changes	4,996.56	3,831.02
Adjustments for:		
Increase in Sundry Debtors and other receivables	(105.27)	(4,411.73)
Increase in Inventories	(1,766.29)	(771.71)
Increase in Sundry Creditors and Provisions	1,105.16	2,022.88
	(766.40)	(3,160.56)
Cash from/(used in) operations	4,230.16	670.46
Net (Decrease)/Increase in Reserves in respect of acquisition during the year	(564.31)	3,383.55
Foreign exchange gain/(loss) on consolidation	(373.31)	(2,357.28)
Direct taxes paid (net)	(895.35)	(792.12)
	(1,832.97)	234.15
Net cash from/(used in) operating activities	2,397.19	904.61

**CONSOLIDATED CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET
FOR YEAR ENDED 31ST MARCH, 2008 (Contd.)**

	Rupees	Rupees	(Rupees in Lakhs)
			Previous Year Rupees
B. Cash flows from investing activities:			
Purchase of fixed assets		(4,139.33)	(7,117.11)
Advances and Loans		(102.06)	485.90
Proceeds from sale of fixed assets		41.60	73.84
(Purchase)/Sale of Investments (net)		(2,914.96)	(1,151.27)
Interest income		1,079.57	613.41
Dividend income		691.67	2,246.45
Net cash (used in)/from investing activities		<u>(5,343.51)</u>	<u>(4,848.78)</u>
C. Cash flows from financing activities :			
Proceeds from Borrowings		4,183.73	7,375.45
Repayment of Borrowings		(901.94)	(1,852.54)
Proceeds/(Repayment) from/of Cash Credit		0.66	(432.27)
Payment of Finance Leases		(28.86)	(22.48)
Adjustment to Minority Interest (net of dividend paid)		(191.19)	(521.72)
Interest paid		(2,514.36)	(1,209.62)
Dividend and dividend distribution tax paid		(616.13)	(400.01)
Adjustment of dividend received/dividend proposed		(268.15)	(150.00)
Net cash from financing activities		<u>(336.24)</u>	<u>2,786.81</u>
Net (decrease)/increase in cash and cash equivalents (A+B+C)		<u>(3,282.56)</u>	<u>(1,157.36)</u>
Cash and cash equivalents as at the commencement of the year		10,849.89	12,007.25
Cash and cash equivalents as at the end of the year		<u>7,567.33</u>	<u>10,849.89</u>
Net (decrease)/increase as disclosed above		<u>(3,282.56)</u>	<u>(1,157.36)</u>
Components of Cash and Cash Equivalents as at		31-03-2008	31-03-2007
Cash on hand		30.99	28.32
Balances with Banks - on Current Account		3,948.33	5,918.43
- on Deposit Account		3,588.01	4,903.14
		<u>7,567.33</u>	<u>10,849.89</u>

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) Bank Deposits include **Rs. 147.17 lakhs** (Previous year Rs. 3,140.29 lakhs) on which charge is created.
- (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 DELOITTE HASKINS & SELLS
Chartered Accountants

R. SALIVATI
Partner
Mem. No. 34004

Mumbai:
Dated, 30th May, 2008.

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

For and on behalf of the Board,

NUSLI N. WADIA *Chairman*
A. K. HIRJEE *Vice-Chairman*
K. MAHINDRA *Director*
D. E. UDWADIA *Director*
M. L. APTE *Director*

The Bombay Burmah Trading Corporation, Limited

SCHEDULES TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2008

	(Rupees in Lakhs)	
	As at 31st March, 2008	As at 31st March, 2007
	Rupees	Rupees
SCHEDULE NO. 1		
SHARE CAPITAL:		
AUTHORISED —		
1,50,00,000 Equity Shares of Rs. 10/- each	1,500.00	1,500.00
	<u>1,500.00</u>	<u>1,500.00</u>
ISSUED AND SUBSCRIBED —		
1,39,54,380 Equity Shares of Rs. 10/- each fully paid-up	1,395.44	1,395.44
Of the above —		
(1) 25,000 Shares of Rs. 10/- each are allotted as fully paid-up pursuant to a contract without payment being received in cash and 1,25,000 Shares of Rs. 10/- each are allotted as fully paid-up pursuant to the Scheme of Arrangement for relinquishment of special rights attached to the original shares.		
(2) 1,07,94,377.50 Shares of Rs. 10/- each are allotted as fully paid-up by way of Bonus Shares by capitalisation of General Reserve and Securities Premium Account.		
(3) On 10,50,000 Shares of Rs. 10/- each a sum of Rs. 6/- per share was credited by way of Bonus by capitalisation of Reserves.		
<i>Add:</i> Forfeited Shares —		
Amount paid-up	0.83	0.83
TOTAL	<u>1,396.27</u>	<u>1,396.27</u>

SCHEDULE NO. 2		
RESERVES AND SURPLUS:		
Capital Reserve Account —		
As per last Balance Sheet	1,809.23	1,732.30
<i>Add:</i> Translation adjustment	—	76.93
	<u>1,809.23</u>	<u>1,809.23</u>
Capital Reserve (on investment in subsidiaries) —		
As per last Balance Sheet	1,175.40	517.21
<i>Add:</i> Adjustments to Goodwill on Acquisition	—	—
<i>Add:</i> Capital reserve on acquisition of a Subsidiary Company —		
— Reserves & Surplus	(564.31)	542.68
— Transferred from Profit and Loss account	—	118.59
<i>(Less):</i> Difference between depreciation on Revalued Cost of Plant and Machinery and Original Cost thereof for the year transferred to Profit and Loss Account	(3.08)	(3.08)
	<u>608.01</u>	<u>1,175.40</u>
Capital Redemption Reserve —		
As per last Balance Sheet	0.02	0.02
Revaluation Reserve Account —		
As per last Balance Sheet	1.58	2.24
<i>(Less):</i> Translation adjustment	—	(0.03)
<i>(Less):</i> Difference between depreciation on Revalued Cost of Plant and Machinery and Original Cost thereof for the year transferred to Profit and Loss Account	(0.56)	(0.63)
	<u>1.02</u>	<u>1.58</u>
Securities Premium Account —		
As per last Balance Sheet	3,637.21	3,637.21

SCHEDULES TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2008

	(Rupees in Lakhs)	
	As at 31st March, 2008	As at 31st March, 2007
	Rupees	Rupees
SCHEDULE NO. 2 (Contd.)		
Foreign Currency Translation Reserve —		
As per last Balance Sheet	8,208.35	10,453.01
Less: Amount transferred on account of resulting exchange differences on conversion of non-integral foreign branches and subsidiaries	(576.35)	(2,244.66)
	7,632.00	8,208.35
Statutory Reserve Fund —		
As per last Balance Sheet	148.06	129.49
Add: Transferred from Profit and Loss Account	—	18.57
	148.06	148.06
General Reserve Account —		
As per last Balance Sheet	37,019.79	31,266.64
(Less): Dividend adjustment	—	(163.04)
Add: Translation adjustment	—	2,044.89
Add: Carrying amount adjusted in retained earnings	—	962.72
Less: Transitional liability arising on account of adoption of Revised AS-15	(39.72)	—
Add: Transferred from Profit and Loss Account	300.00	2,908.58
	37,280.07	37,019.79
Profit and Loss Account	12,338.00	8,826.87
TOTAL	63,453.62	60,826.51

SCHEDULE NO. 3**SECURED LOANS:****Loans and Advances from Banks —**

Cash Credit/Overdraft Accounts (Secured by hypothecation of all stocks of Raw Materials, Finished Goods, Semi-finished Goods, Goods- in-process, Stores and Book Debts, both present and future and further secured by charge on property/ investments)

2,359.30

2,358.64

Term Loans —

Term Loans and other facilities from a Bank aggregating to Rs.16,000 lakhs are secured by way of an Equitable Mortgage by Deposit of title deeds of Mudis and Singampatti Estates together with Buildings and structures thereon and all plant and machinery permanently attached to the earth and by way of hypothecation of current assets including inventories and receivables, present and future, subject to the prior charges created in favour of the Corporation's bankers for working capital requirements. The said facilities are further secured by a pledge of 8,50,000 equity shares of The Bombay Dyeing and Manufacturing Company Limited.

Term Loan and other facilities from a Bank aggregating to Rs.15,100 lakhs are secured by an extension of first charge on Elkhill estates and exclusive charge on Fixed Assets including land of Formica India Division at Rudrapur, Uttaranchal and also by way of first charge on BCL Springs Division at Aurangabad as collateral.

Term Loans of Rs. 3,500 lakhs from a Bank availed during the year is secured by way of second mortgage of Singampatti Estate together with Building and structures thereon and all plant and machinery permanently attached to the earth and second charge by way of hypothecation of moveable assets and also a collateral by way of pledge of 6,00,000 equity shares of The Bombay Dyeing and Manufacturing Company Limited.

28,025.31

23,831.58

Hire Purchase/Lease facility

(Net of unmaturing finance charges, secured by a lien on assets purchased under the agreements)

89.74

142.04

Lease Creditors (secured by assets leased)

23.44

—

TOTAL**30,497.79****26,332.26**

The Bombay Burmah Trading Corporation, Limited

SCHEDULES TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2008

SCHEDULE NO. 4	(Rupees in Lakhs)	
	As at 31st March, 2008 Rupees	As at 31st March, 2007 Rupees
UNSECURED LOANS:		
Intercorporate Deposits	—	10.00
Short Term Loans and Advances from Banks	1,772.29	2,674.50
From Others	0.45	0.18
TOTAL	1,772.74	2,684.68

SCHEDULE NO. 5

FIXED ASSETS:

(Rupees in Lakhs)

	Original/ Revalued Cost or Balance as at 1st April, 2007	Cost of Additions during the year	Cost of Disposals/ Adj. during the year	Currency Alignment on Closing Balance	Cost/ Revalued Cost or Balance as at 31st March, 2008	Accumulated Depreciation as on 1st April, 2007	Depreciation for the year	Currency Alignment for the year	Depreciation/ Amortisation on Disposals/ Transfers/ Adj. during the year	Depreciation/ Amortisation to 31st March, 2008	Net Book Value as a 31st March, 2008	Net Book Value as at 31st March, 2007
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
INTANGIBLE ASSETS:												
Technical know how	25.64	—	—	—	25.64	(15.38)	(5.13)	—	—	(20.51)	5.13	10.25
Computer Software	27.18	—	(7.16)	—	20.02	(3.85)	(1.08)	—	1.70	(3.23)	16.79	23.33
Goodwill and other business rights	1,427.73	1,534.82	51.83	(9.55)	3,004.83	(51.18)	(163.96)	—	(10.42)	(225.56)	2,779.27	1,376.56
Tenancy Rights	36.55	—	—	—	36.55	(2.86)	(0.60)	—	—	(3.46)	33.09	33.69
TANGIBLE ASSETS:												
LAND:												
Freehold	1,725.46	2.10	(34.47)	—	1,693.09	—	—	—	—	—	1,693.09	1,725.46
Leasehold	418.41	—	(1.15)	(0.05)	417.21	(13.01)	(5.29)	0.01	2.09	(16.20)	401.01	405.40
ROADS	101.93	—	—	—	101.93	(34.91)	(3.26)	—	—	(38.17)	63.76	67.02
DEVELOPMENT - PLANTATIONS	1,150.04	249.37	(29.67)	(6.16)	1,363.58	(20.12)	—	—	—	(20.12)	1,343.46	1,129.91
BUILDINGS	4,230.27	334.68	(345.85)	(58.27)	4,160.83	(1,190.93)	(188.47)	9.58	235.66	(1,134.16)	3,026.67	3,039.34
PLANT AND MACHINERY	11,191.66	1,774.33	(324.62)	(20.66)	12,620.71	(5,169.24)	(694.51)	16.96	250.72	(5,596.07)	7,024.64	6,022.43
MOTOR VEHICLES AND TRACTORS	1,280.05	140.19	(39.11)	(41.38)	1,339.75	(883.75)	(100.06)	36.07	37.69	(910.05)	429.70	396.32
FURNITURE AND FIXTURES	714.75	37.79	(25.20)	(4.17)	723.17	(293.55)	(37.13)	2.54	17.53	(310.61)	412.56	421.18
MATURED PLANTATIONS	691.79	29.67	—	(62.80)	658.66	(292.27)	(39.28)	28.40	—	(303.15)	355.51	399.52
	23,021.46	4,102.95	(755.40)	(203.04)	26,165.97	(7,971.05)	(1,238.77)	93.56	534.97	(8,581.29)	17,584.68	
PREVIOUS YEAR TOTAL	15,338.43	7,927.43	(435.52)	191.12	23,021.46	(7,490.89)	(783.69)	(68.67)	372.20	(7,971.05)		15,050.41
CAPITAL WORK-IN-PROGRESS											184.06	147.68
											TOTAL : 17,768.74	15,198.09

SCHEDULES TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2008

	(Rupees in Lakhs)	
	As at 31st March, 2008 Rupees	As at 31st March, 2007 Rupees
SCHEDULE NO. 6		
INVESTMENTS:		
A) Long Term Investments (At Cost)		
In Equity Shares of Companies	16,304.88	15,538.60
In Associates	24,604.05	19,679.72
In Government Securities	4.00	4.00
In Others (viz. Co-operative Societies, Mutual Funds, etc)	20.43	21.40
	<u>40,933.36</u>	<u>35,243.72</u>
B) Current Investments		
(At Cost or Market/Fair value whichever is lower)		
In Managed Fixed Income Accounts	14,726.88	12,187.41
In Specialist Equity Account	5,513.51	8,017.01
	<u>20,240.39</u>	<u>20,204.42</u>
TOTAL	<u>61,173.75</u>	<u>55,448.14</u>

SCHEDULE NO. 7**INVENTORIES:**

Stores and Spare parts	625.77	549.86
Stock-in-trade:		
Raw Materials	1,700.15	1,421.29
Work-in-Progress	596.29	572.12
Finished Goods	3,171.57	3,024.91
Plants and Nursery Hardware	297.55	372.03
Real Estate under Development	1,456.15	—
Equity Shares	0.05	0.05
	<u>7,221.76</u>	<u>5,390.40</u>
TOTAL	<u>7,847.53</u>	<u>5,940.26</u>

SCHEDULE NO. 8**SUNDRY DEBTORS: (Unsecured)**

Considered Good	8,216.88	8,177.65
Considered Doubtful	182.51	148.20
	<u>8,399.39</u>	<u>8,325.85</u>
Less: Provision for Doubtful Debts	182.51	148.20
TOTAL	<u>8,216.88</u>	<u>8,177.65</u>

The Bombay Burmah Trading Corporation, Limited

SCHEDULES TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2008

		(Rupees in Lakhs)	
		As at 31st March, 2008	As at 31st March, 2007
	Rupees	Rupees	Rupees
SCHEDULE NO. 9			
CASH AND BANK BALANCES:			
Cash on hand		30.99	28.32
Cheques on hand		—	87.52
Bank Balances			
(a) With Scheduled Banks:			
On Current Accounts		1,211.18	1,252.01
On Margin Account		16.24	23.18
On Deposit Accounts		2,653.89	3,140.29
Unpaid Dividend Accounts			
— Current Account	22.05		18.07
— Deposit Account	—		—
		<u>22.05</u>	<u>18.07</u>
		3,903.36	4,433.55
(b) With Others:			
On Current Accounts with Foreign Banks (incl. With Fund Managers)		2,698.86	4,537.65
On Deposit account with Foreign Banks		934.12	1,762.85
		<u>3,632.98</u>	<u>6,300.50</u>
TOTAL		<u><u>7,567.33</u></u>	<u><u>10,849.89</u></u>

SCHEDULE NO. 10

OTHER CURRENT ASSETS:

Interest accrued on Investments and Deposits		27.12	25.75
Dividend Receivable		0.01	0.01
TOTAL		<u><u>27.13</u></u>	<u><u>25.76</u></u>

SCHEDULES TO CONSOLIDATED BALANCE SHEET AS 31ST MARCH, 2008

	(Rupees in Lakhs)		
	Rupees	Rupees	Rupees
		As at 31st March, 2008	As at 31st March, 2007
SCHEDULE NO. 11			
LOANS AND ADVANCES:			
Unsecured, Considered Good (unless otherwise specified) –			
Advances and Loans to Others [includes considered doubtful Rs. 130.00 lakhs (Previous Year Rs. 130.00 lakhs)]	2,476.35		2,374.29
Less: Provision for doubtful advances	130.00		130.00
		2,346.35	2,244.29
Advance Payment of Income-tax etc. [Net of Provision for Tax Rs. 317.00 lakhs (Previous Year Rs. 182.00 lakhs)]		341.24	272.75
Advance Payment of Fringe Benefit tax [Net of Provision Rs. 52.00 lakhs (Previous Year Rs. 52.00 lakhs)]		4.95	—
Deposit in Special A/c. (Tea Development A/c.) with National Bank for Agriculture and Rural Development u/s 33 AB of the Income-tax Act, 1961		0.20	22.84
		2,692.74	2,539.88
Advances recoverable in cash or in kind or for value to be received:		1,245.72	1,197.14
Balance with Government and Other Authorities		356.55	355.39
TOTAL		4,295.01	4,092.41

SCHEDULE NO. 12**CURRENT LIABILITIES:**

Acceptances	737.73	474.73
Sundry Creditors	5,371.84	4,412.80
Balance consideration towards acquisition of Business	11.00	500.00
Unclaimed Dividends	22.05	18.07
Book Overdraft with Bank	62.95	90.40
Staff Pension and Other Funds	459.51	608.05
Interest Accrued but not due on Loans	69.64	213.61
Deposit from lessee for premises given on lease	300.00	300.00
TOTAL	7,034.72	6,617.66

SCHEDULE NO. 13**PROVISIONS:**

Taxation [Net of Advance Tax Rs. 8.14 lakhs (Previous Year Rs. 6.32 lakhs)]	403.94	360.79
Fringe Benefit Taxation [Net of Advance Tax Rs. 72.04 lakhs (Previous Year Rs. 33.20 lakhs)]	15.21	—
Proposed Dividend	418.63	548.96
Corporate Dividend Tax	71.15	71.15
Compensated Absences	134.38	—
Derivative Loss	378.80	—
TOTAL	1,422.11	980.90

The Bombay Burmah Trading Corporation, Limited

SCHEDULES TO CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

	(Rupees in Lakhs)	
	Rupees	<i>Previous Year</i> Rupees
SCHEDULE NO. 14		
SALES:		
Tea	5,033.36	4,849.24
Coffee	3,492.64	1,038.42
Rubber	3,348.05	2,908.73
Other Plantation Products	279.42	567.61
Laminates	8,121.06	5,722.07
Precision Springs/Auto Electric	14,428.80	11,026.48
Weighing Products	291.63	136.52
Horticulture & Landscaping	2,583.16	2,493.90
Dental Products	1,270.57	817.26
Other Goods (including Shares held as Stock in Trade)	—	1,660.69
TOTAL	<u>38,848.69</u>	<u>31,220.92</u>

SCHEDULE NO. 15		
OTHER INCOME:		
Interest (Gross) – Current Accounts, Loans, Deposits, etc.	1,080.94	628.02
Dividend from Investments	691.67	2,246.46
Rent (including Machinery, etc. Hire Charges/Lease Rent)	96.21	91.20
Expenses recovered from various Companies	65.00	63.52
Sundry Receipts	792.41	556.28
Export benefits and Incentives	75.63	20.17
Compensation for surrender of land	—	82.19
Profit on sale of Fixed Assets (Net)	5.32	9.73
Profit on sale of Investments (Net)	494.60	—
Foreign Exchange Fluctuations (Net)	—	28.00
Profit on Sale of Raw Materials (Net)	2.15	6.42
Agency Commission	84.78	15.60
Bad Debts written off recovered	—	4.95
Withdrawal of Depreciation due to change in method of Depreciation	—	17.92
Excess Provision in respect of Previous Year [including Rs. 17.82 lakhs] (<i>Previous Year Rs. 101.22 lakhs</i>) in respect of doubtful debts written back	92.47	115.74
TOTAL	<u>3,481.18</u>	<u>3,886.20</u>

SCHEDULES TO CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

(Rupees in Lakhs)

	Rupees	Rupees	Rupees	Previous Year Rupees Rupees	
SCHEDULE NO. 16					
INCREASE IN STOCKS:					
Closing Stock					
Finished Goods		3,469.12		3,396.94	
Work-in-Progress		596.29		572.12	
Equity Shares		0.05		0.05	
			4,065.46		3,969.11
Less: Opening Stock					
Finished Goods		3,396.94		3,320.18	
Work-in-Progress		572.12		620.79	
Equity Shares		0.05		0.05	
			3,969.11		3,941.02
TOTAL			(96.35)		(28.09)
SCHEDULE NO. 17					
OPERATION AND OTHER EXPENSES:					
Consumption of Stores and Spare parts			1,313.74	1,494.00	
Power, Fuel and Oil			891.87	1,112.61	
Repairs to Buildings and Roads			141.21	141.30	
Repairs to Machinery			312.35	298.90	
Freight, Transport and Carriage Charges			881.34	870.35	
Insurance			140.91	113.68	
Rates and Taxes			84.24	80.55	
Excise Duty (Net)*			13.17	20.54	
Rent			261.63	147.96	
Technical Know-how Fees			66.50	7.29	
Advances/Doubtful Debts written off			4.63	18.19	
Provision for Doubtful debts/advances			52.13	22.51	
Travelling Expenses			579.02	607.31	
Postage, Telegrams and Telephones			158.20	131.30	
Advertisement and Sales Promotion Expenses			99.39	184.95	
Miscellaneous Expenses			1,550.03	1,140.49	
Upkeep of Mature Rubber			152.57	121.18	
Selling Agents' Commission and Discount			1,244.82	893.64	
Investment written off			250.79	—	
Legal and Professional Charges			847.16	213.52	
Assets Discarded Written off			43.17	—	
Tapping and Collecting Rubber expenses			405.03	364.20	
Directors' Sitting fees			27.74	22.60	
Management charges			2.66	69.76	
Processing charges			1,333.69	991.98	
Impairment Loss on Available for Sale			249.67	—	
Foreign Exchange Fluctuations (Net)			267.65	—	
Auditors' Remuneration:					
Audit Fees		49.93		21.06	
Other Fees paid to Auditors:	0.75			—	
Tax Audit	—			0.50	
Company Law Matters	—			1.00	
Taxation Matters	0.25			0.10	
Any Other Manner-certification, etc.	10.60			12.73	
		11.60		14.33	
Reimbursement of expenses		1.40		1.73	
			62.93		37.12
Contributions and Donations			—	—	
Less: Expenses transferred to Fixed Assets of Dental Products Division as per note no. 19 of schedule 22			11.08	—	
Less: Transferred to Real Estate cost			13.74	—	
TOTAL			11,413.42	9,105.93	

*Excise Duty shown under Expenditure represents cess on excise duty and the difference between excise duty on Opening & Closing Stock of Finished Goods.

The Bombay Burmah Trading Corporation, Limited

SCHEDULES TO CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

	(Rupees in Lakhs)		
	Rupees	Rupees	Previous Year
SCHEDULE NO. 18			
PAYMENTS TO AND PROVISIONS FOR EMPLOYEES:			
Salaries, Wages and Bonus [includes VRS of Rs. 1,272.59 lakhs (Previous Year Rs. Nil)]		6,614.38	4,699.88
Contribution to Provident and Other Funds		546.10	591.23
Labour and Staff Welfare Expenses		301.05	377.78
Less: Expenses transferred to Fixed Assets of Dental Products Division as per note no. 19 of schedule 22		2.36	—
Less: Transferred to Real Estate cost		1,328.22	—
TOTAL		<u>6,130.95</u>	<u>5,668.89</u>

SCHEDULE NO. 19			
COST RELATING TO REAL ESTATE DIVISION:			
Conversion of Leasehold/Freehold Land and Buildings from fixed assets into stock-in-trade at cost		140.98	—
Add: Expenditure relating to Real Estate Division incurred during the year			
Payments to and provision for employees [includes VRS of Rs. 1272.59 lakhs (Previous year Rs. Nil)]	1,328.22		—
Preliminaries and site expenses	0.20		—
Contract/retainership fees	7.64		—
Travelling and other expenses	5.90		—
		<u>1,341.96</u>	—
		<u>1,482.94</u>	—
Closing Stock [Real Estate under Development (refer note no. 20 of schedule 22)]		1,456.15	—
		<u>26.79</u>	—

SCHEDULE NO. 20			
INTEREST:			
On Term Loan		2,277.81*	1,068.59
Other Interest		92.58	176.66
TOTAL		<u>2,370.39</u>	<u>1,245.25</u>

* Net of Interest Income on Bank Fixed Deposit — Rs. 317.90 lakhs (Previous Year Rs. 249.32 lakhs) and TDS Rs. 71.34 lakhs (Previous Year Rs. 55.95 lakhs)

SCHEDULE NO. 21			
PROVISION FOR TAXATION:			
Indian Income-tax		144.33	144.60
Fringe Benefit Tax		46.25	41.19
Agricultural Income-tax		61.00	4.00
Wealth-tax		3.00	3.00
Deferred Tax		54.37	84.47
Foreign tax		553.90	504.18
TOTAL		<u>862.85</u>	<u>781.44</u>

SCHEDULE NO. 22**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2008.****1. Principles of Consolidation:**

The consolidated financial statements relate to The Bombay Burmah Trading Corporation, Limited ('the Corporation') 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) 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.
 - (vii) 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, 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 pronouncement 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. The disclosures for defined retirement plan are not disclosed.

The Bombay Burmah Trading Corporation, Limited

5. The list of the subsidiaries of the Corporation which are included in the consolidation and the Group's holding therein are as under:

Name of Subsidiary	Country of Incorporation	Percentage Holding-Share
Afco Industrial & Chemicals Limited	India	100%
Dental Products of India Limited	India	100%
Sea Wind Investment & Trading Company Limited	India	100%
P.T. Indo Java Rubber Planting Company	Indonesia	50.30%
Electromags Automotive Products Private Limited	India	100%
* Leila Lands Senderian Berhad	Malaysia	100%
<u>Sub-Subsidiaries:</u>		
<u>Subsidiary of Dental Products of India Limited:</u>		
Subham Viniyog Private Limited	India	100%
<u>Subsidiaries of Leila Lands Senderian Berhad:</u>		
* Naira Holdings Limited	The British Virgin Islands	100%
* Island Horti-Tech Holdings Pte. Limited	Singapore	100%
* Leila Lands Limited	Mauritius	100%
* Restpoint Investments Limited	The British Virgin Islands	100%
<u>Subsidiaries of Island Horti-Tech Holdings Pte. Limited:</u>		
* Island Landscape & Nursery Pte. Limited	Singapore	100%
* ILN Investments Pte. Limited	Singapore	100%
* Innovative Organics Inc.	USA	54.86%
<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%
<u>Subsidiary of Restpoint Investments Limited:</u>		
* Restpoint International Technology Corporation	The British Virgin Islands	100%
* Island Telesystems Pte. Limited	The British Virgin Islands	100%
<u>Subsidiary of Innovative Organics Inc.:</u>		
* Granum Inc.	USA	52.12%

* For the purpose of consolidating the accounts of these subsidiaries, which together are called the Leila Lands Group the balances as per audited accounts for the financial year ended 31st December, 2007 have been considered.

6. 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	Percentage Holding-Share
Roshnara Investment & Trading Company Private Limited	Investments	India	50%
Lima Investment & Trading Company Private Limited	Investments	India	50%
Cincinnati Investment & Trading Company Private Limited	Investments	India	50%
Lotus Viniyog Private Limited	Investments	India	50%
Shadhak Investments & Trading Private Limited	Investments	India	50%
MSIL Investments Private Limited	Investments	India	50%
Inor Medical Products Limited	Orthopaedic implants and instruments	India	20%
* ABI Holding Limited	Investment holding	United Kingdom	50%
* Appear Dream Limited	Trademark investment	United Kingdom	50%
* Ink (Clothing) Limited (UK)	Design and Wholesale of clothing (UK)	United Kingdom	22%

* For the purpose of consolidating the accounts of these associates, the balances as per audited accounts for the financial year ended 31st December, 2007 have been considered.

7. 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 (GAAP) and in compliance with the applicable Accounting Standards.

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.

B. Depreciation:

(i) The group has adopted the straight line method of depreciation for all its tangible fixed assets except assets other than plant and machinery of Formica India Division of the Corporation, Afco Industrial & Chemicals Limited and 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.

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) & (iii) 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 Formica India Division, Electronics Division and South India Branches (Plantations) of the Corporation 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) Fixed assets of PT Indo Java Rubber Planting Company are stated at cost, except for certain fixed assets, which were stated at a revalued amount in accordance with the Minister of Finance Decree No.109/KMK.04/1979 on 27th March, 1979, less accumulated depreciation. The difference resulting from the revaluation of such fixed assets was credited to the Revaluation Reserve.

(iv) Expenditure in respect of new crops including cost of development is capitalised until the year of maturity of the plantation.

(v) The Group has undertaken a Neem Plantation Project. All expenses incurred for the development of the Project are capitalised and disclosed under Fixed Assets. The said Project is still under implementation.

(vi) Expenditure incurred by P.T. Indo Java Rubber Planting Company for nurseries planted, field preparation, plantings, fertilizers, maintenance, and an allocation of directly attributable fixed

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and variable overheads based on immature plantations area in proportion to total planted area, which incurred in development periods up to maturity of the plantation are capitalised and recorded under immature plantations. When the plantations are mature, accumulated costs of the immature plantations are transferred to mature plantations and are depreciated by using the straight-line method over the estimated useful life of 16 years. A rubber plantation is considered mature when it reaches six years after planting.

- (vii) Expenditure incurred by P.T. Indo Java Rubber Planting Company for acquisition of land rights such as location permit costs, legal cost and other expenses are classified as deferred expenses and amortised using the straight line method over the period of land rights.
- (viii) 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.
- (ix) 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.

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 amortised as follows:

- (i) Technical Know How Fees
Technical know how fees for new product development are amortised over the period not exceeding five years, of agreement with supplier of technology.
- (ii) Franchisee fees
Franchisee fees are amortised over the period not exceeding ten years, of agreement with Franchisor.
- (iii) Computer Software
Computer software is amortised over the period not exceeding ten years based on the management's estimate of its useful life.
- (iv) 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 except for Electromags Automotive Products Private Limited which is written off proportionately over a period of eight years from the date of acquisition of the business respectively.
- (v) Tenancy rights in respect of residential flat has been amortised over the period of agreement.

E. 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.

F. Employee Benefits:

- (i) The Corporation contributes to Government provident fund as required by the statute, which is a defined contribution plan. The same is charged to Profit and Loss account.
The Corporation contributes to recognized provident fund as required under the rules in respect of few employees. This is a defined benefit plan and the contribution is charged to Profit and Loss account.
- (ii) Wages, salaries, bonuses and social security contributions are treated as short term employee benefits. The amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the period when the employee renders the service. These benefits include performance incentives and compensated absences. Some

of the Group's foreign subsidiaries make contribution to their respective countries' statutory pension schemes. Such contribution are recognized as an expense in the income statement as incurred.

- (iii) Gratuity contribution made to gratuity fund on the basis of actuarial valuation, using projected unit credit method carried out as at the end of the year, is charged to revenue. Actuarial gains/losses are immediately taken to the profit and loss account.
- (iv) Superannuation Fund is a defined contribution scheme and contribution is made to approved Superannuation Fund in respect of eligible employees as required under the rules and is recognized as an expense in the year in which it is incurred.

G. Provision, 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.

H. 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 except in the case of Formica India 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 basis except in the case of Formica India 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 at on the basis of absorption costing.
- (v) Manufactured finished goods 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 are valued at cost or net realisable value which ever is lower.
- (vii) Stock of shares and debentures are valued at cost or net realisable value whichever is lower.
- (viii) Nursery plants are stated at cost, which consists of plant cost, direct labour and attributable overheads.
- (ix) Landscape projects in progress are valued at cost which consists of direct materials, labour and attributable overheads.

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.

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(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; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(c) Exchange Differences:

Exchange differences arising on the settlement/conversion of monetary items are recognised as income or expense in the year in which they arise in which case such exchange differences are capitalised.

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. 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.

(iii) Foreign Subsidiaries (Non-integral operations)

In case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. All resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment in the Subsidiaries.

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:

- (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) Revenues from the provision of landscaping services are recognized on the percentage of completion method based on architects' certificates of completion and losses are provided for, as they become known. Claims for additional project compensation are not recognized until they are accepted.

L. Borrowing Cost:

Interest and other costs in connection with the borrowing of the funds to the extent related/attribution 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 recognized 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 provision for contingencies 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 interest costs in foreign currencies are accounted for at the time of settlement of the underlying transactions.

O. Taxes on Income:

The provision for current taxation is computed in accordance with the relevant tax regulations taking into account available deductions and exemptions.

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.

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

P. Leases:

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

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

(b) Lease transactions entered into on 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 Profit & Loss Account on accrual basis.

Q. 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 recognize the decline.

(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.

(vi) Premium/discount on purchase of bonds is amortised in equal annual instalments over the life of the bond.

8. 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. Guarantees given to Banks against repayment of loans advanced from time to time to wholly owned Subsidiary of the Corporation to the extent of **Rs. 4,008.64 lakhs** (Previous Year Rs. 70.00 lakhs). The balance outstanding as on 31st March, 2008 was **Nil** (Previous Year Nil).

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- C. In respect of Guarantees given by the Banks **Rs. 1.06 lakhs** (Previous Year Rs. 23.29 lakhs).
- D. Disputed demands of Central Excise Department **Rs. 364.93 lakhs** (Previous Year Rs. 361.30 lakhs).
- E. Disputed demands of sales tax department **Rs. 4.51 lakhs** (Previous Year Rs. 5.78 lakhs).
Amount deposited there against under protest **Rs. 4.51 lakhs** (Previous Year Rs. 5.78 lakhs)
- F. Disputed demands of Income Tax department **Rs. 5.25 lakhs** (Previous Year Rs. 6.35 lakhs).
- G. Disputed wage demands pending with Industrial Tribunal **Rs. 232.25 lakhs** (Previous Year Rs. 239.79 lakhs).
- H. Back wages relief granted by Labour Court **Rs. 0.69 lakhs** (Previous Year Nil).
- I. Guarantees given to third parties **Rs. 8,930.98 lakhs** (Previous Year Rs. 12,846.15 lakhs).
9. Estimated amount of contracts remaining to be executed on Capital Account and not provided for **Rs. 4,900.62 lakhs** (Previous Year Rs. 247.37 Lakhs).
10. (a) Outstanding Foreign exchange forward contracts US\$ 3.50 lakhs (Sold) – INR 140.21 lakhs (Previous year Nil).
- (b) Interest Rate Swap contract of USD 15.98 Million, Option contract of Euro 11.25 Million and Currency Swap contract of USD 3.88 Million are outstanding as at the year end (Previous year Interest Rate Swap contract of USD 15.25 Million, Option contract of GBP 3.60 Million and Currency Swap contract of USD 3.88 Million, CHF 5.60 Million and JPY 1,297.43 Million).
- (c) The year end foreign currency exposure that have not been hedged by a forward contract/derivative instrument or otherwise are given below:

	Foreign Currency	Equivalent INR (Rs. in lakhs)
Receivable in foreign currency on account of export of Goods:		
	USD 213,369	85.28
	(USD 266,463)	(115.75)
	EURO 126,871	80.13
	(EURO 96,848)	(56.05)
	GBP 72,458	57.48
	(GBP 3,440)	(2.93)
	AUS \$ 103,606	37.76
	(AUS \$ Nil)	(Nil)
Dividend receivable	RP 15,09,000,000	65.45
	(RP 35,21,000,000)	(151.35)
Amount payable in foreign currency on account of import of goods and services:		
	USD 425,703	170.15
	(USD 451,124)	(195.97)
	EURO 159,051	100.46
	(EURO 309,322)	(179.01)
	GBP Nil	Nil
	(GBP 1,538)	(1.31)
	CHF 94,440	37.94
	(CHF 79,557)	(28.34)
	YEN 74,095,865	297.68
	(YEN 60,335,066)	(221.96)
Loans Payable	USD Million 29.96	11,973.57
	USD Million (19.87)	(8,631.53)

The above information is compiled from the Corporation and its Indian subsidiaries.

11. Some of the subsidiaries and associates of the Corporation 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:

Name of Subsidiary/Associate	Gross Value of Fixed Assets Rupees in lakhs
Afco Industrial and Chemicals Limited	108.73 (106.30)
Dental Products of India Limited	104.72 (103.32)
Inor Medical Products Limited	301.90 (242.02)
Electromags Automotive Products Private Limited	4,629.81 (4,435.60)

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

12. Deferred Tax:

The break up of net deferred tax liability as at 31st March, 2008 is as under:

	Deferred Tax Assets Rupees in lakhs	Deferred Tax Liability Rupees in lakhs
Timing difference on account of:		
Difference between book depreciation and Depreciation under the Income-Tax Act		862.85 (762.55)
Difference between book depreciation and Depreciation under the Agricultural Income-Tax Act		10.35 (9.04)
Voluntary Retirement Expenses	— (6.36)	— (—)
Provision for Manuring Activities	12.19 (—)	
Provision for Doubtful Debts and Advances	69.41 (65.02)	
Provision for Staff Bonus	65.94 (33.99)	
Provision for Gratuity	— (1.24)	
Provision for Leave Encashment	1.19 (1.06)	
Unabsorbed Depreciation Carried Forward	71.47 (—)	
Provision for Employee Compensation	123.09 (114.08)	
Tax Losses*	20.32 (38.85)	
Total	363.61 (260.60)	873.20 (771.59)
Net Deferred Tax Liability		509.59 (510.99)

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

* Deferred tax benefits are recognised on tax losses to the extent that it is more likely than not that future taxable profits will be available against which the tax losses can be utilised.

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13. Earnings per Share:

	(Rupees in lakhs)
(A) Net Profit after taxation	5,185.55
	<i>(5,249.41)</i>
Less: Minority Interest	616.49
	<i>(562.30)</i>
Net Profit for calculation of Earnings per Share (numerator)	4,569.06
	<i>(4,687.11)</i>
(B) Weighted Average number of equity shares (denominator) (Nos.)	1,39,54,380
	<i>(1,39,54,380)</i>
(C) Basic and Diluted Earnings per shares (A/B) (in Rupees)	32.74
	<i>(33.59)</i>
(D) Nominal value per equity share (in Rupees)	10
	<i>(10)</i>

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

14. 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 produce/trades in Tea, Coffee, Timber, Cardamom, Pepper and Rubber.
- **Building Products**
Segment manufactures/trades in Phenolic Laminates (Industrial Laminates including Copper Clad Laminates and Surfacing Laminates).
- **Auto Ancillary Products**
Segment manufactures Precision Springs for automobile and other industries.
- **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 dental cement, other dental fillings & impression compounds.
- **Horticulture**
Segment deals with decorative plants and landscaping services.
- **Real Estate**
Segment represents property development.

(ii) Segment Revenues, Results and Other Information

	(Rupees in lakhs)									
	Plantation Products	Building Products	Auto Ancillary Products	Weighing Products	Invest- ments	Dental Products	Real Estate	Horti- culture	Total of Reportable Segments	
Sales (Net of excise duty)	9,713.79	8,121.06	12,351.94	275.97	—	1,195.76	—	5,022.84	36,681.36	
	<i>(9,364.00)</i>	<i>(6,064.28)</i>	<i>(9,582.10)</i>	<i>(326.40)</i>	<i>(—)</i>	<i>(984.74)</i>	<i>(—)</i>	<i>(2,493.90)</i>	<i>(28,815.42)</i>	
Other Income	266.98	254.23	227.52	21.20	5,693.69	4.28	—	64.87	6,532.77	
	<i>(173.09)</i>	<i>(189.82)</i>	<i>(166.38)</i>	<i>(21.67)</i>	<i>(5,072.47)</i>	<i>(1.94)</i>	<i>(—)</i>	<i>(45.86)</i>	<i>(5,671.23)</i>	
Segment Revenues	9,980.77	8,375.29	12,579.46	297.17	5,693.69	1,200.04	—	5,087.71	43,214.13	
	<i>(9,537.09)</i>	<i>(6,254.10)</i>	<i>(9,748.46)</i>	<i>(348.07)</i>	<i>(5,072.47)</i>	<i>(986.68)</i>	<i>(—)</i>	<i>(2,539.76)</i>	<i>(34,486.63)</i>	
Segment Results	2,048.62	731.48	1,587.85	57.04	4,129.59	213.82	-26.79	305.95	9,047.56	
	<i>(2,145.27)</i>	<i>(182.13)</i>	<i>(1,178.04)</i>	<i>(58.18)</i>	<i>(4,349.01)</i>	<i>(164.90)</i>	<i>(—)</i>	<i>(160.34)</i>	<i>(8,237.87)</i>	

	(Rupees in lakhs)								
	Plantation Products	Building Products	Auto Ancillary Products	Weighing Products	Investments	Dental Products	Real Estate	Horticulture	Total of Reportable Segments
Segment Assets	8,849.02	7,258.32	13,206.99	226.91	65,481.46	952.57	1,465.15	5,250.25	1,02,681.67
	<i>(8,434.83)</i>	<i>(6,591.66)</i>	<i>(12,257.11)</i>	<i>(273.14)</i>	<i>(65,702.77)</i>	<i>(711.31)</i>	<i>(—)</i>	<i>(3,515.98)</i>	<i>(97,486.80)</i>
Segment Liabilities	1,527.56	1,493.03	7,492.82	41.93	3,219.09	154.27	—	—	13,928.70
	<i>(1,468.57)</i>	<i>(1,327.10)</i>	<i>(2,814.06)</i>	<i>(35.31)</i>	<i>(440.54)</i>	<i>(127.00)</i>	<i>(—)</i>	<i>(441.48)</i>	<i>(6,654.06)</i>
Capital Expenditure (included in segment assets)	906.63	578.39	467.32	—	1,884.04	69.06	—	200.02	4,105.46
	<i>(440.19)</i>	<i>(1,382.22)</i>	<i>(4,985.28)</i>	<i>(34.06)</i>	<i>(126.99)</i>	<i>(148.77)</i>	<i>(—)</i>	<i>(232.68)</i>	<i>(7,350.19)</i>
Depreciation/Amortisation	298.89	256.27	406.30	8.33	—	15.43	—	216.96	1,202.18
	<i>(282.34)</i>	<i>(124.95)</i>	<i>(225.80)</i>	<i>(9.39)</i>	<i>(2.11)</i>	<i>(12.32)</i>	<i>(—)</i>	<i>(107.28)</i>	<i>(764.19)</i>

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

(iii) Reconciliation of Reportable Segments with the Financial Statements

	(Rupees in lakhs)					
	Revenues	Results/Net Profits/Loss	Assets	Liabilities	Capital Expenditure	Depreciation/Amortisation
Total of Reportable Segments	43,214.13	9,047.56	1,02,681.67	13,928.70	4,105.46	1,202.18
	<i>(34,486.63)</i>	<i>(8,237.87)</i>	<i>(97,486.80)</i>	<i>(6,654.06)</i>	<i>(7,350.19)</i>	<i>(764.19)</i>
Corporate/Unallocated Segment	961.28	60.30*	7,127.42	36,248.90	23.44	32.94
	<i>(969.11)</i>	<i>(-100.20)*</i>	<i>(4,399.45)</i>	<i>(1,344.69)</i>	<i>(27.66)</i>	<i>(13.32)</i>
Less: Interest		(2,584.97)				
		<i>(1,303.01)</i>				
Less: Taxes		(878.87)				
		<i>(795.80)</i>				
Less: Net Intra/Inter segment transactions	(883.17)	(458.47)	(2,754.63)	(1,964.07)		
	<i>(937.51)</i>	<i>(789.45)</i>	<i>(2,154.05)</i>	<i>(400.17)</i>		
As per Financial Statement	43,292.24	5,185.55	1,07,054.46	48,213.53	4,128.90	1,235.12
	<i>(34,518.23)</i>	<i>(5,249.41)</i>	<i>(99,732.20)</i>	<i>(7,598.58)</i>	<i>(7,377.85)</i>	<i>(777.51)</i>

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

*Comprising Profit on sale of fixed assets and Management Charges recovered.

B. Secondary Segment Reporting (by Geographical Segments)

	(Rupees in lakhs)		
	Domestic	Exports*	Total
Revenues	27,664.25	15,628.00	43,292.25
	<i>(21,401.74)</i>	<i>(13,116.49)</i>	<i>(34,518.23)</i>
Total Assets	46,104.81	60,949.65	1,07,054.46
	<i>(41,229.24)</i>	<i>(58,502.96)</i>	<i>(99,732.20)</i>
Capital Expenditure	1,731.96	2,396.94	4,128.90
	<i>(6,812.54)</i>	<i>(565.31)</i>	<i>(7,377.85)</i>

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

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

15. 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
 Mr. Jeh Wadia — Deputy Managing Director
 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

The Bombay Burmah Trading Corporation, Limited

(2) **Other Related parties:**

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
 Subham Viniyog Private Limited
 MSIL Investments Private Limited
 Inor Medical Products Limited
 PT J.A., Wattie
 PT Perkebunan Kroewoek
 PT Benjoemas Landen
 PT Kalidurem Estates
 PT Perkebunan Biting
 PT Kintap Jaya Wattindo
 PT Tebing Siring

(3) **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:**

	Key Management Personnel	Other Related Parties	Total
(Rupees in lakhs)			
Sale of Asset			
Inor Medical Products Limited		—	—
		(251.98)	(251.98)
Sale of Materials & Service			
Inor Medical Products Limited		258.30	258.30
		(—)	(—)
Expenses charged by them			
Inor Medical Products Limited		0.16	0.16
		(2.49)	(2.49)
Expenses charged to them			
Inor Medical Products Limited		29.59	29.59
		(42.45)	(42.45)
PT Perkebunan Kroewoek, PT Benjoemas Landen, PT Kalidurem Estates, PT Perkebunan Biting		7.84	7.84
		(4.26)	(4.26)
Management Fees paid			
PT J.A., Wattie		16.75	16.75
		(16.58)	(16.58)
Inor Medical Products Limited		4.58	4.58
		(—)	(—)
Selling commission paid			
PT J.A., Wattie		83.74	83.74
		(72.69)	(72.69)
Buying commission paid			
PT J.A., Wattie		10.64	10.64
		(8.75)	(8.75)
Interest Received			
Inor Medical Products Limited		59.80	59.80
		(88.03)	(88.03)
PT J.A., Wattie		23.55	23.55
		(33.56)	(33.56)
Rent received			
Inor Medical Products Limited		69.59	69.59
		(69.59)	(69.59)

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	Key Management Personnel	Other Related Parties	(Rupees in lakhs) Total
Commission received Inor Medical Products Limited		54.78 (—)	54.78 (—)
Dividend Paid Mr. Jeh Wadia	0.02 (0.02)		0.02 (0.02)
Dividend Received Inor Medical Products Limited		1.20 (1.20)	1.20 (1.20)
Managerial remuneration Mr. Ashok Panjwani	104.11 (85.65)		104.11 (85.65)
Mr. Jeh Wadia	77.28 (77.68)		77.28 (77.68)
Mr. J. S. Gadgil, Albert Geow Chwee Hiam, Dr. Chua Eng Sian, Michael Lim Hee Kiang, Rabindra Santhanasegira, Patrick Kennedy Cassels, Tai Yit Chan, Irene Liew	78.26 (71.88)		78.26 (71.88)
Expenses Recoverable from Various Companies Inor Medical Products Limited		65.00 (66.19)	65.00 (66.19)
Lotus Viniyog Private Limited		2.45 (2.04)	2.45 (2.04)
PT J.A., Wattie		12.55 (—)	12.55 (—)
Advance/Inter Corporate Deposit paid Inor Medical Products Limited		31.80 (54.00)	31.80 (54.00)
MSIL Investments Private Limited		0.50 (—)	0.50 (—)
Roshnara Investment & Trading Company Private Limited		0.50 (—)	0.50 (—)
Cincinnati Investment & Trading Company Private Limited		0.50 (—)	0.50 (—)
Advance/Inter Corporate Deposit given now repaid Inor Medical Products Limited		155.11 (298.81)	155.11 (298.81)
Lotus Viniyog Private Limited		1.00 (—)	1.00 (—)
Outstanding amount receivable Inor Medical Products Limited		654.78 (406.78)	654.78 (406.78)
Lotus Viniyog Private Limited		3.49 (2.04)	3.49 (2.04)

The Bombay Burmah Trading Corporation, Limited

	Key Management Personnel	Other Related Parties	Total
PT J.A., Wattie		440.17 (298.66)	440.17 (298.66)
PT Perkebunan Kroewoek, PT Kalidurem Estates, PT Perkebunan Biting, PT Kintap Jaya Wattindo, PT Tebing Siring		0.20 (1.17)	0.20 (1.17)
Accrued Expenses PT J.A., Wattie		7.08 (—)	7.08 (—)

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

16. The following are details of the investments in associates made by the Corporation/Subsidiaries of the Corporation:

Name of the Associate	Original cost of Investment	Amount of Goodwill/ (Capital Reserve)	Exchange Fluctuation on Opening Balance	Accumulated Profit/ (Loss)	Carrying
					Amount of Investments at the year end
Shadhak Investments & Trading Private Limited	5.09 (5.09)	0.09 (0.09)	— (—)	(0.30) (-0.27)	4.79 (4.82)
MSIL Investments Private Limited	5.19 (5.19)	0.06 (0.06)	— (—)	(0.33) (-0.29)	4.86 (4.90)
Lima Investment & Trading Company Private Limited	5.00 (5.00)	0.23 (0.23)	— (—)	(0.37) (-0.34)	4.63 (4.66)
Lotus Viniyog Private Limited	24.50 (24.50)	2.02 (2.02)	— (—)	9.26 (9.84)	33.76 (34.34)
Roshnara Investment & Trading Company Private Limited	5.00 (5.00)	0.17 (0.17)	— (—)	(0.32) (-0.29)	4.68 (4.71)
Cincinnati Investment & Trading Company Private Limited	5.00 (5.00)	(0.04) (0.04)	— (—)	(0.19) (-0.16)	4.81 (4.84)
Inor Medical Products Limited	44.24 (44.24)	(5.45) (5.45)	— (—)	42.49 (37.29)	86.73 (81.53)
ABI Holding Limited United Kingdom	5,743.96 (6,075.84)	5,296.21 (5,296.21)	304.72 (284.40)	#18,215.14 (12,577.27)	24,263.82 (18,937.51)
Ink (Clothing) Limited, UK United Kingdom	215.70 (—)	— (—)	11.44 (—)	(147.42) (—)	79.72 (—)
*BB Group Limited United Kingdom	— (1,235.40)	— (—)	— (57.89)	— (-639.59)	— (653.70)
Appear Dream Limited United Kingdom	12.11 (12.19)	— (—)	0.64 (0.60)	(13.31) (-13.98)	(0.56) (1.19)

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

Includes adjustment of Rs. 2,602.27 lakhs to reserves for unrealised exchange differences.

* On 15 June, 2007, the Naira Holding Limited (subsidiary of Leila Lands Senderian Berhad) has disposed its investment in BB (Group) Limited. In consideration of this disposal, the company received US\$ 927,927 and 22% shares of Ink (Clothing) Limited.

17. Export benefits/Incentives are accounted on accrual basis. Accordingly, on the Balance Sheet date, in respect of Exports made, estimated benefit of Rs. 75.63 lakhs (Previous year Rs. 20.17 lakhs) has been taken into account for the year as incentive on accrual basis under the pass book scheme. Subsequent

to that, the Company has imported and utilized entitlement of Rs. 54.49 lakhs (*Previous year Rs. 20.17 lakhs*) leaving a balance of Rs. 21.14 lakhs (*Previous year Rs. Nil*).

18. Exchange gain of Rs. 5.28 lakhs on account of purchase of asset for year ended 31st March, 2008 is included in "Other Income" in accordance with the revised Accounting Standard 11 "The effects of changes in Foreign Exchange rates". Such gain would have otherwise been adjusted to the carrying amount of Fixed assets in accordance with the requirements of the earlier Accounting Standard/Companies Act.
19. During the year the Corporation has completed the construction/installation of the Plant for manufacture of Dental Chemicals in the state of Uttarakhand. The plant commenced commercial production with effect from 30th July, 2007. All expenses relating thereto carried forward under the head Capital Work-in-Progress amounting to Rs. 14.70 lakhs, have been capitalized as on that date, as per details given below:

	(Rupees in lakhs)	
	Current Year	Previous Year
(a) Legal and Professional Charges	3.22	0.05
(b) Travelling Expenses	2.01	0.26
(c) Postage Telegrams and Telephones	0.14	—
(d) Power Gas and Fuel	1.82	—
(e) Payments to and Provisions for Employees	2.37	—
(f) Repairs to Machinery	0.46	—
(g) Repairs to Building and Roads	0.60	—
(h) Freight, Carriage and Transport Charges	1.13	—
(i) Rates and Taxes	—	0.70
(j) Miscellaneous Expenses	1.69	0.25
TOTAL	13.44	1.26

20. The Corporation is developing the vacant properties at Akurdi Pune, Coimbatore and Kanjur Marg, Mumbai and is examining various options available in this regard. The Corporation has in the meantime decided to convert these assets as 'Stock-in-Trade' at cost aggregating to Rs. 140.68 lakhs and carry forward the expenses related/attribution to the said properties amounting to Rs. 1,315.17 lakhs as 'Real Estate under Development'. Accordingly, an amount aggregating to Rs. 1,456.15 lakhs consisting of the cost of these properties and the expenses carried forward have been shown under the head 'Real Estate under Development' in Inventory Schedule No. 7.
21. The Corporation has entered into derivative contracts for hedging its borrowings and interest costs in foreign currencies. The Corporation is accounting for gains and losses on such contracts along with the settlement of the underlying transactions. Having regard to the complex nature of the long term derivative contracts and the market volatility, the Management is at this stage not in a position to realistically ascertain the ultimate loss or gain on settlement of these contracts. However the Corporation has made necessary provisions for foreseeable losses on such derivative contracts amounting to Rs. 378.80 lakhs.
22. The Corporation acquired at a cost of Rs. 180/- per share, 2,97,000 equity shares of Rs. 10/- each of Electromags Automotive Products Private Limited (EAPL) (representing 100% of its paid-up capital) held by Afco Industrial & Chemicals Limited (Afco) a wholly owned subsidiary of the Corporation effective 31st March, 2008. Thereupon, EAPL which was a Subsidiary of Afco and in turn a subsidiary of the Corporation, has become a wholly owned Subsidiary of the Corporation.
23. The Corporation subscribed to 19,30,000 Warrants of The Bombay Dyeing & Manufacturing Company Limited (BDMC) issued on preferential basis. Each Warrant entitles the Corporation to subscribe to one Equity Share of the Face Value of Rs. 10/- each in BDMC at Rs. 616/- per share. The Corporation shall be entitled to exercise the option to apply for and be allotted Equity Shares in one or more tranches within 18 months from the date of issue i.e. 7th September, 2007. An amount equivalent to 10% of the said price fixed for the preferential allotment of shares i.e. Rs. 61.60 per warrant has been paid by the Corporation on subscription of the said Warrants and shown as "Long term Investment" under "Investments" in Schedule No. 6. The same shall be adjusted against the issue price payable on exercise of the option.
24. Figures in respect of current financial year have been rounded off to the nearest thousand and are expressed in terms of decimals of lakhs.
25. Comparative Financial information (i.e. the amounts and other disclosures for the preceding year presented above), is included as an integral part of the current year's financial statements, and is to be read in relation to the amounts and other disclosures relating to the current year. Figures of the previous year have been regrouped/reclassified wherever necessary to conform to current year's presentation.

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

Sr. No.	Name of Subsidiary	Electromags Automotive Products Pvt.Ltd.	Afco Industrial & Chemicals Ltd.	Dental Products of India Ltd.	Sea Wind Investment & Trading Co. Ltd.	Subham Viniyog Pvt. Ltd.	PT Indo Java Rubber Planting Co.	Leila Lands Sendirian Berhad	Island Horti-Tech Holding Pte Ltd.
1.	Capital	29.70	76.05	20.00	5.98	40.00	6.88	1,349.12	581.00
2.	Reserves	761.99	14.13	242.36	152.28	(5.49)	797.81	6,360.62	1,298.51
3.	Total Assets	7,073.12	271.48	364.25	226.52	46.28	1,690.44	7,716.31	1,982.44
4.	Total Liabilities	6,281.43	181.30	101.89	68.26	11.77	885.75	6.56	102.93
5.	Investments (except in subsidiaries)								
	(a) Government Securities	—	0.01	—	—	—	—	—	—
	(b) Quoted Equity Shares	0.48	34.30	245.05	—	0.60	—	—	—
	(c) Unquoted Equity Shares	—	0.95	0.95	180.93	0.24	—	—	—
	(d) Debentures	—	—	—	—	0.02	—	—	—
	(e) Others	—	—	—	—	—	—	—	—
	Total Investments	0.48	35.26	246.00	180.93	0.86	—	—	—
6.	Turnover	5,700.81	313.19	—	1.21	—	2,941.08	—	41.21
7.	Profit Before Tax	58.55	0.03	(0.57)	(3.64)	(0.79)	1,471.64	231.55	(26.43)
8.	Provision for Tax (including deferred tax)	(31.94)	(8.43)	0.42	—	—	(447.75)	(1.06)	—
9.	Profit After Tax *	26.61	(8.40)	(0.15)	(3.64)	(0.79)	1,023.89	230.49	(26.43)
10.	Proposed Dividend ** (excluding Tax on Dividend)	—	—	—	—	—	880.00	161.89	—
11.	Original Currency	INR	INR	INR	INR	INR	Rp	RM	S \$
12.	Exchange rate as on:								
	31st March 2008 (in INR)	1.00	1.00	1.00	1.00	1.00	0.004	N.A.	N.A.
	31st December 2007 (in INR)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	12.65	29.05

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

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

(Rupees in Lakhs)

Leila Lands Ltd.	Naira Holdings Ltd.	Island Landscape & Nursery Pte Ltd.	ILN Investments Pte. Ltd.	Peninsula Landscape & Nursery Snd. Bhd.	Saikjaya Holdings Snd. Bhd.	Restpoint Investments Ltd.	Restpoint International Technology Corpn.	Island Telesystems Pte. Ltd.	Innovative Organics Inc.	Granum Inc.
0.08	399.70	639.10	208.39	37.95	63.25	0.53	0.04	—	559.61	5.02
22,442.35	30,134.14	931.72	(1.29)	(22.76)	95.50	2,489.56	(274.50)	(54.03)	(102.80)	548.69
26,920.82	32,797.08	2,212.86	207.11	28.50	160.49	2,491.21	61.44	3.75	2,365.30	1,291.64
4,478.37	2,263.24	642.05	—	13.32	1.73	1.13	335.91	57.78	1,908.49	737.92
—	—	—	—	—	—	—	—	—	—	—
—	4,186.60	—	—	—	—	—	—	—	—	—
25,830.01	175.64	—	—	—	—	1.60	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—
—	25,880.00	—	—	—	—	2,336.25	—	—	—	—
25,830.01	30,242.24	—	—	—	—	2,337.85	—	—	—	—
—	1,408.00	2,697.13	—	—	—	—	193.06	—	—	2329.84
5,438.01	220.34	204.28	—	(2.52)	(1.90)	60.65	192.12	(0.74)	(153.25)	264.40
(2,623.39)	—	(27.74)	—	—	7.95	—	—	—	50.45	(84.50)
2,814.61	220.34	176.54	—	(2.52)	6.06	60.65	192.12	(0.74)	(102.80)	179.90
—	—	—	—	—	—	—	—	—	—	—
US \$	US \$	S \$	S \$	RM	RM	US \$	US \$	S \$	US \$	US \$
N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
39.97	39.97	29.05	29.05	12.65	12.65	39.97	39.97	29.05	39.97	39.97

The Bombay Burmah Trading Corporation, Limited

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

ATTENDANCE SLIP

Regd. Folio No./Client ID

I hereby record my presence at the ONE HUNDRED AND FORTY THIRD ANNUAL GENERAL MEETING of the Corporation at Patkar Hall, Sir Vithaldas Thackersey Marg, Mumbai 400 020, at 4.00 p.m. on Wednesday, 30th July, 2008.

.....
Name of the Shareholder/Proxy/Authorised
Representative of Body Corporate
(in BLOCK letters)

.....
Signature of the Shareholder/Proxy/
Authorised Representative of
Body Corporate

Note: Please fill in this attendance slip and hand it over at the ENTRANCE OF THE MEETING HALL.

PLEASE BRING YOUR COPY OF THE ANNUAL REPORT TO THE MEETING.

The Bombay Burmah Trading Corporation, Limited

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

PROXY FORM

I/We _____

of _____

being a member/members of the above-named Corporation hereby appoint

of _____

or failing him _____

of _____

as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Corporation to be held at Patkar Hall, Sir Vithaldas Thackersey Marg, Mumbai 400 020, at 4.00 p.m. on Wednesday, 30th July, 2008 and at any adjournment thereof.

Signed this _____ day of _____ 2008

15 Paise
Revenue
Stamp

Shareholder

BOOK - POST

If Undelivered, please return to :

THE BOMBAY BURMAH TRADING CORPORATION, LIMITED.
9, Wallace Street,
Fort, Mumbai 400 001.