



The  
Bombay Burmah Trading Corporation, Limited.

2009-2010  
One hundred and forty fifth annual report

**ANNUAL GENERAL MEETING — 10TH AUGUST, 2010 AT  
RAMA WATUMULL AUDITORIUM, K. C. COLLEGE, DINSHAW VACHHA ROAD,  
CHURCHGATE, MUMBAI 400 020 — 4.00 p.m.**

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

### **ONE HUNDRED AND FORTY FIFTH ANNUAL REPORT 2009-2010**

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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.
- Sunmica 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 : 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 2009-2010

### 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.  
NESS. WADIA, Esq., (W.e.f. 28/04/2010)  
VINITA BALI, (W.e.f. 28/04/2010)  
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*  
31, Nutan Bharat Society,  
Alkapuri, Vadodara 390 007  
Gujarat.

### SOLICITORS

CRAWFORD BAYLEY & CO.  
State Bank Building, 4th Floor,  
Hutatma Chowk, Fountain,  
Mumbai 400 001.

UDWADIA & UDESHI  
Elphinstone House, 1st Floor,  
17, Murzban Road, Fort,  
Mumbai 400 001.

# The Bombay Burmah Trading Corporation, Limited

## NOTICE

NOTICE is hereby given that the One Hundred and Forty Fifth Annual General Meeting of the Members of the Corporation will be held at Rama Watumull Auditorium, K C College, Dinshaw Wacha Road, Churchgate, Mumbai 400020, on Tuesday, the 10th day of August, 2010 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, 2010 and the Balance Sheet as at that date, together with the Reports of the Board of Directors and Auditors thereon.
2. To declare a Dividend.
3. To appoint a Director in place of Mr. Nusli Wadia, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Ishaat Hussain, 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 retires by rotation and, being eligible, offers himself for re-appointment.
6. To appoint a Director in place of Mr. Ness Wadia, who was appointed as an Additional Director of the Corporation and who holds office upto the date of this Annual General Meeting under Section 260 of the Companies Act, 1956 but being eligible, offers himself for re-appointment and in respect of whom the Corporation has received from a member a notice in writing under Section 257 of the Companies Act, 1956 proposing his candidature for the office of the Director.
7. To appoint a Director in place of Ms. Vinita Bali, who was appointed as an Additional Director of the Corporation and who holds office upto the date of this Annual General Meeting under Section 260 of the Companies Act, 1956 but being eligible, offers herself for re-appointment and in respect of whom the Corporation has received from a member a notice in writing under Section 257 of the Companies Act, 1956 proposing her candidature for the office of the Director.
8. To consider and, if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution:  
"RESOLVED THAT subject to the provisions of Sections 224, 225 and other applicable provisions, if any, of the Companies Act, 1956, Messrs B S R & Co., Chartered Accountants, Mumbai, be and are hereby appointed as Auditors of the Corporation to hold office from the conclusion of this Annual General Meeting up to the conclusion of the next Annual General Meeting of the Corporation at such remuneration and on such terms and conditions to be fixed by the Board of Directors.
9. To consider and, if thought fit, to pass, with or without modification, 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 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."

By Order of the Board,

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

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

Dated, the 28th day of May, 2010

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE IN HIS STEAD AND A PROXY NEED NOT BE A MEMBER OF THE CORPORATION.  
A blank form of proxy is enclosed and, if intended to be used, it should be returned to the Corporation duly completed not less than forty-eight hours before the time appointed for this Annual General Meeting.
2. The Register of Members and the Share Transfer Books of the Corporation will remain closed from Tuesday, 27th July, 2010 to Tuesday, 10th August, 2010 (both days inclusive).
3. The explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto.
4. Warrants in respect of Dividend, if declared, will be paid to the Members on or after 17th August, 2010. 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 26th July, 2010, in respect of shares held in physical form. In respect of shares held in electronic form, the dividend for the year ended 31st March, 2010 will be payable to the beneficial owners of shares as at the closing hours of 26th July, 2010 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 13AB, Samhita Warehousing Complex, 2nd Floor, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Andheri (E), Mumbai 400 072, or at 912 Raheja Centre, Free Press Journal Road, Nariman Point, Mumbai 400 021, in respect of their physical 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 20th July, 2010. 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, 2003 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.
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.

## The Bombay Burmah Trading Corporation, Limited

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 Agreements:

Pursuant to the requirement of Clause 49 of the Listing Agreements, the required information pertaining to the three Directors, Mr. Nusli Wadia and Mr. Ishaat Hussain and Mr. B. N. B. Tao who retire by rotation and being eligible, offer themselves for re-appointment, is furnished below:

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

Mr. Nusli Wadia, aged 66, has been the Chairman of the Corporation since 27th July, 1982. He has contributed actively in the deliberations of various organizations like Cotton Textiles Export Promotion Council (TEXPROCIL), Associated Chambers of Commerce and Industry of India, Mill Owners' Association (MOA) etc. He is the former Chairman of TEXPROCIL and also of MOA.

He was appointed on the Prime Minister's Council on Trade and Industry in 1998, 1999 and 2000. He was the Convenor of the Special Group Task Force on Food and Agro Industries Management Policy. He was also a Member of the Special Subject Group to review regulations & procedures to unshackle Indian Industry and on the Special Subject Group on Disinvestment.

Mr. Nusli Wadia has made a name for himself in public affairs also and has been actively associated with leading charitable institutions.

He has extensive experience and expertise in general management and finance. He holds 12,28,321 equity shares of the Corporation.

Other Directorships: The Bombay Dyeing & Manufacturing Co. Ltd. (Chairman), Britannia Industries Ltd. (Chairman), Gherzi Eastern Ltd., Tata Steel Ltd., Tata Chemicals Ltd., Tata Motors Ltd. He is also a Directors of 7 foreign companies and 2 private companies.

Committee Memberships: Remuneration Committee of the Boards of The Bombay Dyeing & Manufacturing Co. Ltd., Britannia Industries Ltd., Tata Chemicals Ltd. (Chairman), Tata Motors Ltd. (Chairman) and the Corporation, and Nomination Committee of Britannia Industries Ltd. (Chairman), Tata Motors Limited (Chairman).

### **Mr. Ishaat Hussain:**

Mr. Ishaat Hussain ("Mr. Hussain"), aged 63, was appointed as a Director on 30th May, 2007. He joined the Board of Tata Sons Limited ("Tata Sons") as an Executive Director on 1st July, 1999, and is Finance Director of Tata Sons with effect from 28th July, 2000. Prior to joining Tata Sons he was the Senior Vice President and Executive Director – Finance in Tata Steel Limited ("Tata Steel") for almost 10 years.

Mr. Hussain completed his schooling from the Doon School in 1963 to join St. Stephens College Delhi to do his graduation in Economics. A Chartered Accountant from England and Wales, Mr. Hussain attended the Advanced Management Programme at the Harvard Business School. He joined the Board of the Indian Tube Company (a Tata Steel associate company) in 1981. He moved to Tata Steel in 1983 after Indian Tube Company was merged with Tata Steel.

Mr. Hussain has extensive experience and expertise in the field of finance.

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

Other Directorships: Tata Sons Ltd., Voltas Ltd. (Chairman), Tata Sky Ltd. (Chairman), Tata Steel Ltd., Tata Industries Ltd., Tata Teleservices Ltd., Titan Industries Ltd., Tata AIG General Insurance Co. Ltd., Tata AIG Life Insurance Co. Ltd., Tata Refractories Ltd., Tata Capital Ltd., Tata Trustee Company Ltd., The Bombay Stock Exchange Limited, Tata Consultancy Services Limited. He is also a Directors of 7 foreign companies and 1 private company.

Committee Memberships: Audit Committee of the Boards of Tata Steel Ltd., Tata Industries Ltd. (Chairman), Tata Teleservices Ltd. (Chairman), Titan Industries Ltd., Tata AIG General Insurance Co. Ltd., Tata AIG Life Insurance Co. Ltd., Tata Sky Ltd., and Bombay Stock Exchange Ltd. (Chairman) and Investors' Grievance Committee of the Board of Tata Steel Ltd. (Chairman).

**Mr. B. N. B. Tao:**

Mr. B. N. B. Tao was appointed a Director on 21st March, 2006. 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 Shri Lanka.

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

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

## **ANNEXURE TO NOTICE**

### **EXPLANATORY STATEMENT**

*Pursuant to Section 173 of the Companies Act, 1956.*

#### **Item No. 6:**

Mr. Ness Wadia was appointed as an Additional Director with effect from 28th April, 2010 by the Board of Directors of the Corporation (the Board) pursuant to Section 260 of the Companies Act, 1956 (the Act). He holds the office upto the date of the forthcoming Annual General Meeting. The Corporation has received a Notice from a Member signifying his intention to propose Mr. Ness Wadia as a candidate for the Office of Director of the Corporation alongwith a deposit of Rs. 500/- as required under Section 257 of the Act.

Mr. Ness Wadia, 39, is M.Sc in Engineering Business Management (Warwick University, UK). He had received extensive training in management at the Warwick University, UK.

Mr. Ness Wadia has more than 15 years of experience in the field of overall general management to run business Units.

He holds 1,000 shares of the Corporation.

Other Directorships: The Bombay Dyeing & Mfg. Co. Ltd. (Joint Managing Director), National Peroxide Limited, Gherzi Eastern Limited, Proline India Ltd., Britannia Industries Limited and 3 Private Companies.

It is considered desirable and in the interest of the Corporation that the Board should derive the benefits of his services. The Directors therefore recommend the passing of resolution at Item No. 6 of the Notice.

Mr. Ness Wadia is interested in the resolution at Item No.6 of the Notice since it relates to his appointment as a Director of the Corporation.

Also, Mr. Nusli Wadia, Chairman and Mr. Jeh Wadia, Deputy Managing Director of the Corporation being relatives of Mr. Ness Wadia are interested in the said resolution.



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## Item No. 7:

Ms. Vinita Bali was appointed as an Additional Director with effect from 28th April, 2010 by the Board of Directors of the Corporation (the Board) pursuant to Section 260 of the Companies Act, 1956 (the Act). She holds the office upto the date of the forthcoming Annual General Meeting. The Corporation has received a Notice from a Member signifying his intention to propose Ms. Vinita Bali as a candidate for the Office of Director of the Corporation alongwith a deposit of Rs. 500/- as required under Section 257 of the Act. Ms. Vinita Bali, 55, is a B.A. in Economics and an MBA.

Ms. Vinita Bali, 55, is a B.A. in Economics and an MBA.

Ms. Vinita Bali has vast and rich experience in marketing and has held general management positions in India and overseas, in pre-eminent MNCs.

She does not hold any shares of the Corporation.

Other Directorships: Britannia Industries Ltd. (Managing Director), Titan Industries Ltd., Mphasis Ltd., Piramal Glass Ltd. The Bombay Dyeing & Mfg. Co. Ltd. Member of Audit Committee of Titan Industries Ltd. and Mphasis Ltd. She is also a Director of 7 foreign companies and 3 private companies

Ms. Vinita Bali is interested in the resolution at Item No.7 of the Notice since it relates to her appointment as a Director of the Corporation.

## Item No. 8 & 9:

At present Messrs. Deloitte Haskins & Sells, Vadodara, Chartered Accountants are the Statutory Auditors of the Corporation, and entitled to hold office, up to the conclusion of the forthcoming Annual General Meeting. Messrs Deloitte Haskins & Sells, Vadodara, Statutory Auditors of the Corporation have advised that they do not seek re-appointment as the Corporation's auditors at the ensuing Annual General Meeting (AGM) as statutory auditors of the Corporation.

Based on the recommendations of the Audit Committee, the Board of Directors has at its meeting held on 28th May, 2010 proposed the appointment of Messrs B S R & Co., Chartered Accountants, Mumbai, as the Statutory Auditors to hold office from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting at the remuneration and the terms and conditions to be fixed by the Board of Directors.

The Members' approval is being sought for the appointment of Messrs B S R & Co., Chartered Accountants, Mumbai as the Corporation's Statutory Auditors and to authorize the Board, to determine remuneration and the terms and conditions.

It is proposed to re-appoint Deloitte Haskins & Sells, Chennai as branch auditors for auditing the accounts of the branches of the Corporation in South India for the financial year 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.

The Directors commend the Resolution at Item 8 and 9 for approval by the Members.

By Order of the Board,

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

*Registered Office:*

9, Wallace Street, Fort,  
Mumbai 400 001.

Dated, the 28th day of May, 2010

**17. DIRECTORS:**

Mr. Nusli N. Wadia, Mr. Ishaat Hussain and Mr. B. N. B. Tao retire by rotation and are eligible for re-appointment.

Mr. Ness N. Wadia and Ms. Vinita Bali were appointed as Additional Directors with effect from 28th April, 2010. They hold the Office as Directors upto the date of the ensuing Annual General Meeting. The Corporation has received Notices from the shareholders proposing their candidature for appointing them as Directors.

**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, 2010 and of the profit for the year ended 31st March, 2010.
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 21 (AS 21) prescribed by Companies (Accounting Standards) Rules 2006, are annexed to the Report.

**21. APPOINTMENT OF COST AUDITOR:**

In terms of the Order of Government of India, under Section 233B of the Companies Act, 1956 the Corporation re-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:**

Messrs Deloitte Haskins & Sells, Vadodra, Chartered Accountants, who are the Statutory Auditors of the Corporation have advised that they do not seek re-appointment as the Corporation's Auditors at the ensuing Annual General Meeting. The Directors recommend that Messrs B S R & Co., Chartered Accountants, Mumbai, be appointed as the Corporation's Auditors to hold the office from the conclusion of the ensuing Annual general Meeting till the conclusion of the next Annual General Meeting. The Directors placed on record their appreciation of the valuable services rendered by Messrs Deloitte Haskins & Sells, Vadodara, Chartered Accountants as Auditors.

It is proposed to re-appoint Deloitte Haskins & Sells, Chennai as branch auditors for auditing the accounts of the branches of the

**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, 2010.

**1. SUMMARISED PROFIT & LOSS ACCOUNT:**

	<b>2009-2010</b>		<i>2008-2009</i>	
	<b>Rupees in Lakhs</b>	<b>Rupees in Lakhs</b>	<i>Rupees In Lakhs</i>	<i>Rupees in Lakhs</i>
Gross Income		<b>31,368.97</b>		<i>29,014.25</i>
Gross Profit before Depreciation, Interest, Exceptional items and Tax		<b>4,863.59</b>		<i>5,261.92</i>
<i>Less:</i> Interest		<b>1,983.14</b>		<i>2,374.95</i>
		<b>2,880.45</b>		<i>2,886.97</i>
<i>Less:</i> Depreciation		<b>805.78</b>		<i>773.64</i>
Operating Profit		<b>2,074.67</b>		<i>2,113.33</i>
<i>Less:</i> Exceptional Items				
Loss on Exchange	<b>848.37</b>		<i>2,165.12</i>	
Investment written off	<b>—</b>		<i>1,188.88</i>	
		<b>848.37</b>		<i>3,354.00</i>
Profit/(Loss) before Tax		<b>1,226.30</b>		<i>(1,240.67)</i>
<i>Add/(Less):</i> Provision for Taxation		<b>139.25</b>		<i>(146.86)</i>
		<b>1,365.55</b>		<i>(1,387.53)</i>
<i>Add:</i> Balance Brought Forward		<b>—</b>	<i>1,244.78</i>	
Transferred from General Reserve		<b>—</b>	<i>306.01</i>	<i>1,550.79</i>
Amount Available for Appropriation		<b>1,365.55</b>		<i>163.26</i>
<b>Appropriations:</b>				
Proposed Dividend	<b>488.40</b>		<i>139.54</i>	
Corporate Dividend Tax thereon	<b>81.12</b>		<i>23.72</i>	
Transfer to General Reserve	<b>140.00</b>		<i>—</i>	
		<b>709.52</b>		<i>163.26</i>
Profit carried to Balance Sheet		<b>656.03</b>		<i>—</i>

## 2. OPERATIONS:

During the year under review, the Corporation achieved a gross income of Rs. 31,369 Lakhs which represents an increase of 8% over the previous year.

There was a marked improvement in the performance of both the Plantation and Industrial Divisions. Increase in production of Tea and Coffee and higher average price realizations contributed to the substantial improvement in the performance of the Plantation Division. In the Industrial Division, BCL Springs achieved significant improvement in its performance because of higher volumes and reduced costs. Sunmica Division registered a modest growth in production and sales, but faced margin pressure owing to increase in input costs. Health Care Division continued to perform satisfactorily.

Because of the appreciation of Rupee against US Dollar, the loss on account of Foreign Currency loans reduced considerably during the year and amounted to Rs. 848.37 Lakhs as against Rs. 2,165.12 Lakhs in the previous year. Steps are under way to convert the Foreign Currency Loans into Rupee Loans and no further losses are expected to be incurred in the account.

The improvement in performance by all Units helped to achieve profit after tax of Rs. 1,365.55 Lakhs as against a loss of Rs. 1,387.53 Lakhs in the previous year.

## 3. DIVIDEND:

Your Directors recommend payment of dividend at the rate of 35% (Rs. 3.50 per share). (Previous year Re. 1.00 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 26th July, 2010.

## 4. SOUTH INDIA ESTATES:

### (a) Tea —

Sales improved to 98 Lakh kgs. of tea during the year under review as

against 92 Lakh kgs. in the previous year. The average price realisation during the year was higher than the previous year on account of strong domestic demand.

Production crossed the 100 Lakh kgs. output mark, a record for the Plantation Division which was made possible by outsourcing of green leaf for processing in our factories.

### (b) Coffee —

Sales volume was 1,042 Tonnes as against 1,037 Tonnes in the previous year. Our coffee continued to be well accepted in the international markets.

## 5. TANZANIAN ESTATES:

The crop for the year under review was 7.51 Lakh kgs. as against 6.68 Lakh kgs. for 2008-09. The performance of Tanzanian Tea Estates has improved over previous year due to improved sales realization.

## 6. SUNMICA DIVISION:

Production for the year under review was 6,072 Tonnes as against 5,429 Tonnes for 2008-09. The slowdown in Real Estate sector in the second half of the previous financial year continued to adversely affect demand revival. The margins were also under pressure due to intense competition and input costs increases.

Our Laminate Division has been renamed “Sunmica Division” as the continued use of the “Formica” name is currently under discussion with The Diller Corporation, USA and its Subsidiary Formica Corporation.

## 7. BCL SPRINGS DIVISION:

Production for the year under review was 7,659 Tonnes as against 5,846 Tonnes for 2008-09. The auto sector witnessed an upturn during the year under review. As a result, the sales volume increased substantially over the

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previous year. With increased volume and reduced costs, the Division reported better profits.

## 8. WEIGHING PRODUCTS DIVISION:

Sale of balances for the year under review was 748 Nos. as against 646 Nos. for 2008-09. The Division has successfully replaced imported parts with local components for the current range of products. This will enable sustained profitability.

## 9. DENTAL PRODUCTS OF INDIA DIVISION:

Production of own products for the year was at 98 Tonnes as against 95 Tonnes for 2008-09. Turnover increased to Rs. 1,240 Lakhs against Rs. 1,007 Lakhs in previous year with better price realization. As a result, the Division could maintain and marginally improve its profitability during the year.

## 10. REAL ESTATE DEVELOPMENT:

The Corporation continued to pursue the Real Estate development of its properties at Kanjur Marg, Mumbai and Coimbatore. These assets have been converted to stock-in-trade and all necessary permissions for development of these properties have been received.

## 11. SUBSIDIARY COMPANIES:

Consequent upon Britannia Industries Limited (BIL) becoming a subsidiary of the Corporation during the year, the financial statements of BIL & its subsidiaries have been included in the Corporation's consolidated results for the year.

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, Cash Flow, 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 and the same is awaited. 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, 2010.

## 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.

## 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 to this Report.

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

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

**17. DIRECTORS:**

Mr. Nusli N. Wadia, Mr. Ishaat Hussain and Mr. B. N. B. Tao retire by rotation and are eligible for re-appointment.

Mr. Ness N. Wadia and Ms. Vinita Bali were appointed as Additional Directors with effect from 28th April, 2010. They hold the Office as Directors upto the date of the ensuing Annual General Meeting. The Corporation has received Notices from the shareholders proposing their candidature for appointing them as Directors.

**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, 2010 and of the profit for the year ended 31st March, 2010.
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 21 (AS 21) prescribed by Companies (Accounting Standards) Rules 2006, are annexed to the Report.

**21. APPOINTMENT OF COST AUDITOR:**

In terms of the Order of Government of India, under Section 233B of the Companies Act, 1956 the Corporation re-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:**

Messrs Deloitte Haskins & Sells, Vadodra, Chartered Accountants, who are the Statutory Auditors of the Corporation have advised that they do not seek re-appointment as the Corporation's Auditors at the ensuing Annual General Meeting. The Directors recommend that Messrs B S R & Co., Chartered Accountants, Mumbai, be appointed as the Corporation's Auditors to hold the office from the conclusion of the ensuing Annual general Meeting till the conclusion of the next Annual General Meeting. The Directors placed on record their appreciation of the valuable services rendered by Messrs Deloitte Haskins & Sells, Vadodara, Chartered Accountants as Auditors.

It is proposed to re-appoint Deloitte Haskins & Sells, Chennai as branch auditors for auditing the accounts of the branches of the

# The Bombay Burmah Trading Corporation, Limited

Corporation in South India for the financial year 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 of the Auditors' Report, the Corporation, based on legal opinion and 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. The significant accounting policy in respect thereof contained in Note No. 1 (O) and the accounting treatment followed as stated in Note No. 17 of Schedule 22 are self-explanatory.

On behalf of the Board,

**Nusli N. Wadia**  
Chairman

Mumbai, the 28th day of May, 2010

## Notes:

1. The Corporation has since received the exemption u/s. 212(8) of the Companies Act, 1956 from the Central Government in reference to the application referred to in Para 11 of the Director's Report.
2. Official Rates of Exchange were as follows:

On 31st March, 2010				On 31st March, 2009			
(Re. 1)		(Foreign Currencies)		(Re. 1)		(Foreign Currencies)	
Stg. £	0.01	Stg. £	1 - Rs. 68.61	Stg. £	0.01	Stg. £	1 - Rs. 73.83
Tanz. Sh.	28.76	Tanz. Sh.	1 - Re. 0.03	Tanz. Sh.	26.30	Tanz. Sh.	1 - Re. 0.04
RM.	0.07	RM.	1 - Rs. 13.97	RM.	0.07	RM.	1 - Rs. 13.90
U.S. \$	0.02	U.S. \$	1 - Rs. 45.24	U.S. \$	0.02	U.S. \$	1 - Rs. 50.72
Rp.	201.15	Rp.	1 - Re. 0.005	Rp.	231.21	Rp.	1 - Re. 0.004
H.K. \$	0.17	H.K. \$	1 - Rs. 5.87	H.K. \$	0.15	H.K. \$	1 - Rs. 6.65
S. \$	0.03	S. \$	1 - Rs. 32.46	S. \$	0.03	S. \$	1 - Rs. 33.90
Maur. Re.	0.67	Maur. Re.	1 - Rs. 1.48	Maur. Re.	0.62	Maur. Re.	1 - Rs. 1.62

## APPENDIX

### 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

- Obtained individual HT connections for Group factories, thereby reducing the current consumption. Conducted energy audit in all the factories.

###### Sunmica Division

- Further reduction achieved in the Hot Water Generator blow down.
- Installed Automatic Voltage Regulator.

###### Springs Division

- Certified as ISO 14001 (Environment Management System) Company during the year. As a part of this system various projects, were undertaken for conservation of energy. These are:  
Change in process – Warm Set to Hot Scoat.  
Reduction in Grinding Wheel Consumption.

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

###### Plantation Division

- Sectionwise energy meters, flat belt pullings and drives, Hot water generators, energy efficient meters installed.

###### Sunmica Division

- Proposal for Installation CO2 analyser.
- Energy Audit to be carried out from outside agency.

###### Springs Division

- Installation of Pyro Tech Furnace in place of Conventional furnace.

##### (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

- A saving of approximately 25% from the present energy consumption.

###### Sunmica Division

- Reduction in electricity energy consumption.

###### Springs Division

- Approximately 10% saving in the power cost.



# The Bombay Burmah Trading Corporation, Limited

## (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)	73.70	71.41	22.42	25.13	43.03	38.25
Total amount (Rs. in lakhs)	192.03	198.36	85.63	79.73	212.06	163.23
Rate/unit (Rs.)	2.60	2.78	3.82	3.17	4.93	4.27
(b) Own Generation:						
Through diesel generator:						
Units (KWH in lakhs)	6.82	9.95	1.08	0.88	0.86	1.46
Units per ltr. of Diesel oil	2.76	2.84	2.87	2.83	8.58	15.91
Cost/unit (Rs.)	12.48	12.91	10.78	10.78	9.93	10.90
2. Coal (Leco, Lecofines, used in driers)						
Quantity (Tonnes)	3524.14	3064.29	—	—	—	—
Total cost (Rs. in lakhs)	190.45	160.84	—	—	—	—
Average rate (Rs. per tonne)	5404.16	5248.82	—	—	—	—
3. Furnace Oil/LPG						
Quantity (K. Ltrs.)	—	—	—	—	—	—
Total amount (Rs. in lakhs)	—	—	—	—	—	—
Average rate (Rs. per K. Ltr.)	—	—	—	—	—	—
4. Others/internal generation (Firewood)						
Quantity (Tonnes)	13837.42	12193.14	8965.00	8058.00	—	—
Total cost (Rs. in lakhs)	239.47	219.28	183.33	141.50	—	—
Average Rate/unit (Rs. per tonne)	1730.62	1798.37	2045.00	1756.02	—	—

### (B) CONSUMPTION PER UNIT OF PRODUCTION:

	Production Unit	Standard (if any)						
Electricity (KWH)	Tonnes		808.82	892.46	387.00	479.00	269.00	588.00
Furnace Oil (K.Ltrs.)	Tonnes		—	—	—	—	—	—
Coal (Leco, Lecofines)	Tonnes		0.354	0.336	—	—	—	—
Others	Tonnes		1.389	1.337	1.48	1.48	—	—
Firewood	Tonnes		—	—	6072.00	5429.00	—	—
LPG								

**B. TECHNOLOGY ABSORPTION:**

**(e) Efforts made in technology absorption**

**At Plantations:**

- Use of biochemical parameters in advancement of quality under investigation.

**RESEARCH AND DEVELOPMENT (R&D)**

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

**Plantations:**

- (i) The studies carried out on soil factors such as pH, texture and nutrient status are concluded on generating convincing evidence.
- (ii) The indication emerging on bio fertilizer studies are useful in evolving practices.
- (iii) Certain graft combinations are very promising.

**Sunmica Division:**

- Development of Super Gloss Post Formable Laminates, and new variety of Industrial Laminates for Defence application.
- Decorative laminate with coloured back side.

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

**Plantation Division:**

- Recommendations have been formulated on (i) Soil health; (ii) use of bio-fertilizers and producing clonal grafts for large scale planting.

**3. Future plan of action:**

**Plantation Division:**

Studies are being initiated on:

- (i) Use of coir-waste (Coir-pith) as a mulch in replanted clearings.
- (ii) Drip irrigation for –
  - (a) survival
  - (b) productivity
- (iii) Screening of new chemicals for pests/disease.
- (iv) Trials on the rate and ratio of N and K.

**Sunmica Division:**

- To achieve further Cost Reduction in the Resin Manufacturing Cost for Decorative & Industrial Laminates.
- New Production development as per Marketing requirement.

**4. Expenditure on R&D:**

	Rs. in lakhs
(a) Capital	—
(b) Recurring	3.59
(c) Total	3.59
(d) Total R & D expenditure as a percentage of total turnover	0.01%

**TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:**

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

- Continuous efforts are being made to improve the manufacturing process and the products at Sunmica Division.
- Continuous improvements to enhance quality and Technical Support to customers in new product development at BCL Springs Division.

# The Bombay Burmah Trading Corporation, Limited

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

- Benefits derived are in terms of cost reduction and product improvement at Sunmica Division.
- BCL is a 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, BCL Spring 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 2010-11.
- (ii) During the year Sunmica Division exported products to Middle-East, Australia and New Zealand.

### (b) Total foreign exchange used and earned:

	<u>Rs. in lakhs</u>
Used	: 2,768
Earned	: 4,582

## MANAGEMENT DISCUSSION AND ANALYSIS

### 1. Business Segment

#### (a) Tea:

##### **Industry Structure and Developments:**

Indian crop declined by 3 million kgs. during Calendar Year (CY)'09, to close at 978 million kgs. as against the record crop of 981 million kgs. in CY'08. The decline reflected the lower crop harvested by South India, which was lower at 244 million kgs. in CY'09 as against 247 million kgs. recorded in the previous year. In spite of record harvests in August, early winter lead to a steep decline in the last few months of the year, negating earlier gains.

Indian exports in CY'09 declined by 5.7% to reach 191 million kgs.; a decline of 11.6 million kgs. South Indian exports continued to grow and recorded an increase of 5.8 million kgs.; an increase of 6.7%. Better demand particularly from Egypt and Iraq was forthcoming for South Indian teas. North Indian exports however were lower by 17.5 million kgs. The large shortfall in crop in Kenya and Sri Lanka helped to improve the prices of teas exported and average in CY'09 was higher by Rs. 18.83 per kg. Lower freights rates helped in further improving the net realization of these teas.

Imports of teas in CY'09 were higher by 25.5% at 25.5 million kgs. as against 20.3 million kgs. imported in CY'08. The average price per kg. of the imports stood at Rs. 84.23 as against Rs. 79.90 in the previous year.

A strong domestic market along with higher exports of Orthodox teas exported during the year helped tea prices attain record levels. Retail

price of tea in the domestic market moved up substantially and prices of packaged teas moved up after being stagnant for over 8 years. Higher stocks of plainer teas and revival of crops in Kenya and Sri Lanka could dampen the rally in the year ahead.

##### **Outlook:**

Good rainfall in all the major planting regions and the recovery of crop in Kenya & Sri Lanka is expected to rapidly increase availability of teas in the next few quarters. Large opening stocks, mainly comprising of plainer teas, along with lower exports due to a stronger rupee and higher Ocean Freights are expected to further increase stocks of the poorer teas. Exporters are expected to be interested mainly on Orthodox teas and better liquoring CTC. Strong domestic demand will continue and good liquoring CTC teas should have firm demand. The Corporation has worked on upgrading the overall quality profile of the teas produced and this will help in catering to the demand expected for the better liquoring teas. The world moving towards the theme of "Healthy Living" will help in further penetration of the Organic teas produced by the Corporation.

##### **Performance Highlights:**

Tea production by the Corporation showed a healthy growth of 10.72%, backed by good rains in the second and third quarter of Financial Year (FY)'10.

Strong Internal demand helped domestic sales to increase by 6.37% at price averages that were 17.09% higher. Organic Tea exports were lower by 6.08% mainly on account of

# The Bombay Burmah Trading Corporation, Limited

the Global recession. The non-Organic exports gained marginally by 1.54% by volume and increased by 23.21% in value.

At the Auctions the quantity sold by the Corporation was higher by 8.09% and the price averages improved by 13.59%. The quantities sold through the South Indian Auctions declined by 25.09% whilst the price realization improved by 13.96%.

The overall tea sales showed an increase of 5.52% in volumes and 12.99% in value over the previous year.

## Opportunities:

The Corporation's pioneering 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 & Europe, have helped in maintaining higher price averages for CTC leaf. Consolidation in the domestic markets with superior CTC's, targeted at specific Indian markets such as Kerala, Gujarat and Maharashtra, will help improve the returns to the Corporation.

## Threats:

Higher crops in Kenya & Sri Lanka could unsettle the supply demand equation and the countries like Pakistan might revert to Kenya for their supplies. A stronger Rupee and the increases in Shipping costs could make Indian teas less competitive especially for buyers from Europe, Egypt and Iraq. Exporters could resort to higher imports for re-export, taking advantage of the weaker dollar, and therefore would prefer to ignore

the plainer grades thereby putting pressure on domestic pricing.

## (b) Coffee:

### Industry Structure and Developments:

The world coffee output for 2009-10 as per ICO reports is expected to be 122 million bags (60 Kgs.) as against consumption of 132 million bags. Output was revised downward largely due to lower production in Central American countries and Vietnam due to adverse weather conditions.

Coffee stocks worldwide are low and this is an indication of better prices in the coming months.

Domestically Robusta crops have been much higher than estimated. This had impacted price levels in the month of February and March, 2010.

Arabica crops being low due to adverse weather conditions has resulted in increase in prices during the current months.

### Performance Highlights:

Coffee Production from the plantations has reached a record high and surpassed previously recorded yields.

Average offer price realised by the Corporation compared to Indian Auction position were:

GRADE	INDIAN AUCTION 2008/2009 Rs. Per Kg.	CORPORATION'S AVERAGE FOR EXPORTS 2008/2009 Rs. Per Kg.	INDIAN AUCTION 2009/2010 Rs. Per Kg	CORPORATION'S AVERAGE FOR EXPORTS 2009/2010 Rs. Per Kg.
WASHED ARABICA	123.23	160.58	140.91	181.58
WASHED ROBUSTA	97.33	127.10	81.49	121.84

**Opportunities:**

Consistent quality standards in harvesting and processing has helped the Corporation to build a reputation for reliability in the market and our coffees continue to sell at a good price in spite of the international market being in a bearish mood.

Our Organic coffees are fetching premium prices and additional areas are in conversion to meet growing demand for this product.

Irrigation of Robusta and Arabica areas has helped in stabilising crop levels as we are not dependant on the vagaries of the weather for our blossom. Better cultivation practices and nutrition management has helped in improving plant health which should pay off in increased production in the coming years.

**Threats:**

White-stem Borer continues to be a problem but intensive control methods along with immediate infilling of the affected areas is helping us recover quickly from this damage.

Berry Borer which has been a major problem is being controlled effectively by chemical and phytosanitary methods.

Repeated increase in DA has resulted in 48% increase in wages in the last two years. Also a shortage of labour continues to affect the plantation sector. Increased productivity has helped us partly negate this problem.

**(c) Auto Ancillaries – BCL Springs:**

**Industry Structure and Developments:**

Our Industry depends mainly on the Automobile Production in the

country. The Automobile Industry has grown by overall 25.76% YOY. The segment-wise growth is as under:

Segment	Growth
Passenger Vehicles	27.88%
Commercial Vehicles	35.92%
Three Wheeler	24.56%
Two Wheeler	24.86%

**Product wise performance:**

**Precision Springs:**

The overall market share of BCL in the existing product range is expected to improve from 25% to 29%. Our market share in the Valve Spring and Clutch Springs is more than our competitors. BCL has 60% share in the Valve Spring for **Passenger Car** segment. Overall market share for Valve spring is 46% & Clutch Springs it is 56%.

**Suspension Springs – Two/Three Wheelers:**

Our market share was at 19% for the year. We have improved the volumes and we expect that there would be a growth due to increase in Bajaj production at Waluj.

**Outlook:**

The production of vehicles for 2010-11 is projected at 15 Million vehicles. The growth is estimated @ 10%. Given the size of the Indian market and the Demand Supply Gap for Industrial products, coupled with GDP growth momentum, there is a reasonable hope that demand would not by itself be a constraining factor.

The Division has planned sales of Rs. 100 Crore for the year 2010-11. This includes growth in new business from existing customers as well as new business from new customers.

## Threats:

The availability of steel in the Domestic Market continues to be a major threat. The new spring maker from Germany, Mubea will be a potential threat to us in Valve Spring business in long term.

## Opportunities:

There is a potential for higher growth in the domestic market due to the fact that the current car penetration level in India is just 7 cars per thousand. Passenger car segment in the domestic market is expected to witness sustained growth in the next 3 to 5 years. It is expected that the passenger car market which was 1 million in 2003-2004 can easily cross the 3 million mark by 2015. This can lead to an increase in the size of the domestic auto-component market.

## (d) Laminates:

### Industry Structure and Developments:

The interior infrastructure segment comprises wood panel and decorative surfacing products such as tiles, paints, glass, plywood, decorative laminates among others.

The financial impact of the global meltdown which started in the second half of the year 2008-2009 continued to adversely affect the demand revival in the Real Estate Sector and Project Segment in the first half of the year 2009-10. During the second half of the financial year, there was a demand revival. However, laminate industry again got affected by a substantial increase in commodity/raw material prices.

### Performance Highlights:

During the financial year the Corporation increased its focus

on selling Texture laminates in the upper end of the price segment and entered the low price segment of lower thickness categories to connect with the channel in Tier II and Tier III towns, thus encompassing both the high end and lower end of the market with the intention to cater to larger volumes.

The Corporation also augmented the colour pattern range to make the product more retail friendly for selling through the channel. It also started offering some of the favourite color patterns for the projects business in various segments of commercial project.

To cater to a larger base of dealers all across the country to make the product available across all segments, the Corporation shifted its focus to conduct business through distributors all over the country, in turn to cater to a large dealer base. The product was made available and visible at the point of sale on a larger base of dealers, making the brand closer to the customer.

Sunmica Division increased domestic volumes by 12% by augmenting its focus on retail sales by increasing its channel network. Exports of industrial laminates recorded an increase of 38%. However, decorative laminate exports remained subdued on account of the global recession.

The Division also augmented its expenditure on Brand building and Sales promotion to strengthen the Sunmica brand.

The factory efficiencies were improved substantially by installation of balancing equipment and introduction of stringent process control and monitoring systems. This led to substantial cost savings which

partly compensated for the steep increase in input costs. However, the margins remained under pressure due to increase in raw material and other input costs.

**Opportunities & Threats:**

**Opportunities:**

- Revival of the Indian economy with increase in GDP rate.
- Consolidation taking place in the laminate industry.
- Huge growth in the domestic real estate market.
- India's per capita income is expected to increase consequently, propelling India into the middle-income category.
- There is an immense shortage of dwelling units in the country. With the requirement of new dwellings the industry is expected to witness sustained growth.

**Threats:**

- Increase in all major input costs viz. material, power, fuel etc.
- Capacity being increased by existing players in the industry and also new entrants entering into the market as there are no entry barriers.
- Cheap imports

**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 majority 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.

**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: 28th May, 2010



## 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 12 members\*\*. Of these, 2 are Executive Directors and 10 are Non-Executive Directors and half of the Board consists of Independent Directors.

During the year under review, 7 Board Meetings were held, the dates being 25th May, 2009, 30th June, 2009, 28th July, 2009, 28th October, 2009, 24th November, 2009, 11th December, 2009, 27th January, 2010.

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	6	12,28,301	—	7	Yes
Mr. A. K. Hirjee, Vice Chairman	Non-Executive	4	350	6 (Chairman of 2)	6	Yes
Mr. Keshub Mahindra	Non-Executive & Independent	6	—	1 (Chairman of 1)	5	No
Mr. M. L. Apte	Non-Executive & Independent	8	—	4	5	Yes
Mr. D. E. Udwadia	Non-Executive & Independent	12	—	8 (Chairman of 1)	4	Yes
Mr. P. K. Cassels	Non-Executive & Independent	—	—	—	1	No
Mr. B. N. B. Tao	Non-Executive & Independent	—	—	—	1	No
Mr. Ishaat Hussain	Non-Executive & Independent	15	—	9 (Chairman of 4)	7	No
Mr. Ashok Panjwani, Managing Director	Non-Independent and Executive	5	Not Applicable	—	7	Yes
Mr. Jeh Wadia, Deputy Managing Director	Promoter/ Executive	3	Not Applicable	—	6	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.

\*\* Mr. Ness Wadia – Promoter Non Executive Director and Ms. Vinita Bali – Non Promoter, Non-Executive Director, were appointed as Additional Directors on the Board with effect from 28th April, 2010.

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, 2010.

**3. Audit Committee:**

The Corporation constituted an Audit Committee 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 Directors as under:

Mr. M. L. Apte – Chairman

Mr. D. E. Udhwadia

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 Clause 49 of the Listing Agreements entered into between the Corporation and The 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 30th June, 2009, 24th July, 2009, 23rd October, 2009, 25th January, 2010. Mr. M. L. Apte & Mr. D. E. Udhwadia attended all the aforesaid meetings. Mr. A. K. Hirjee attended meetings held on 24th July, 2009 and 25th January, 2010.

**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 Ministry of Corporate Affairs with regard to minimum remuneration under Schedule XIII of the Act, a Remuneration Committee was constituted.

The present Committee consists of 4 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

Mr. D. E. Udhwadia

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.

# The Bombay Burmah Trading Corporation, Limited

- 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, there was no meeting of Remuneration Committee conducted.

## (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.

During the year the Corporation has paid Rs. 5,15,160/- as professional fees to M/s Udwardia & Udeshi. a firm in which Mr. D E Udwardia, a director of the Corporation, is a partner. There are no other pecuniary relationships or transactions of the non executive directors vis-à-vis the Corporation.

## (c) Remuneration to Directors:

- (i) Details of payments made to Non-Executive Directors during the year 2009-10 are given below:

(In Rupees)

Name	Sitting fees
Mr. Nusli N. Wadia	70,000
Mr. A.K. Hirjee	1,10,000
Mr. Keshub Mahindra	50,000
Mr. M.L. Apte	1,30,000
Mr. D.E. Udwardia	80,000
Mr. P. K. Cassels	10,000
Mr. B. N. B. Tao	10,000
Mr. Ishaat Hussain	70,000

- (ii) Details of remuneration paid to Managing Director/Deputy Managing Director during the year 2009-10 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	55,87,000	13,92,390	11,46,567
Mr. Jeh Wadia	40,35,000	10,89,450	17,68,430

The above remuneration excludes provision for accruing gratuity.

- 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. 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.

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 30th June, 2009, 24th July, 2009, 28th October, 2009 and 25th January, 2010. Mr. M. L. Apte & Mr. Jeh Wadia attended all the aforesaid meetings, Mr. A. K. Hirjee attended all except one meeting held on 30th June, 2009.

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.

# The Bombay Burmah Trading Corporation, Limited

Name and designation of Compliance Officer:

Mr. Nitin H. Datanwala, Vice President Corporate & Company Secretary.

No. of Shareholders' complaints received during the year : 28.

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

No. of pending complaints : Nil.

## 6. General Body Meetings:

(a) Location and time of General Meetings:

Sr. No	Type	Date	Location	Time
1.	AGM	28th July, 2009.	Patkar Hall, Sir Vithaldas Thackersey Marg, Mumbai - 400 020	4.00 P.M.
2.	AGM	30th July, 2008.	Patkar Hall, Sir Vithaldas Thackersey Marg, Mumbai - 400 020	4.00 P.M.
3.	AGM	31st July, 2007.	Patkar Hall, Sir Vithaldas Thackersey Marg, Mumbai - 400 020	4.30 P.M.

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

Financial Year ended	Date and Time	Venue	Special Resolutions passed
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"> <li>- Re-appointment of Mr. Ashok Panjwani as Managing Director of the Corporation for 5 years on remuneration and other terms as set out.</li> <li>- Re-appointment of Mr. Jeh Wadia as Deputy Managing Director of the Corporation for 5 years on remuneration and other terms as set out.</li> <li>- 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.</li> </ul>
31st March, 2008	30th July, 2008, 4.00 p.m.	Patkar Hall, Sir Vithaldas Thackersey Marg, Mumbai - 400 020	<ul style="list-style-type: none"> <li>- Approval under Section 309 (4) read with Section 309 (7) of the Companies Act to pay its Directors (Other than Managing Director, the Deputy Managing Director or the Whole time Director) commission not exceeding 1% of the net profits of the Corporation for each of five financial years commencing from 1st April, 2008.</li> </ul>

Financial Year ended	Date and Time	Venue	Special Resolutions passed
31st March, 2009	28th July, 2009, 4.00 p.m.	Patkar Hall, Sir Vithaldas Thackersey Marg, Mumbai - 400 020	<ul style="list-style-type: none"> <li>- Approval under Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 to the Board of Directors of the Corporation for mortgaging and/or charging and/or pledging all or any of the immovable properties and movable properties, to secure any loans or borrowings from such banks, financial institutions or any other person or other indebtedness incurred by the Corporation in an amount not exceeding Rs. 400 Crores over the aggregate of the paid-up capital and free reserves of the Corporation apart from the temporary loans obtained from the Corporation's bankers in the ordinary course of business.</li> <li>- Approval under Section 163 of the Companies Act, 1956 to keep Register of Members, the Index of Members and copies of all Annual Returns prepared under Section 159 of the Act, together with the copies of the certificates and documents required to be annexed thereto under Section 161 of the Act, or any one or more of them be kept at the office of the Corporation's Registrar and Share Transfer Agents, M/s Sharepro Services, at 13AB, Samhita Warehousing Complex, 2nd Floor, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Andheri (E), Mumbai 400 072.</li> </ul>

- (c) The details of Special Resolutions passed last year through postal ballot : Not Applicable.
- (d) Person who conducted the postal ballot exercise : Not applicable.
- (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.

# The Bombay Burmah Trading Corporation, Limited

## 7. 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 Sunmica 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.

## 8. 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.bbttl.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.

## 9. General Shareholder Information:

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

10th August, 2010 — 4.00 p.m. at Rama Watumull Auditorium, K C College, Dinshaw Vachha Road, Churchgate, Mumbai 400 020.

### (b) Financial Calendar (tentative):

Financial reporting for the quarter ending June, 2010	By 15th August, 2010
Financial reporting for the quarter ending September, 2010	By 15th November, 2010
Financial reporting for the quarter ending December, 2010	By 15th February, 2011
Financial reporting for the year ending March 31, 2011	By 31st May, 2011
Annual General Meeting for the year ending March 31, 2011	Last week of July 2011

- (c) Book closure period: 27th July, 2010 to 10th August, 2010 (both days inclusive).
- (d) Dividend payment date: 17th August, 2010.
- (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, 2011.
- (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  
 13AB, Samhita Warehousing Complex,  
 2nd Floor, Sakinaka Telephone Exchange Lane,  
 Off Andheri Kurla Road, Sakinaka,  
 Andheri (E), Mumbai 400 072  
 Tel: 6772 0403 • 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, 2009 to 31st March, 2010 were:

Particulars	No. of Transfers	No. of Shares
Transfers	60	15,840
Transmission	37	10,740
Total	97	26,580

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

79.65% of the paid-up capital of the Corporation has been dematerialised as on 31st March, 2010.

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

(l) (i) **Distribution of shareholding as on 31st March, 2010.**

Group of Shares	No. of Shareholders	No. of Shares held	% of Total Shares
1 to 500	10,276	10,73,477	7.693%
501 to 1000	587	4,17,432	2.991%
1001 to 2000	320	4,41,227	3.162%
2001 to 3000	104	2,57,227	1.843%
3001 to 4000	43	1,49,955	1.075%
4001 to 5000	26	1,17,207	0.840%
5001 to 10000	52	3,86,558	2.770%
10001 and above	35	1,11,11,297	79.626%
<b>Total</b>	<b>11,443</b>	<b>1,39,54,380</b>	<b>100.00%</b>



# The Bombay Burmah Trading Corporation, Limited

## (ii) Shareholding pattern as on 31st March, 2010.

	No. of Shares held	% of Shares
Promoter Group *	89,36,149	64.04
Financial Institutions	1,86,137	1.34
Nationalised Banks	18,622	0.13
Mutual Fund & UTI	25,150	0.18
FIs	19,709	0.14
Others	47,68,613	34.17
<b>Total</b>	<b>1,39,54,380</b>	<b>100.00</b>

\* 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 Ltd., Lochness Investments 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., Pointers 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.
Sunmica 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.
5. Training of Board Member — Corporation may train its 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, 2010.

For The Bombay Burmah Trading Corporation, Limited

ASHOK PANJWANI  
*Managing Director*

Mumbai, the 28th day of May, 2010

# The Bombay Burmah Trading Corporation, Limited

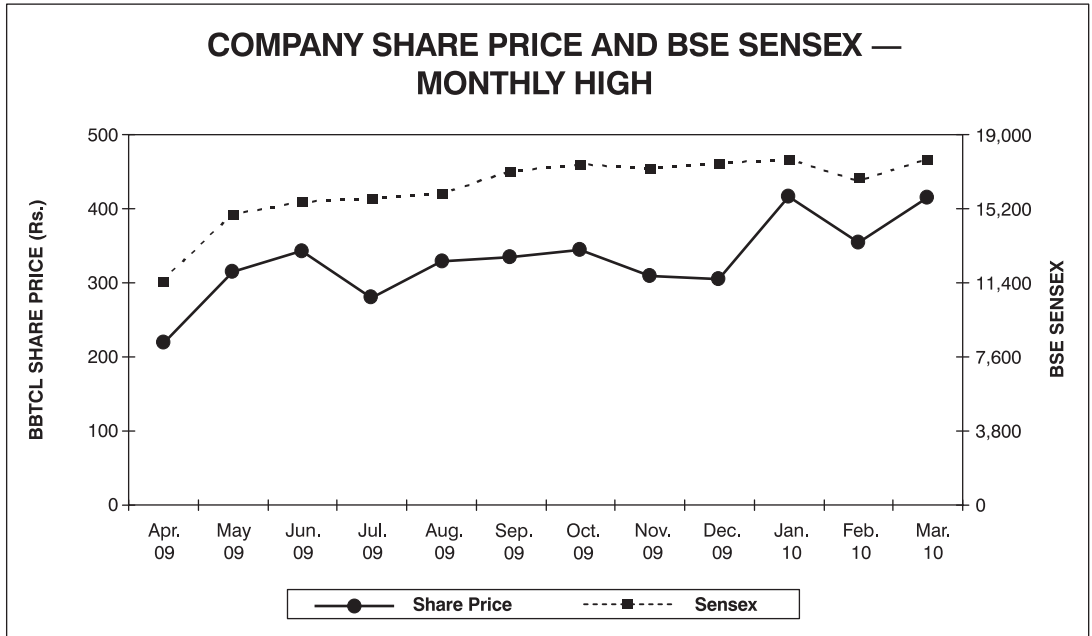
## Annexure 1

### BSE NSE Market Data – 2010

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, 2009	218.00	216.05	135.45	177.00	41,969	3,657	855	99	81.67	7.38
May, 2009	315.00	310.00	208.10	206.50	45,259	12,566	575	287	118.77	28.96
June, 2009	343.15	338.65	260.35	260.95	49,983	17,220	975	508	148.23	50.56
July, 2009	280.00	280.00	205.10	212.00	38,087	27,119	713	749	92.65	65.10
August, 2009	330.00	335.00	242.00	245.00	117,793	42,234	1,739	990	356.79	128.02
September, 2009	335.00	329.85	307.00	303.35	24,928	13,208	602	272	78.57	41.49
October, 2009	345.45	342.60	286.00	291.10	41,460	25,533	576	296	131.00	80.56
November, 2009	310.00	314.45	273.05	280.05	72,840	20,469	415	367	207.56	60.85
December, 2009	304.95	313.00	272.50	278.00	29,111	26,558	557	594	84.72	78.20
January, 2010	417.50	423.60	275.00	312.25	139,756	114,460	2,059	2,461	519.17	395.63
February, 2010	354.95	360.00	316.00	312.10	25,197	17,884	798	691	84.31	59.69
March, 2010	414.95	414.20	298.00	296.50	125,132	85,717	2,827	3,396	469.83	322.90

## 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 2010, 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 abovementioned 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 **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Registration No. 117364W)

R. SALIVATI  
Partner  
Membership No. 34004

**MUMBAI**, 28th May, 2010

# The Bombay Burmah Trading Corporation, Limited

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

We, Ashok Panjwani, Managing Director and N. 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*

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

Mumbai  
Dated: May 28, 2010

## **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, 2010, the Profit and Loss Account and the Cash Flow Statement of the Corporation for the year ended as on that date, both annexed thereto, in which are incorporated the Returns from the 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 (CARO) issued by the Central Government of India in terms of Section 227(4A) 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 it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the Johor Bahru, Usambara and South India Branches audited by other auditors;
  - (c) The reports on the accounts of the Johor Bahru, Usambara and South India Branches audited by other auditors have been forwarded to us and have been dealt with by us in preparing this report;
  - (d) The Balance Sheet, the 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 Branch returns;
  - (e) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
  - (f) *We invite attention to Note No. 17 of Schedule No. 22 regarding*

# The Bombay Burmah Trading Corporation, Limited

*provision for foreseeable losses on outstanding derivative contracts on the basis stated in the note. On the basis of the information available to us, 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, give the information required by the Companies Act, 1956, in the manner so required and *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, 2010;
- (ii) in the case of the Profit and Loss Account, of the profit of

the Corporation for the year ended on that date; and

- (iii) in the case of the Cash Flow Statement, of the cash flows of the Corporation for the year ended on that date.
5. On the basis of written representations received from the directors as on 31st March, 2010 taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of Section 274 (1) (g) of the Companies Act, 1956.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Registration No.117364W)

R. SALIVATI  
*Partner*  
Membership No: 34004

**MUMBAI**, 28<sup>th</sup> May, 2010

## ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

- (i) Having regard to the nature of the Corporation's business/activities/ results clauses (xiii) and (xiv) of CARO are not applicable.
- (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. According to the information and explanation given to us, 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 has maintained proper records of its inventories and no material discrepancies noticed on physical verification.
- (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 listed 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, having regard to the explanations that some of the items purchased are of special nature and suitable alternate sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Corporation and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (vi) In respect of contracts or arrangements entered in the Register maintained in pursuance to Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
- (a) the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 that needed to have been entered in the Register maintained under the said Section have so been entered.
- (b) where each of such transactions is in excess of Rs. 5 lakhs in respect of any party, the transactions have been made at prices which are *prima facie* reasonable having regard to



## The Bombay Burmah Trading Corporation, Limited

- the prevailing market prices at the relevant time.
- (vii) The Corporation has not accepted any deposits from the public 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 internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Corporation and the nature of its business.
- (ix) We have broadly reviewed the books of account maintained by the Building Product 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, however, not 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) According to the information and explanations given to us in respect of statutory dues:
- (a) The Corporation has been regular in depositing undisputed 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 material statutory dues applicable to it with the appropriate authorities.

- (b) There were no undisputed amounts payable in respect of Income tax, Wealth tax, Service Tax, Sales tax, Custom duty and Excise duty in arrears as at 31st March, 2010 for a period of more than six months from the date they became payable.
- (c) Details of dues of Excise Duty that have not been deposited on account of a dispute are given below:

Name of the Statute	Nature of Dues	Amount (Rs. In lakhs)	Period to which it relates	Forum where the dispute is pending
Central Excise Act	Excise duty-Cess	1.47	2005-06	Commissioner – Appeals
Central Excise Act	Excise duty	162.50	April 98 – 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	3.45	Sept 2004 to Jan 2007	Central Board of Excise & Customs
Central Excise Act	Excise duty	0.18	Jan 2006 to June 2006	CBEC (Central Board of Excise and 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, 2010 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 banks during the year. During the year the Corporation has not borrowed any monies through issue of debentures and from financial institution nor were there any outstanding. Hence the question of default in repayment of dues to

debenture holders/financial institutions 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) According to the information and explanations given to us, the Corporation has not given guarantees for loans taken by others from banks or financial institutions.
- (xv) In our opinion and according to the information and explanations given to us, the term loans availed by the Corporation during the year for the purposes for which the loans were obtained, other than temporary deployment pending application.
- (xvi) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Corporation, we report that funds raised on short-term basis have not been used during the year for long-term investment.
- (xvii) According to the information and explanations given to us, 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) According to the information and explanations given to us, the Corporation has not borrowed any monies through issues of debentures. Hence, the requirement of reporting under clause (xix) of the order does not arise.
- (xix) According to the information and explanations given to us, 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) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Corporation and no fraud on the Corporation has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Registration No.117364W)

R. SALIVATI  
*Partner*

Membership No: 34004

**MUMBAI, 28<sup>th</sup> May, 2010**

# The Bombay Burmah Trading Corporation, Limited

## BALANCE SHEET AS AT 31ST MARCH, 2010

		(Rupees in Lakhs)			
		As at 31st March, 2010		As at 31st March, 2009	
		Rupees	Rupees	Rupees	Rupees
<b>I. SOURCES OF FUNDS:</b>					
1. SHAREHOLDERS' FUNDS —					
(a) Capital	1	1,396.27		1,396.27	
(b) Reserves and Surplus	2	6,479.30		5,764.03	
			7,875.57		7,160.30
2. LOAN FUNDS —					
(a) Secured Loans	3	24,371.98		35,231.09	
(b) Unsecured Loans	4	3,013.29		8.53	
			27,385.27		35,239.62
3. DEFERRED TAX LIABILITY (Net)			289.28		614.94
<b>TOTAL</b>			<b>35,550.12</b>		<b>43,014.86</b>
<b>II. APPLICATION OF FUNDS:</b>					
1. FIXED ASSETS —					
(a) Gross Block	5	18,083.41		17,184.55	
(b) Less: Depreciation		8,126.94		7,552.97	
(c) Net Block		9,956.47		9,631.58	
(d) Capital Work-in-Progress		368.60		201.49	
			10,325.07		9,833.07
2. INVESTMENTS —	6		10,673.22		10,673.91
3. FOREIGN CURRENCY MONETARY ITEM TRANSLATION DIFFERENCE ACCOUNT			127.45		2,654.59
4. CURRENT ASSETS, LOANS AND ADVANCES —					
(a) Inventories	7	8,592.41		7,094.21	
(b) Sundry Debtors	8	5,602.99		5,403.89	
(c) Cash and Bank Balances	9	1,464.03		5,589.68	
(d) Other Current Assets	10	31.26		1,131.53	
(e) Loans and Advances	11	4,919.97		4,685.18	
		20,610.66		23,904.49	
<b>LESS: CURRENT LIABILITIES AND PROVISIONS —</b>					
(a) Liabilities	12	5,333.79		3,701.38	
(b) Provisions	13	852.49		349.82	
		6,186.28		4,051.20	
<b>NET CURRENT ASSETS</b>			<b>14,424.38</b>		<b>19,853.29</b>
<b>TOTAL</b>			<b>35,550.12</b>		<b>43,014.86</b>
<b>SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS</b>	22				

As per our attached report of even date.

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

For and on behalf of the Board,

For DELOITTE HASKINS & SELLS  
Chartered Accountants

A. PANJWANI  
N. H. DATANWALA

Managing Director  
Vice President Corporate & Co. Secretary

NUSLI N. WADIA Chairman  
A. K. HIRJEE Vice-Chairman  
K. MAHINDRA Director  
M. L. APTE Director  
D. E. UDWADIA Director  
ISHAAT HUSSAIN Director  
NESS WADIA Director  
VINITA BALI Director

R. SALIVATI  
Partner

Mumbai,  
Dated : 28th May, 2010

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

(Rupees in Lakhs)

	Schedule No.	Rupees		Previous Year	
		Rupees	Rupees	Rupees	Rupees
<b>INCOME</b>					
Sales	14	30,110.83		26,577.71	
Less: Excise Duty recovered on Sales		722.67		887.15	
Net Sales			29,388.16		25,690.56
Other Income	15		1,942.90		3,323.69
			<u>31,331.06</u>		<u>29,014.25</u>
<b>EXPENDITURE</b>					
Increase in Stocks	16		(1,438.23)		(19.95)
Raw Materials Consumed			12,117.79		9,970.80
Purchase of Trading Goods			913.92		813.15
Operation and Other Expenses	17		9,718.61		8,227.92
Payments to and Provision for Employees	18		5,135.36		4,741.69
Cost relating to Real Estate Division	19		20.02		18.72
Interest	20		1,983.14		2,374.95
Depreciation			805.78		773.64
			<u>29,256.39</u>		<u>26,900.92</u>
			<u>2,074.67</u>		<u>2,113.33</u>
<b>OPERATING PROFIT</b>					
Less: Loss on Exchange (Net)					
Refer Note No.18 of Schedule No. 22			848.37		2,165.12
Long Term Investment written off					
Refer Note No. 21 of Schedule No. 22)			—		1,188.88
			<u>848.37</u>		<u>3,354.00</u>
<b>PROFIT/(LOSS) BEFORE TAXATION</b>					
Provision for Taxation	21		(139.25)		(1,240.67)
					146.86
<b>PROFIT/(LOSS) AFTER TAXATION</b>					
Brought Forward from Previous Year					(1,387.53)
Transferred from General Reserve					1,244.78
					306.01
<b>AMOUNT AVAILABLE FOR APPROPRIATION</b>					
			<u>1,365.55</u>		<u>163.26</u>
<b>APPROPRIATIONS</b>					
Proposed Dividend			488.40		139.54
Corporate Dividend Tax thereon			81.12		23.72
Transferred to General Reserve			140.00		—
<b>Surplus carried to Balance Sheet</b>			<u>656.03</u>		—
			<u>1,365.55</u>		<u>163.26</u>
Basic and Diluted Earnings per Share (in Rs.) –					
Face Value Rs. 10/- each			9.79		(9.94)
Refer Note No.12 of Schedule No. 22					
<b>SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS</b>					
	22				

As per our attached report of even date.

The foregoing Profit and Loss Account for the year ended 31st March, 2010 including Schedule Numbers 14 to 22 is hereby authenticated by us.

For and on behalf of the Board,

For DELOITTE HASKINS & SELLS  
Chartered Accountants

A. PANJWANI  
N. H. DATANWALA

Managing Director  
Vice President Corporate & Co. Secretary

NUSLI N. WADIA Chairman  
A. K. HIRJEE Vice-Chairman

R. SALIVATI  
Partner

K. MAHINDRA Director  
M. L. APTE Director

D. E. UDWADIA Director

ISHAAT HUSSAIN Director

NESS WADIA Director

VINITA BALI Director

Mumbai,

Dated : 28th May, 2010

# The Bombay Burmah Trading Corporation, Limited

## CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR YEAR ENDED 31ST MARCH, 2010

(Rupees in Lakhs)

	Rupees	Rupees	Previous Year	
			Rupees	Rupees
<b>A. Cash flows from operating activities:</b>				
Profit/(Loss) before Taxation		<b>1,226.30</b>		<i>(1,240.67)</i>
Adjustments for:				
Depreciation	<b>805.78</b>		<i>773.64</i>	
Loss on Exchange (net)	<b>848.37</b>		<i>2,165.12</i>	
Loss/(Profit) on Sale of Fixed Assets (Net)	<b>17.05</b>		<i>(2.97)</i>	
Assets discarded written off	<b>5.63</b>		<i>9.40</i>	
Long term investment written off	<b>—</b>		<i>1,188.88</i>	
Currency alignment on conversion of accounts of non-integral foreign branches on Investments	<b>0.69</b>		<i>(6.17)</i>	
Provision for Doubtful Debts (Net)	<b>131.31</b>		<i>29.15</i>	
Excess Provision written back	<b>(12.66)</b>		<i>(70.05)</i>	
Advances/Doubtful Debts written off	<b>1.23</b>		<i>0.09</i>	
Provision for Doubtful Advances	<b>129.24</b>		<i>—</i>	
Interest expense	<b>1,983.14</b>		<i>2,374.95</i>	
Interest income	<b>(507.78)</b>		<i>(597.19)</i>	
Dividend income	<b>(414.17)</b>		<i>(1,543.84)</i>	
		<b>2,987.83</b>		<i>4,321.01</i>
Operating Profit before working capital changes		<b>4,214.13</b>		<i>3,080.34</i>
Adjustments for:				
Increase in Sundry Debtors and other receivables	<b>(335.03)</b>		<i>(171.93)</i>	
Increase in Inventories	<b>(1,498.20)</b>		<i>(620.20)</i>	
Increase/(Decrease) in Sundry Creditors and Provisions	<b>1,806.51</b>		<i>(636.72)</i>	
		<b>(26.72)</b>		<i>(1,428.85)</i>
Cash from operations		<b>4,187.41</b>		<i>1,651.49</i>
Currency alignment on conversion of accounts of non-integral foreign branches & on fixed assets		<b>(37.69)</b>		<i>89.06</i>
Direct taxes paid (Net)		<b>(199.65)</b>		<i>(237.50)</i>
<b>Net cash from operating activities</b>		<b>3,950.07</b>		<i>1,503.05</i>
<b>B. Cash flows from investing activities:</b>				
Purchase of fixed assets		<b>(1,390.82)</b>		<i>(1,110.98)</i>
Proceeds from sale of fixed assets		<b>27.29</b>		<i>113.39</i>
Advances & Loans to Subsidiaries (Net)		<b>(350.71)</b>		<i>(383.45)</i>
Bank Deposits made during the year		<b>(397.01)</b>		<i>(4,676.18)</i>
Bank Deposits withdrawn during the year		<b>4,676.18</b>		<i>2,647.17</i>
Interest income		<b>691.98</b>		<i>408.85</i>
Dividend income		<b>1,330.24</b>		<i>693.22</i>
<b>Net cash used in investing activities</b>		<b>4,587.15</b>		<i>(2,307.98)</i>

CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR YEAR ENDED 31ST MARCH, 2010 (Contd.)

(Rupees in Lakhs)

	Rupees	Rupees	Previous Year	
			Rupees	Rupees
<b>C. Cash flow from financing activities:</b>				
Repayment of Hire Purchase loan (Net)		—		(43.01)
Proceeds of term loans		<b>8,519.96</b>		4,093.42
Repayment of term loans		<b>(13,776.95)</b>		(347.40)
(Repayment)/Proceeds of Cash Credit/Overdraft account		<b>(918.59)</b>		(499.17)
Interest paid		<b>(2,047.46)</b>		(2,285.81)
Dividends paid (including Corporate Dividend Tax)		<b>(160.66)</b>		(484.26)
<b>Net cash from financing activities</b>		<b>(8,383.70)</b>		433.77
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>		<b>153.52</b>		<b>(371.16)</b>
Cash and cash equivalents as at the commencement of the year		<b>913.50</b>		1,284.66
Cash and cash equivalents as at the end of the year		<b>1,067.02</b>		913.50
<b>Net increase/(decrease) as disclosed above</b>		<b>153.52</b>		<b>(371.16)</b>
<b>Components of Cash and Cash Equivalents as at</b>		<b>31-03-2010</b>		<b>31-03-2009</b>
<b>Cash on hand</b>		<b>34.53</b>		14.54
<b>Balances with Banks – on Current Account</b>		<b>1,032.49</b>		898.96
		<b>1,067.02</b>		913.50

**Notes:**

- (1) The above Cash Flow Statement has been prepared under the "Indirect Method" set out in Accounting Standard – 3 (AS - 3) "Cash Flow Statements" as notified under the Companies (Accounting Standards) Rules, 2006.
- (2) Component of Cash and Cash Equivalents exclude bank deposits with maturity of more than 3 months aggregating to **Rs. 397.01 lakhs** (Previous Year Rs. 4,676.18 lakhs).
- (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 and on behalf of the Board,

For DELOITTE HASKINS & SELLS  
Chartered Accountants  
R. SALIVATI  
Partner

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

NUSLI N. WADIA *Chairman*  
A. K. HIRJEE *Vice-Chairman*  
K. MAHINDRA *Director*  
M. L. APTE *Director*  
D. E. UDWADIA *Director*  
ISHAAT HUSSAIN *Director*  
NESS WADIA *Director*  
VINITA BALI *Director*

Mumbai,  
Dated : 28th May, 2010

# The Bombay Burmah Trading Corporation, Limited

## SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2010

		(Rupees in Lakhs)	
	Rupees	As at 31st March, 2010 Rupees	As at 31st March, 2009 Rupees
<b>SCHEDULE NO. 1</b>			
<b>SHARE CAPITAL:</b>			
<b>AUTHORISED —</b>			
1,50,00,000 Equity Shares of Rs. 10/- each		<u>1,500.00</u>	<u>1,500.00</u>
		<u>1,500.00</u>	<u>1,500.00</u>
<b>ISSUED AND SUBSCRIBED —</b>			
1,39,54,380 Equity Shares of Rs. 10/- each fully paid-up		<b>1,395.44</b>	<b>1,395.44</b>
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		<b>0.83</b>	<b>0.83</b>
TOTAL		<u><b>1,396.27</b></u>	<u><b>1,396.27</b></u>
<hr/>			
<b>SCHEDULE NO. 2</b>			
<b>RESERVES AND SURPLUS:</b>			
<b>Capital Reserve Account —</b>			
As per last Balance Sheet		<b>89.47</b>	<b>89.47</b>
<b>Securities Premium Account —</b>			
As per last Balance Sheet		<b>3,637.21</b>	<b>3,637.21</b>
<b>Foreign Currency Translation Reserve Account —</b>			
As per last Balance Sheet	<b>47.89</b>		<b>(50.96)</b>
<i>(Less)/Add:</i> Amount transferred on account of resulting exchange differences on conversion of non-integral foreign branches	<u><b>(80.76)</b></u>		<u><b>98.85</b></u>
		<b>(32.87)</b>	<b>47.89</b>
<b>General Reserve Account —</b>			
As per last Balance Sheet	<b>1,989.46</b>		<b>2,509.13</b>
<i>Add:</i> Transfer from Profit and Loss account	<b>140.00</b>		<b>—</b>
<i>Less:</i> Transferred to Foreign Currency Monetary Item			
Translation Difference account (Refer Note No. 18 of Schedule No. 22)	<b>—</b>		<b>(213.66)</b>
<i>Less:</i> Transferred to Profit and Loss account	<b>—</b>		<b>(306.01)</b>
		<b>2,129.46</b>	<b>1,989.46</b>
<b>Profit and Loss Account</b>		<u><b>656.03</b></u>	<u><b>—</b></u>
TOTAL		<u><b>6,479.30</b></u>	<u><b>5,764.03</b></u>

## SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2010

		(Rupees in Lakhs)	
	Rupees	As at 31st March, 2010 Rupees	As at 31st March, 2009 Rupees
<b>SCHEDULE NO. 3</b>			
<b>SECURED LOANS:</b>			
<b>Loans and Advances from Banks —</b>			
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).		269.15	1,187.74
<b>Term Loans —</b>			
Term Loans and other facilities sanctioned from a Bank aggregating to Rs. 18,000 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 way of any equitable mortgage by deposit of title deeds off leasehold land at Akurdi, Pune.			
Term Loan and other facilities sanctioned 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 Sunmica Division at Rudrapur, Uttaranchal and also by way of first charge on BCL Springs Division at Aurangabad as collateral. Additional Term Loan sanctioned from the said Bank aggregating to Rs. 10,000 lakhs (availed during the year – Rs. 5,500 lakhs) is to be secured by extension of exclusive first charge over Elk-hill estate and extension of first charge on BCL Springs Division at Aurangabad.			
Term Loan facilities from a Bank aggregating to Rs. 6,000 lakhs are secured by way of an equitable mortgage by deposit of title deeds of Dunsandle estates together with buildings and structures thereon and hypothecation of plant and machinery and vehicles.		24,041.14	33,996.62
Hire Purchase Loan	70.92		56.37
Less: Unmatured Finance charges	9.23		9.64
		61.69	46.73
[Principal amounts payable within 1 year <b>Rs. 13.63 lakhs</b> (Previous Year Rs. 15.83 lakhs)] (Hire Purchase Loan is secured by a lien on vehicle purchased under Hire Purchase agreement)			
TOTAL		<u>24,371.98</u>	<u>35,231.09</u>

**SCHEDULE NO.4****UNSECURED LOANS:**

Intercompany Deposits		13.00	8.00
Short Term Loan from Bank		3,000.00	—
Other Loans: from Others		0.29	0.53
TOTAL		<u>3,013.29</u>	<u>8.53</u>



SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2010

SCHEDULE NO. 5

FIXED ASSETS:

	(Rupees in Lakhs)												
	Original/ Revalued Cost on Balance as at 1st Apr., 2009	Cost Additions during the year	Cost of Disposals/ Transfers during the year	Currency Alignment on Opening Balance	Cost/ Revalued Cost on Balance as at 31st March, 2010	Accumulated Depreciation/ Amortisation as on 31st April 2009	Currency Alignment on Opening Balance	Depreciation/ Amortisation for the year	Currency Alignment for the year	Depreciation/ Amortisation on Disposals/ Transfers during the year	Depreciation/ Amortisation to 31st March, 2010	Net Book Value as at 31st March, 2010	Net Book Value as at 31st March, 2009
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
<b>INTANGIBLE ASSETS:</b>													
Goodwill	52.09	—	—	—	52.09	31.26	—	10.42	—	—	41.68	10.41	20.83
Technical know-how	25.64	—	—	—	25.64	25.64	—	—	—	—	25.64	—	—
Computer Software	20.02	29.41	—	—	49.43	4.29	—	26.71	—	—	31.00	18.43	15.73
<b>LAND:</b>													
Freehold	181.19	—	—	—	181.19	—	—	—	—	—	—	181.19	181.19
Leasehold	417.33	—	—	(0.08)	417.25	21.10	(0.02)	4.88	—	—	25.96	391.29	396.23
ROADS	101.93	—	—	—	101.93	41.32	—	3.16	—	—	44.48	57.45	60.61
DEVELOPMENT – Plantations	1,511.32	171.75	(8.17)	(0.26)	1,674.64	20.12	—	4.66	—	—	24.78	1,649.86	1,491.20
BUILDINGS	* 2,668.46	279.46	—	(8.93)	2,938.99	1,052.41	(1.04)	104.34	(0.16)	—	1,155.55	1,783.44	1,616.05
PLANT AND MACHINERY	** 11,043.30	649.20	(212.85)	(49.01)	11,430.64	5,777.40	(11.85)	579.75	(2.26)	(191.88)	6,151.16	5,279.48	5,265.90
MOTOR VEHICLES AND TRACTORS	# 538.17	35.99	(37.60)	(5.67)	# 530.89	297.26	(5.67)	30.41	—	(17.87)	304.13	226.76	240.91
FURNITURE AND FIXTURES	625.10	57.90	(1.81)	(0.47)	680.72	282.17	(0.32)	41.45	(0.03)	(0.71)	322.56	358.16	342.93
<b>TOTAL</b>	<b>17,184.55</b>	<b>1,223.71</b>	<b>(260.43)</b>	<b>(64.42)</b>	<b>18,083.41</b>	<b>7,552.97</b>	<b>(18.90)</b>	<b>805.78</b>	<b>(2.45)</b>	<b>(210.46)</b>	<b>8,126.94</b>	<b>9,956.47</b>	
<i>PREVIOUS YEAR TOTAL</i>	<i>16,301.56</i>	<i>1,084.51</i>	<i>(228.32)</i>	<i>26.80</i>	<i>17,184.55</i>	<i>6,870.82</i>	<i>15.77</i>	<i>773.64</i>	<i>1.24</i>	<i>(108.50)</i>	<i>7,552.97</i>		<i>9,631.58</i>
<b>CAPITAL WORK-IN-PROGRESS</b>												<b>368.60</b>	<b>201.49</b>
<b>TOTAL:</b>												<b>10,325.07</b>	<b>9,833.07</b>

\* 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.

# Motor Vehicles and Tractors include Rs. 98.42 lakhs (Previous Year – Rs. 111.37 lakhs) being cost of Assets purchased on Hire Purchase basis on which the lender has a lien.

## SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2010

(Rupees in Lakhs)

	(Face Value)	(Book Value) Rupees	(Book Value) Rupees	As at 31st March, 2010 (Book Value) Rupees	As at 31st March, 2009 (Book Value) Rupees
<b>SCHEDULE NO. 6:</b>					
<b>INVESTMENTS:</b>					
<b>LONG TERM INVESTMENTS</b>					
<b>1. TRADE INVESTMENTS —</b>					
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
				<b>0.06</b>	<b>0.06</b>
<b>2. OTHER INVESTMENTS —</b>					
(A) SHARES OF OTHER COMPANIES					
<i>Fully paid at Cost — (Quoted)</i>					
59,28,875 * Equity Shares of The Bombay Dyeing and Manufacturing Co. Limited, (BDMC) of Rs. 10 each.	Rs.	592.89	9,868.91		9,868.91
4,704 Equity Shares of Citurgia Biochemicals Limited, of Rs. 10 each	Rs.	0.47	0.47		0.47
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
2,44,991 Equity Shares of Lotus Viniyog Pvt. Limited of Rs. 10 each	Rs.	24.50	24.50		24.50
4,999 Equity Shares of Cincinnati Investment & Trading Company Pvt. Limited of Rs. 100 each	Rs.	5.00	5.00		5.00
Carried Forward			<b>9,920.04</b>		<b>9,920.04</b>
Carried Forward				<b>0.06</b>	<b>0.06</b>

# The Bombay Burmah Trading Corporation, Limited

## SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2010

(Rupees in Lakhs)

	(Face Value)	(Book Value) Rupees	(Book Value) Rupees	As at 31st March, 2010 (Book Value) Rupees	As at 31st March, 2009 (Book Value) Rupees
<b>SCHEDULE NO. 6:</b>					
<b>INVESTMENTS: (Contd.)</b>					
Brought Forward				<b>0.06</b>	0.06
Brought Forward			<b>9,920.04</b>		9,920.04
4,999 Equity Shares of Roshnara Investment & Trading Company Pvt. Limited of Rs. 100 each	<b>Rs. 5.00</b>		<b>5.00</b>		5.00
1 Equity Share of The Bombay Burmah Trading Employees' Welfare Co. Limited, of Rs. 100 (Face Value Rs. 100, Book Value Rs. 100)	—		—		—
1 Equity Share of National Peroxide Employees' Welfare Company Limited of Rs. 100 (Face Value Rs. 100, Book Value Rs. 100)	—		—		—
<b>TOTAL</b>			<b>9,925.04</b>		9,925.04
<b>(B) GOVERNMENT SECURITIES —</b>					
Unquoted at Cost —	<b>Rs. 4.01</b>		<b>4.01</b>		4.01
<b>(C) SHARES/DEBENTURES OF SUBSIDIARY COMPANIES —</b>					
Fully paid at Cost (Unquoted) – 76,050 Ordinary Shares of Afco Industrial & Chemicals Limited of Rs. 100 each	<b>Rs. 76.05</b>	<b>60.02</b>			60.02
2,97,000 Ordinary Shares of Electromags Automotive Products Private Limited of Rs. 10 each	<b>Rs. 29.70</b>	<b>534.60</b>			534.60
20,000 Ordinary Shares of DPI Products & Services Limited of Rs. 100 each	<b>Rs. 20.00</b>	<b>73.62</b>			73.62
1,06,65,000 Ordinary Shares of Leila Lands Sdn. Bhd. of RM. 1 each	<b>RM. 106.65</b>	<b>67.79</b>			68.48
503 Shares of P.T. Indo Java Rubber Planting Company of Rupiah 171,927 each	<b>Rp. 864.79</b>	<b>2.09</b>			2.09
5,982 Equity Shares of Sea Wind Investment and Trading Company Limited of Rs. 100 each	<b>Rs. 5.98</b>	<b>5.98</b>			5.98
			<b>744.10</b>		744.79
				<b>10,673.15</b>	10,673.84
Carried Forward				<b>10,673.21</b>	10,673.90

## SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2010

				(Rupees in Lakhs)	
				As at 31st March, 2010 (Book Value) Rupees	As at 31st March, 2009 (Book Value) Rupees
	(Face Value)	(Book Value) Rupees	(Book Value) Rupees		
<b>SCHEDULE NO. 6:</b>					
<b>INVESTMENTS: (Contd.)</b>					
			Brought Forward	10,673.21	10,673.90
<b>3. CO-OPERATIVE HOUSING SOCIETIES —</b>					
Fully paid at Cost (unquoted) 1 Ordinary Share of Daisylea Apartment Owners' Association of Rs.100 (Face Value Rs. 100, Book Value Rs. 100)				—	—
	Rs.	0.01	0.01		0.01
15 Shares of Hermes Park Co-operative Housing Society Limited of Rs. 50 each					
10 Shares of Reena Park Co-operative Housing Society Limited of Rs. 50 each (Face Value Rs. 500, Book Value Rs. 500)				—	—
				<u>0.01</u>	<u>0.01</u>
				<u>10,673.22</u>	<u>10,673.91</u>
<b>Note:</b>					
Aggregate Amount of Quoted Investments — (Market Value <b>Rs. 32,778.13</b> Lakhs; 31st March, 2009 Rs. 9,958.11 Lakhs)				<b>9,869.38</b>	9,869.38
Aggregate Amount of Unquoted Investments				<b>803.84</b>	804.53
				<u>10,673.22</u>	<u>10,673.91</u>

RM. – Malaysian Ringgit

Rp. – Indonesian Rupiah

\* Being part of Promoter Group Holding these shares are under lock-in pending proposed preferential issue of warrants by BDMC to Promoters/Promoter Group as per SEBI guidelines.

				(Rupees in Lakhs)	
				As at 31st March, 2010 Rupees	As at 31st March, 2009 Rupees
<b>SCHEDULE NO. 7</b>					
<b>INVENTORIES:</b>					
Stores and Spare parts				583.10	626.90
Stock-in-trade:					
Raw Materials (includes material in transit <b>Rs. 97.63 lakhs</b> ) (Previous Year Rs. 68.70 lakhs)				1,616.14	1,633.71
Work-in-Progress				436.18	330.34
Finished Goods				4,180.33	2,847.93
Real Estate under Development				1,776.66	1,655.33
				<u>8,009.31</u>	<u>6,467.31</u>
				<u>8,592.41</u>	<u>7,094.21</u>

# The Bombay Burmah Trading Corporation, Limited

## SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2010

		(Rupees in Lakhs)	
	Rupees	As at 31st March, 2010 Rupees	As at 31st March, 2009 Rupees
<b>SCHEDULE NO. 8</b>			
<b>SUNDRY DEBTORS: (Unsecured)</b>			
(a) Debts outstanding for a period exceeding six months —			
Considered Good	501.92		789.08
Considered Doubtful	257.03		135.42
	<u>758.95</u>		<u>924.50</u>
Less: Provision for Doubtful Debts	257.03		135.42
		501.92	789.08
(b) Other Debts —			
Considered Good		5,101.07	4,614.81
TOTAL		<u>5,602.99</u>	<u>5,403.89</u>

### SCHEDULE NO. 9

#### CASH AND BANK BALANCES:

Cash on hand		34.53	14.54
Cheques on hand		79.20	105.99
Bank Balances			
(a) With Scheduled Banks:			
On Current Accounts	783.45		550.93
On Margin Account	1.68		52.80
Unpaid Dividend Accounts			
— Current Account	30.17		27.57
		815.30	631.30
(b) With Others:			
On Current Accounts:			
Standard Chartered Bank, Tanga [Maximum balance during the Year Rs. 120.00 lakhs (Previous Year Rs. 166.73 lakhs)]	92.43		120.00
Standard Chartered Bank, Johor Bahru, [Maximum balance during the Year Rs. 24.56 lakhs (Previous Year Rs. 24.56 lakhs)]	21.60		24.56
Hongkong and Shanghai Bank, Johor Bahru, {Maximum balance during the Year Rs. 4.59 lakhs (Previous Year Rs. Nil)}	3.52		—
National Bank of Commerce, Tanga – [Maximum balance during the Year Rs. 28.85 lakhs (Previous Year Rs. 49.69 lakhs)]	20.44		17.11
		137.99	161.67
Fixed Deposits With Banks [(includes Rs. 16.70 lakhs (Previous Year Rs. 16.33 lakhs) Pledged with Government Authorities) and Rs. 380.31 lakhs (Previous Year Rs. 4,579.54 lakhs) pledged with a Bank for credit facilities granted by the Bank]		397.01	4,676.18
TOTAL		<u>1,464.03</u>	<u>5,589.68</u>

### SCHEDULE NO. 10

#### OTHER CURRENT ASSETS:

Interest accrued on Investments and Deposits		31.26	215.46
Dividend Receivable		—	916.07
TOTAL		<u>31.26</u>	<u>1,131.53</u>

## SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2010

(Rupees in Lakhs)

	Rupees	As at 31st March, 2010 Rupees	As at 31st March, 2009 Rupees
<b>SCHEDULE NO. 11</b>			
<b>LOANS AND ADVANCES : (Unsecured)</b>			
Advances and Loans to Subsidiaries	2,636.83		2,286.12
Advances and Loans to Others	1,115.61		637.35
Advance Payment of Income-tax etc. [Net of Provision for Tax Rs. 275.00 lakhs (Previous Year Rs. 314.00 lakhs)]	318.62		307.76
Advance Payment of Fringe Benefit Tax [Net of Provision Rs. Nil; (Previous Year Rs. 52.00 lakhs)]	0.11		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
		<b>4,071.17</b>	<b>3,232.47</b>
Advances recoverable in cash or in kind or for value to be received		<b>855.88</b>	<b>1,324.61</b>
Balance with Government and Other Authorities		<b>252.15</b>	<b>258.10</b>
		<b>5,179.20</b>	<b>4,815.18</b>
Less: Provision for Doubtful advances		<b>259.23</b>	<b>130.00</b>
TOTAL		<b>4,919.97</b>	<b>4,685.18</b>
Advances include:			
Considered Good		<b>4,919.97</b>	<b>4,685.18</b>
Considered Doubtful		<b>259.23</b>	<b>130.00</b>
TOTAL		<b>5,179.20</b>	<b>4,815.18</b>

**SCHEDULE NO. 12****CURRENT LIABILITIES:**

## Sundry Creditors

(i) Total Outstanding dues of micro enterprises and small enterprises (refer Note No. 11 of Schedule 22)	14.64	15.20
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	4,848.66	3,155.54
Unclaimed Dividends*	30.17	27.57
Book overdraft with bank	1.28	—
Deposit from lessee for premises given on lease	300.00	300.00
Staff Pension and Other Funds	44.58	44.29
Interest accrued but not due on Secured Loans	94.46	158.78
TOTAL	<b>5,333.79</b>	<b>3,701.38</b>

\* 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. 1.54 lakhs (Previous Year Rs.8.19 lakhs)]	25.46	26.81
Fringe Benefit Taxation [Net of Advance Tax Rs. 40.50 lakhs (Previous Year Rs. 118.54 lakhs)]	1.50	3.46
Proposed Dividend	488.40	139.54
Corporate Dividend Tax	81.12	23.72
Provision for compensated absences	171.01	156.29
Provision for contingencies/expenses (Refer Note No. 20 of Schedule No. 22)	85.00	—
TOTAL	<b>852.49</b>	<b>349.82</b>

# The Bombay Burmah Trading Corporation, Limited

## SCHEDULES TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	(Rupees in Lakhs)		Previous Year	
	Rupees	Rupees	Rupees	Rupees
<b>SCHEDULE NO. 14</b>				
<b>SALES:</b>				
Tea		9,451.04		7,838.55
Coffee		1,170.75		1,289.67
Other Plantation Products		302.87		213.22
Laminates		8,271.73		7,955.95
Precision Springs		9,324.16		7,608.32
Weighing Products		241.96		226.36
Dental Products		1,348.32		1,445.64
TOTAL		<u>30,110.83</u>		<u>26,577.71</u>
<b>SCHEDULE NO. 15</b>				
<b>OTHER INCOME:</b>				
Agency Commission		52.50		120.09
Interest received (Gross)				
Current Accounts, Loans, Deposits, etc.	305.79			404.04
Loan to Subsidiary Companies	201.99			193.15
		507.78		597.19
Dividends – Long Term Investments				
Other Investments	60.73		208.96	
Subsidiary Companies	353.44		1,334.88	
		414.17		1,543.84
Rent (including Machinery etc. Hire Charges/Lease Rent)		104.53		107.54
Expenses recovered from Subsidiary and other Companies		479.00		443.00
Sundry Receipts including sale of scrap		166.29		243.30
Export Benefits and Incentives		198.00		167.40
Profit on Sale of Fixed Assets		0.15		5.64
Profit on Sale of Raw Materials		2.89		0.93
Insurance claim refund		—		24.07
Interest received on Income tax refund		4.47		—
Sales tax refund set off		0.46		—
Bad Debts written off earlier recovered		—		0.64
Excess Provision in respect of Previous Year [including Rs. 11.49 lakhs (Previous Year Rs. 4.78 lakhs) in respect of doubtful debts written back]		12.66		70.05
TOTAL		<u>1,942.90</u>		<u>3,323.69</u>
<b>SCHEDULE NO. 16</b>				
<b>INCREASE IN STOCKS:</b>				
Closing Stock				
Finished Goods	4,180.32		2,847.93	
Work-in-Progress	436.18		330.34	
		4,616.50		3,178.27
Less: Opening Stock				
Finished Goods	2,847.93		2,884.85	
Work-in-Progress	330.34		273.47	
		3,178.27		3,158.32
TOTAL		<u>(1,438.23)</u>		<u>(19.95)</u>

## SCHEDULES TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

(Rupees in Lakhs)

SCHEDULE NO. 17	Rupees	Rupees	Rupees	Previous Year	
				Rupees	Rupees
<b>OPERATION AND OTHER EXPENSES:</b>					
Consumption of Stores and Spare parts			<b>1,656.47</b>		1,346.27
Power, Fuel and Oil			<b>1,392.14</b>		1,217.03
Processing charges			<b>651.66</b>		469.51
Repairs to Buildings and Roads			<b>335.84</b>		182.38
Repairs to Machinery			<b>339.03</b>		334.71
Freight, Transport and Carriage Charges			<b>888.78</b>		797.39
Insurance			<b>78.17</b>		65.13
Rates and Taxes			<b>55.78</b>		61.99
Excise Duty (Net)*			<b>59.03</b>		35.07
Rent			<b>198.08</b>		93.41
Technical Know-how Fees			<b>48.45</b>		49.04
Advances/Doubtful Debts written off			<b>1.23</b>		0.09
Provision for Doubtful Advances			<b>129.24</b>		—
Provision for Doubtful Debts			<b>131.31</b>		33.93
Provision for Contingencies (Refer note No. 20 of Schedule No. 22)			<b>85.00</b>		—
Travelling Expenses			<b>309.23</b>		369.62
Postage, Telegrams and Telephones			<b>103.62</b>		97.58
Advertisement and Sales Promotion Expenses			<b>276.16</b>		315.01
Miscellaneous Expenses			<b>1,175.71</b>		1,128.25
Selling Agents' Commission and Discount			<b>1,291.26</b>		1,129.36
Legal and Professional Charges			<b>310.43</b>		321.43
Loss on sale of Fixed Assets			<b>17.20</b>		2.67
Foreign Exchange Fluctuations (Net)			<b>188.02</b>		227.20
Assets Discarded Written off			<b>5.63</b>		9.40
Directors' Sitting fees			<b>5.30</b>		4.70
Auditors' Remuneration including at Branches – (including service tax where applicable)					
Audit Fees		<b>22.35</b>			15.98
Other Fees paid to Auditors:					
Tax Audit	<b>1.00</b>				0.75
Any Other Manner – certification etc.	<b>10.07</b>				10.71
			<b>11.07</b>		11.46
Reimbursement of expenses		<b>2.42</b>			1.05
			<b>35.84</b>		28.49
Less: Transferred to Real Estate cost			<b>50.00</b>		91.74
<b>TOTAL</b>			<b>9,718.61</b>		<b>8,227.92</b>

\* 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

## SCHEDULE TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

SCHEDULE NO. 18	(Rupees in Lakhs)		Previous Year	
	Rupees	Rupees	Rupees	Rupees
<b>PAYMENTS TO AND PROVISIONS FOR EMPLOYEES:</b>				
Salaries, Wages and Bonus	4,470.53			3,948.07
Contribution to Provident and Other Funds	457.81			645.13
Labour and Staff Welfare Expenses	298.37			274.65
		5,226.71		4,867.85
Less: Transferred to Real Estate cost		91.35		126.16
TOTAL		<u>5,135.36</u>		<u>4,741.69</u>

SCHEDULE NO. 19				
<b>COST RELATING TO REAL ESTATE DIVISION:</b>				
Opening Stock (Real Estate under Development)		1,655.33		1,456.15
Add: Expenditure relating to Real Estate Division incurred during the year				
Payments to and provision for employees	53.20			126.16
Preliminaries and site expenses	0.25			21.16
Contract/retainership fees	38.15			41.81
Travelling and other expenses	49.75			28.77
		141.35		217.90
		<u>1,796.68</u>		<u>1,674.05</u>
Closing Stock (Real Estate under Development)		1,776.66		1,655.33
TOTAL		<u>20.02</u>		<u>18.72</u>

SCHEDULE NO. 20				
<b>INTEREST:</b>				
On Term Loans		1,568.67		1,958.05
Other Interest		414.47		416.90
TOTAL		<u>1,983.14</u>		<u>2,374.95</u>

SCHEDULE NO. 21				
<b>PROVISION FOR TAXATION:</b>				
Income-tax – Current year	144.00			—
– Earlier years	55.41			2.58
Less: MAT Credit now recognised	37.00			—
		162.41		2.58
Agricultural Income-tax		21.00		17.00
Fringe benefit tax		—		42.00
Deferred tax		(325.66)		82.28
Wealth-tax		3.00		3.00
TOTAL		<u>(139.25)</u>		<u>146.86</u>

## SCHEDULE NO. 22

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010.

## 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 in India (GAAP) and in compliance with the applicable accounting standards and provisions of the Companies Act, 1956.

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

## B. 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 Sunmica 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 Sunmica 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 Sunmica 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. 5000 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 Sunmica 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 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) 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.

(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.

H. Provisions, Contingent Liabilities And Contingent Assets:

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

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 Sunmica Division, where it is on First in First out basis.

(ii) Raw materials are valued at lower of cost or net realisable value. The cost includes purchase price as well as incidental expenses and is calculated on weighted average basis except in the case of Sunmica Division, where it is on First in First out basis.

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

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

(v) Manufactured finished goods of Sunmica 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 Sunmica 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 realizable 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.
    - (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 except in case of exchange differences in conversion of Long Term Monetary Items. Exchange differences arising on conversion of Long Term Monetary Items are accounted in “Foreign Currency Monetary Item Translation Difference Account” to be amortised upto 31st March, 2011.

The premium or discount arising at the inception of forward exchange contracts is amortised as expenses or income over the life of the respective contracts. The difference between year end conversion rate and rate on the date of contract is recognized as exchange difference. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change except for exchange difference in respect of contracts relating to Long Term Monetary Items which are amortised upto 31st March, 2011 or date of expiry of contract, whichever is earlier. 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

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balances. Segment assets and liabilities do not include inter-corporate deposits, share capital, reserves and surplus, borrowings, and income tax (both current and deferred).

(b) Segment revenue and expenses:

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

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. 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.

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:

(a) Assets acquired under lease where the Corporation has substantially all the risks and rewards incidental to ownership are classified as finance leases. Such assets are capitalised at the inception of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

(b) Assets acquired on leases where significant portions of the risks and rewards incidental to ownership are retained by the lessors, are classified as operating leases. Lease rentals are charged to the 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. Disputed demands of Central Excise Department not provided for in respect of:

	<b>Rupees in Lakhs</b>	<i>Previous Year Rupees in Lakhs</i>
Sunmica Division	<b>203.78</b>	<i>203.78</i>
BCL Springs Division	<b>157.27</b>	<i>157.27</i>

C. 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. 0.58 Lakh** (*Previous Year Rs. 0.69 lakh*) in respect of South India Branches.

D. Damages and interest on alleged unauthorized occupation of residential premises determined by the Estate Officer L.I.C. up to 30th September, 2009 and disputed by the Corporation **Rs. 264.46 lakhs** (*Previous Year Nil*).

The Corporation has created provision for contingencies as an abundant precaution. (Refer Note No. 20 of Schedule 22)

- E. Bills of Exchange discounted with Banks not matured **Rs. 332.40 Lakhs** (Previous Year Rs. 231.83 lakhs).
3. Estimated amount of contracts remaining to be executed on Capital Account and not provided for **Rs. 38.31 Lakhs** (Previous Year Rs. 194.06 Lakhs).

4. Financial & Derivative Instruments:

- (a) Outstanding Foreign exchange forward contracts **USD 11.10 Lakhs (Sold) – INR 517.51 Lakhs, USD 32.70 Lakhs (Bought) – INR 1,520.99 Lakhs, JPY 671.44 Lakhs (Bought) – INR 338.63 Lakhs** (Previous Year USD 1.39 Lakhs (Sold) – INR 68.71 Lakhs, USD 168.10 Lakhs (Bought) – INR 8,538.11 Lakhs, JPY 230.96 Lakhs (Bought) – INR 120.04 Lakhs).
- (b) Option contract of **Euro 11.25 Million**. (Previous Year Interest Rate Swap contract of USD 15.29 Million, Option contract of Euro 11.25 Million) are outstanding as at the year end.
- (c) The year end foreign currency exposures that have not been hedged by a forward contract/derivative instrument or otherwise are given below:

	Foreign Currency	Equivalent INR (Rs. in Lakhs)
Receivable in foreign currency on account of export of Goods:		
	<b>USD Nil</b> (USD 580,483)	<b>Nil</b> (294.42)
	<b>EURO 341,293</b> (EURO 216,741)	<b>206.32</b> (146.40)
	<b>GBP Nil</b> (GBP 14,544)	<b>Nil</b> (10.55)
	<b>AUS \$ 173,488</b> (AUS \$ 84,557)	<b>71.03</b> (29.70)
Dividend receivable	<b>RP Nil</b> (RP Nil)	<b>Nil</b> (Nil)
	<b>RM Nil</b> (RM 63,99,000)	<b>Nil</b> (916.07)
Amount payable in foreign currency on account of import of goods and services:		
	<b>USD 245,149</b> (USD 16,838)	<b>110.07</b> (8.54)
	<b>EURO 267,490</b> (EURO 100,603)	<b>166.17</b> (67.95)
	<b>CHF Nil</b> (CHF 74,120)	<b>Nil</b> (33.03)
	<b>YEN 77,93,257</b> (YEN 61,421,618)	<b>37.44</b> (316.21)
	<b>SEK 616,089</b> (SEK Nil)	<b>38.35</b> (Nil)
Loans Payable	<b>USD 24,952,100</b> (USD 31,366,720)	<b>11,203.49</b> (15,909.20)

5. Tax amounting to **Rs. 56.69 Lakhs** (Previous Year Rs. 125.64 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, 2010.

	Rs. in Lakhs	Previous Year Rs. in Lakhs
Salary (including provision for compensated absences <b>Rs. 4.30 lakhs</b> ) (Previous Year Rs. 11.71 lakhs)	<b>96.22</b>	103.63
Contribution to Provident Fund & Other Funds	<b>24.82</b>	24.82
Perquisites in Cash or in Kind	<b>29.15</b>	29.07
	<b>150.19</b>	<b>157.52</b>

The above remuneration excludes provision for accruing gratuity.

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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/Green Leaf	Kgs.	Not	15,613,320
	"	Applicable	(15,613,320)
Coffee	M. Tonnes	Not	Not
	"	Applicable	Applicable
Other Plantation Products			
(i) Pepper	Kgs.	Not	Not
	"	Applicable	Applicable
(ii) Cardamom, Coffee Husk, Arecanuts, etc.	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	12,400
	"	Applicable	(8,200)
Precision Springs	Kgs.	Not	8,740,000
	"	Applicable	(8,740,000)
Weighing Products	Nos.	Not	2,000
	"	Applicable	(2,000)
Consumable Dental Goods	M. Tonnes/Litres	Not	Not
	"	Applicable	Applicable
2. Trading Goods:			
(i) Purchased Tea	Kgs.		
	"		
(ii) Purchased Coffee	M. Tonnes		
	"		
(iii) Purchased Pepper	Kgs.		
	"		
(iv) Prelam/Laminates, Fabric Rod and Extenzo Tiles	M. Tonnes		
	"		
(v) Weighing Products	Nos.		
	"		
(vi) Dental Instruments/Materials and Consumable Dental Goods	Nos.		
	"		

@ Includes **7,71,030 Kgs.** (Previous Year 5,10,550 Kgs.) produced by outside processors on behalf of the Corporation.

\* As certified by the Management.

\*\* Includes **75.81 M. Tonnes** (Previous Year 71.38 M. Tonnes) used for inhouse sample folders.

\*\*\* Includes **0.15 M. Tonnes** (Previous Year 1.03 M. Tonnes) used for inhouse sample folders.

(Rupees in Lakhs)

OPENING STOCK OF FINISHED GOODS		ACTUAL PRODUCTION	CLOSING STOCK OF FINISHED GOODS		TURNOVER	
Quantity	Rupees	Quantity	Quantity	Rupees	Quantity	Rupees
<b>1,009,398</b> (1,211,818)	<b>609.20</b> (690.05)	<b>10,878,016</b> (9,679,723)	<b>1,429,624</b> (1,009,398)	<b>905.25</b> (609.20)	<b>10,457,790</b> (9,882,143)	<b>9,425.29</b> (7,808.56)
<b>473</b> (743)	<b>501.63</b> (735.74)	<b>998</b> (597)	<b>774</b> (473)	<b>835.70</b> (501.63)	<b>697</b> (867)	<b>812.42</b> (1,074.35)
<b>90,622</b> (1,287)	<b>89.32</b> (—)	<b>7,221</b> (122,472)	<b>40,072</b> (90,622)	<b>49.52</b> (89.32)	<b>57,771</b> (33,137)	<b>200.48</b> (33.75)
<b>117</b> (130)	<b>—</b> (—)	<b>—</b> (6)	<b>—</b> (117)	<b>—</b> (—)	<b>117.00</b> (19)	<b>15.66</b> (18.35)
<b>247</b> (24,843)	<b>1.89</b> (51.82)	<b>—</b> (—)	<b>247</b> (247)	<b>1.89</b> (1.89)	<b>—</b> (24,596)	<b>86.73</b> (156.10)
<b>1,131.50</b> (901.84)	<b>947.20</b> (901.54)	<b>6,072.40</b> (5,428.98)	<b>1,500.63</b> (1,131.50)	<b>1,273.37</b> (947.20)	<b>**5,703.27</b> <b>** (5,199.32)</b>	<b>8,137.25</b> (7,725.20)
<b>138,848</b> (87,937)	<b>208.03</b> (104.43)	<b>7,723,484</b> (5,896,844)	<b>203,118</b> (138,848)	<b>318.18</b> (208.03)	<b>7,659,214</b> (5,845,933)	<b>9,324.16</b> (7,608.32)
<b>3</b> (3)	<b>0.24</b> (0.24)	<b>728</b> (602)	<b>3</b> (3)	<b>0.24</b> (0.24)	<b>728</b> (602)	<b>221.06</b> (196.71)
<b>13.91 MT</b> <b>2,287 Ltr</b> (10.53)MT (2,350)Ltr	<b>45.03</b> (35.27)	<b>92.17 MT</b> <b>40,113 Ltr</b> (98.32)MT (33,440)Ltr	<b>7.63 MT</b> <b>3,513 Ltr</b> (13.91)MT (2,287)Ltr	<b>34.43</b> (45.03)	<b>98.45</b> (94.94)	<b>1,240.93</b> (1,007.72)
<b>8,523</b> (16,737)	<b>8.04</b> (9.54)	<b>—</b> (—)	<b>8,794</b> (8,523)	<b>8.09</b> (8.04)	<b>19,768</b> (30,696)	<b>25.75</b> (29.99)
<b>304</b> (117)	<b>336.09</b> (134.78)	<b>—</b> (—)	<b>635</b> (304)	<b>631.56</b> (336.09)	<b>345</b> (170)	<b>358.33</b> (215.32)
<b>365</b> (—)	<b>0.61</b> (—)	<b>—</b> (—)	<b>364</b> (365)	<b>—</b> (0.61)	<b>1</b> (1,412)	<b>—</b> (5.02)
<b>42.73</b> (87.53)	<b>51.15</b> (121.52)	<b>—</b> (—)	<b>52.15</b> (42.73)	<b>67.07</b> (51.15)	<b>***307.20</b> <b>*** (359.95)</b>	<b>134.48</b> (230.75)
<b>31</b> (58)	<b>5.80</b> (11.41)	<b>—</b> (—)	<b>22</b> (31)	<b>3.46</b> (5.80)	<b>20</b> (44)	<b>20.90</b> (29.65)
<b>7,710</b> (27,841)	<b>43.70</b> (88.51)	<b>—</b> (—)	<b>5,285</b> (7,710)	<b>51.57</b> (43.70)	<b>10,051</b> (61,368)	<b>107.39</b> (437.92)
	<b>2,847.93</b> (2,884.85)			<b>4,180.33</b> (2,847.93)		<b>30,110.83</b> (26,577.71)



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## 7. B. Details of Raw Materials consumed:

		(Rupees in Lakhs)	
		<b>Quantity</b>	<b>Value</b>
Paper/Prints	<b>M. Tonnes</b>	<b>5,009.00</b>	<b>2,724.14</b>
	"	<i>(4,415.00)</i>	<i>(2,342.68)</i>
Chemicals	<b>M. Tonnes</b>	<b>4,715.00</b>	<b>1,586.13</b>
	"	<i>(4,221.00)</i>	<i>(1,835.85)</i>
Bought Leaf	<b>Kgs.</b>	<b>1,03,41,799</b>	<b>1,530.08</b>
	"	<i>(96,22,545)</i>	<i>(1,289.37)</i>
Miscellaneous Raw Materials		—	<b>773.17</b>
		<i>(—)</i>	<i>(542.33)</i>
Steel wires	<b>M. Tonnes</b>	<b>8,035.15</b>	<b>5,425.58</b>
	"	<i>(5,953.84)</i>	<i>(3,915.39)</i>
Electronic & Mechanical Components	<b>Nos.</b>	<b>2,47,437</b>	<b>78.69</b>
	"	<i>(1,62,495)</i>	<i>(45.18)</i>
			<b>12,117.79</b>
			<i>(9,970.80)</i>

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

## C. Purchases:

### Trading Goods:

		(Rupees in Lakhs)	
		<b>Quantity</b>	<b>Value</b>
(i) Prelam/Laminates, Fabric Rod and Extenzo Tiles	<b>M. Tonnes</b>	<b>316.12</b>	<b>128.94</b>
	"	<i>(315.15)</i>	<i>(113.64)</i>
(ii) Weighing Products	<b>Nos.</b>	<b>11</b>	<b>11.46</b>
	"	<i>(17)</i>	<i>(15.12)</i>
(iii) Tea	<b>Kgs.</b>	<b>20,039</b>	<b>17.88</b>
	"	<i>(22,482)</i>	<i>(21.21)</i>
(iv) Coffee	<b>M. Tonnes</b>	<b>676</b>	<b>643.83</b>
	"	<i>(357)</i>	<i>(357.96)</i>
(v) Pepper	<b>M. Tonnes</b>	—	—
	"	<i>(1,777)</i>	<i>(3.23)</i>
(vi) Dental instruments/materials & Consumable dental goods	<b>Nos.</b>	<b>7,626</b>	<b>111.81</b>
	"	<i>(41,237)</i>	<i>(301.99)</i>
			<b>913.92</b>
			<i>(813.15)</i>

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

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

		(Rupees in Lakhs)	
		<b>Value</b>	
Raw Materials			<b>2,595.54</b>
			<i>(2,531.89)</i>
Components and Spare Parts			<b>41.50</b>
			<i>(58.43)</i>
Capital Goods			<b>1.29</b>
			<i>(40.50)</i>
Traded Goods – Weighing Products			—
			<i>(6.20)</i>
– Dental			<b>72.48</b>
			<i>(213.20)</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	3,222.26 (2,391.40)	26.59 (23.84)
Indigenous	8,895.53 (7,579.40)	73.41 (76.16)
Total:	<u>12,117.79</u> (9,970.80)	<u>100.00</u> (100.00)
(ii) Stores and Spare Parts		
Imported	29.57 (62.77)	1.78 (4.66)
Indigenous	1,626.90 (1,283.50)	98.22 (95.34)
Total:	<u>1,656.47</u> (1,346.27)	<u>100.00</u> (100.00)

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

F. Sunmica 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</i> Rupees in Lakhs
Commission on Exports	5.42	(5.42)
On account of other matters (Travelling Expenses, Subscription, Professional Services, etc.)	30.55	(55.10)
Technical Know-how Fees	48.00	(49.04)

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 31.3.2009	1	11,31,940	11.32
(Dividend for year ended 31.3.2008)	(2)	(11,38,620)	(34.18)

(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.

# The Bombay Burmah Trading Corporation, Limited

(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 31.3.2009	<b>182</b>	<b>13,17,801</b>	<b>13.18</b>
<i>(Dividend for the year ended 31.3.2008)</i>	<i>(184)</i>	<i>(13,16,841)</i>	<i>(39.51)</i>

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

I. Earnings in Foreign Exchange :

(Excluding income of Foreign Branches)

(Rupees in Lakhs)

(i) Export of Tea, Coffee & Others on F.O.B. basis	<b>2,910.15</b>
	<i>(2,304.54)</i>
(ii) Export of laminates on F.O.B. basis	<b>211.36</b>
	<i>(435.18)</i>
(iii) Export of Precision Springs on F.O.B. basis	<b>144.94</b>
	<i>(38.34)</i>
(iv) Export of Dental Products	<b>46.38</b>
	<i>(76.32)</i>
(v) Dividend	<b>1,269.50</b>
	<i>(480.91)</i>
(vi) Others (Reimbursement of Expenses)	<b>—</b>
	<i>(23.60)</i>

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

J. Research and Development expenses charged to Profit & Loss Account **Rs. 3.59 Lakhs** *(Previous Year Rs. 4.11 Lakhs)*

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

(Rupees in Lakhs)

I. Subsidiary Companies:

	Amount Outstanding	Max. Amount Outstanding
(1) Afco Industrial and Chemicals Limited	<b>69.14</b>	<b>94.94</b>
	<i>(84.21)</i>	<i>(121.72)</i>
(2) DPI Products & Services Limited	<b>73.38</b>	<b>73.38</b>
	<i>(71.26)</i>	<i>(75.91)</i>
(3) Sea Wind Investments and Trading Company Limited	<b>67.14</b>	<b>67.36</b>
	<i>(67.36)</i>	<i>(67.93)</i>
(4) Naira Holdings Limited	<b>224.92</b>	<b>253.43</b>
	<i>(253.43)</i>	<i>(257.70)</i>
(5) Electromags Automotive Products Private Limited	<b>2,202.25</b>	<b>2,202.85</b>
	<i>(1,808.38)</i>	<i>(1,808.38)</i>
(6) Island Horti-Tech Holdings Pte. Limited	<b>—</b>	<b>1.48</b>
	<i>(1.48)</i>	<i>(1.48)</i>

II. Associate Companies:

(1) Lotus Viniyog Private Limited	<b>3.80</b>	<b>4.02</b>
	<i>(4.02)</i>	<i>(4.28)</i>
(2) Inor Medical Products Limited	<b>555.30</b>	<b>555.30</b>
	<i>(546.88)</i>	<i>(548.01)</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. 67.14 Lakhs** (*Previous Year Rs. 67.36 Lakhs*) given to Sea Wind Investments and Trading Company Limited, a wholly owned subsidiary of the Corporation, no interest is charged on the outstanding loan amounting of **Rs. 67.14 Lakhs** (*Previous Year Rs. 67.36 Lakhs*).
- (d) In respect of the loan of **Rs. 224.92 Lakhs** (*Previous Year Rs. 253.43 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.
- (e) In respect of the loan of **Rs. 69.14 Lakhs** (*Previous Year Rs. 84.21 Lakhs*) given to Afco Industrial and Chemicals Limited, a wholly owned subsidiary of the Corporation, no interest is charged on the outstanding loan amounting of **Rs. 69.14 Lakhs** (*Previous Year Rs. 84.21 Lakhs*).
- (f) In respect of the loan of **Rs. 73.38 Lakhs** (*Previous Year Rs. 71.26 Lakhs*) given to DPI Products and Services Limited, a wholly owned subsidiary of the Corporation, no interest is charged on the outstanding loan amounting of **Rs. 73.38 Lakhs** (*Previous Year Rs. 71.26 Lakhs*).
- However, the provisions of Section 372A of the Companies Act, 1956 are not applicable to loans/ advances covered under (c), (d), (e) and (f) above in view of the loanees being wholly owned subsidiaries of the Corporation.
- (g) 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, 2010 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		<b>606.12</b> (617.47)
Difference between book written down value and Written down value under the Agricultural Income-Tax Act		<b>13.06</b> (11.92)
Voluntary Retirement Scheme	<b>169.10</b> (—)	— (173.01)
Provision for Doubtful Debts, Advances	<b>160.80</b> (79.32)	
Carry Forward of Unabsorbed Depreciation	— (108.14)	
Total	<b>329.90</b> (187.46)	<b>619.18</b> (802.40)
Net Deferred Tax Liability		<b>289.28</b> (614.94)

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

Note: Deferred Tax Asset consisting of unabsorbed depreciation is recognized to the extent of the reversible timing difference on account of depreciation.

## 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.

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The minimum installments as at 31st March, 2010 and the present value as at 31st March, 2010 of minimum installments in respect of assets acquired under agreements are as follows:

	Rupees in Lakhs	<i>Previous Year</i> Rupees in Lakhs
Minimum Installments		
Payable not later than 1 year	17.25	20.00
Payable later than 1 year and not later than 5 years	34.14	36.37
Total minimum installments	<u>51.39</u>	<u>56.37</u>
Less: Future Finance Charges	(9.23)	(9.64)
Present Value of Minimum installments	<u>42.16</u>	<u>46.73</u>
Present Value of Minimum installments:		
Payable not later than 1 year	13.63	15.83
Payable later than 1 year and not later than 5 years	28.53	30.90
Total Present value of Minimum Installments	<u>42.16</u>	<u>46.73</u>

(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. 198.08 Lakhs** (*Previous Year Rs. 81.43 Lakhs*).

11. On the basis of confirmation obtained from suppliers who have registered under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) and based on the information available with the Corporation the balance due to Micro & Small Enterprises as defined under the MSMED Act, 2006 is **Rs. 14.64 Lakhs** (*Previous Year Rs. 15.20 Lakhs*). Further, no interest during the year has been paid/or is payable/accrued under the terms of the MSMED Act, 2006.

12. Earnings per Share:

	Rupees in Lakhs	<i>Previous Year</i> Rupees in Lakhs
(A) Net Profit for calculation of Earnings per Share (numerator)	1,365.55	-1387.53
(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)	9.79	-9.94
(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

	(Rupees in Lakhs)							
	Plantation Products	Building Products	Dental Products	Auto Ancillary Products	Weighing Products	Investments	Real Estate	Total of Reportable Segments
Sales (Net of excise duty)	<b>10,924.65</b> (9,341.45)	<b>8,271.73</b> (7,955.95)	<b>1,348.32</b> (1,445.28)	<b>8,616.73</b> (6,740.75)	<b>226.72</b> (207.14)	— (—)	— (—)	<b>29,388.15</b> (25,690.57)
Other Income	<b>256.79</b> (222.48)	<b>101.75</b> (167.35)	<b>3.83</b> (6.00)	<b>32.67</b> (87.68)	<b>21.22</b> (48.93)	<b>414.17</b> (1,543.84)	— (—)	<b>830.43</b> (2,076.28)
Segment Revenues	<b>11,181.44</b> (9,563.93)	<b>8,373.48</b> (8,123.30)	<b>1,352.15</b> (1,451.28)	<b>8,649.40</b> (6,828.43)	<b>247.94</b> (256.07)	<b>414.17</b> (1,543.84)	— (—)	<b>30,218.58</b> (27,766.85)
Segment Results	<b>1,954.86</b> (1,131.46)	<b>649.25</b> (632.33)	<b>248.23</b> (222.56)	<b>1,082.24</b> (781.81)	<b>47.56</b> (58.83)	<b>414.17</b> (354.96)	<b>-20.35</b> (-19.00)	<b>4,375.96</b> (3,162.95)
Segment Assets	<b>9,045.78</b> (7,380.48)	<b>7,332.48</b> (6,644.34)	<b>889.57</b> (915.33)	<b>6,538.20</b> (6,594.91)	<b>360.52</b> (345.52)	<b>10,669.20</b> (11,585.95)	<b>1,778.10</b> (1,657.10)	<b>36,613.85</b> (35,123.63)
Segment Liabilities	<b>1,553.88</b> (837.58)	<b>1,251.59</b> (947.27)	<b>145.29</b> (137.98)	<b>1,502.25</b> (1,002.73)	<b>31.11</b> (33.88)	— (—)	— (—)	<b>4,484.12</b> (2,959.44)
Capital Expenditure (included in segment assets)	<b>758.85</b> (582.37)	<b>508.39</b> (136.36)	<b>8.35</b> (34.58)	<b>64.42</b> (202.24)	<b>45.07</b> (136.65)	— (—)	— (2.05)	<b>1,385.08</b> (1,094.25)
Depreciation/ Amortisation	<b>253.09</b> (253.40)	<b>317.12</b> (294.50)	<b>20.17</b> (18.83)	<b>178.32</b> (168.49)	<b>8.69</b> (9.66)	— (—)	<b>0.33</b> (0.27)	<b>777.72</b> (745.15)
Non-cash Expenses other than depreciation	— (—)	— (—)	— (—)	— (—)	— (—)	— (1,188.88)	— (—)	— (1,188.88)

(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	Assets	Liabilities	Capital Expenditure	Depreciation/ Amortisation	Non-cash Expenses other than depreciation	
Total of Reportable Segments	<b>30,218.58</b> (27,866.85)	<b>4,375.96</b> (3,162.95)	<b>36,613.85</b> (35,123.63)	<b>4,484.12</b> (2,959.44)	<b>1,385.08</b> (1,094.25)	<b>777.72</b> (745.15)	— (1,188.88)	
Corporate/ Unallocated Segment	<b>1,112.48</b> (1,247.40)	<b>-1,166.50*</b> (-2,028.67)*	<b>4,995.10</b> (9,287.82)	<b>29,376.72</b> (36,946.35)	<b>5.74</b> (16.73)	<b>28.06</b> (28.48)	<b>848.37</b> (2,165.12)	
Less: Interest		<b>-1,983.16</b> (-2,374.94)					— (—)	
Less: Taxes		<b>139.25</b> (-146.86)					— (—)	
As per Financial Statement	<b>31,331.06</b> (29,014.25)	<b>1,365.55</b> (-1,387.53)	<b>41,608.95</b> (44,411.45)	<b>33,860.84</b> (39,905.79)	<b>1,390.82</b> (1,110.98)	<b>805.78</b> (773.63)	<b>848.37</b> (3,354.00)	

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

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

# The Bombay Burmah Trading Corporation, Limited

## B. Secondary segment Reporting (by Geographical Segment)

	(Rupees in Lakhs)		
	Domestic	Exports*	Total
Revenues	<b>27,607.89</b> <i>(25,828.86)</i>	<b>3,723.16</b> <i>(3,185.39)</i>	<b>31,331.05</b> <i>(29,014.25)</i>
Total Assets	<b>40,153.17</b> <i>(43,271.49)</i>	<b>1,455.78</b> <i>(1,139.96)</i>	<b>41,608.95</b> <i>(44,411.45)</i>
Capital Expenditure	<b>1,375.98</b> <i>(851.54)</i>	<b>14.84</b> <i>(259.44)</i>	<b>1,390.82</b> <i>(1,110.98)</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) DPI Products & Services Limited
- (3) Sea Wind Investments & Trading Company Limited
- (4) PT Indo Java Rubber Planting Company
- (5) Leila Lands Senderian Berhad
- (6) Electromags Automotive Products Private Limited

### Sub-Subsidiaries:

- (a) **Subsidiary of DPI Products & Services Limited:**  
Subham Viniyog Private Limited
- (b) **Subsidiaries of Leila Lands Senderian Berhad:**  
Naira Holdings Limited  
Island Horti-Tech Holdings Pte. Limited  
Leila Lands Limited  
Restpoint Investments Limited
- (c) **Subsidiaries of Island Horti-Tech Holdings Pte. Limited:**  
Island Landscape & Nursery Pte. Limited  
ILN Investments Pte. Limited  
Innovative Organics Inc.
- (d) **Subsidiaries of Leila Lands Limited:**  
ABI Holding Limited  
Britannia Brands Limited  
Associated Biscuits International Limited  
Dowbiggin Enterprises Pte. Limited  
Nacupa Enterprises Pte. Limited  
Spargo Enterprises Pte. Limited  
Valletort Enterprises Pte. Limited  
Bannatyne Enterprises Pte. Limited  
Britannia Industries Limited

- (e) **Subsidiaries of Britannia Industries Limited:**  
Boribunder Finance & Investments Private Limited  
Flora Investments Company Private Limited  
Gilt Edge Finance & Investments Private Limited  
Ganges Vally Foods Private Limited  
International Bakery Products Limited  
J. B. Mangharam Foods Private Limited  
Manna Foods Private Limited  
Sunrise Biscuit Company Private Limited  
Britannia and Associates (Mauritius) Private Limited  
Britannia and Associates (Dubai) Private Company Limited  
Al Sallan Food Industries Company SAOG  
Strategic Food International Company LLC  
Strategic Brands Holding Company Limited  
Britannia Lanka Private Limited  
Daily Bread Gourmet Foods (India) Private Limited  
Britannia Dairy Private Limited (formerly known as Britannia New Zealand Foods Private Limited)  
Britannia New Zealand Holdings Private Limited  
Britannia Employees General Welfare Association Pvt. Ltd.  
Britannia Employees Medical Welfare Association Pvt. Ltd.  
Britannia Employees Educational Welfare Association Pvt. Ltd.
- (f) **Subsidiary of Island Landscape & Nursery Pte. Limited:**  
Peninsula Landscape & Nursery Sdn. Bhd.
- (g) **Subsidiary of ILN Investments Pte. Limited:**  
Saikjaya Holdings Sdn. Bhd.
- (h) **Subsidiaries of Restpoint Investments Limited:**  
Restpoint International Technology Corporation  
Island Telesystems Pte. Limited
- (i) **Subsidiary of Innovative Organics Inc.:**  
Granum Inc.
- (2) **Key management personnel:**  
Mr. Ashok Panjwani – Managing Director  
Mr. Jeh Wadia – Deputy Managing Director
- (3) **Other Related parties – Associate Companies:**  
Lotus Viniyog Private Limited  
Inor Medical Products Limited  
Medical Microtechnology Ltd.



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- (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)			
	Subsidiaries & Sub- Subsidiaries	Key Management Personnel	Other Related Parties	Total
(Figures in brackets are in respect of the previous year)				
<b>Expenses charged by them</b>				
Afco Industrials & Chemicals Ltd.	<b>21.72</b> <i>(27.83)</i>	— <i>(—)</i>	— <i>(—)</i>	<b>21.72</b> <i>(27.83)</i>
Electromags Automotive Products Pvt. Ltd.	— <i>(1.47)</i>	— <i>(—)</i>	— <i>(—)</i>	— <i>(1.47)</i>
DPI Products & Services Ltd.	<b>2.13</b> <i>(1.13)</i>	— <i>(—)</i>	— <i>(—)</i>	<b>2.13</b> <i>(1.13)</i>
<b>Expenses charged to them</b>				
Afco Industrials & Chemicals Ltd.	<b>0.29</b> <i>(0.90)</i>	— <i>(—)</i>	— <i>(—)</i>	<b>0.29</b> <i>(0.90)</i>
Inor Medical Products Ltd.	— <i>(—)</i>	— <i>(—)</i>	<b>12.85</b> <i>(53.91)</i>	<b>12.85</b> <i>(53.91)</i>
Sea Wind Investments & Trading Company Limited	<b>0.22</b> <i>(—)</i>	— <i>(—)</i>	— <i>(—)</i>	<b>0.22</b> <i>(—)</i>
Electromags Automotive Products Pvt. Ltd.	<b>4.64</b> <i>(38.44)</i>	— <i>(—)</i>	— <i>(—)</i>	<b>4.64</b> <i>(38.44)</i>
Medical Microtechnology Ltd.	— <i>(—)</i>	— <i>(—)</i>	— <i>(0.20)</i>	— <i>(0.20)</i>
Naira Holdings Limited	<b>40.08</b> <i>(—)</i>	— <i>(—)</i>	— <i>(—)</i>	<b>40.08</b> <i>(—)</i>
<b>Commission Received</b>				
Inor Medical Products Ltd.	— <i>(—)</i>	— <i>(—)</i>	<b>57.91</b> <i>(51.10)</i>	<b>57.91</b> <i>(51.10)</i>
P.T.Indo Java Rubber Planting Company	— <i>(68.99)</i>	— <i>(—)</i>	— <i>(—)</i>	— <i>(68.99)</i>
<b>Interest Received</b>				
Afco Industrials & Chemicals Ltd.	— <i>(9.70)</i>	— <i>(—)</i>	— <i>(—)</i>	— <i>(9.70)</i>
Electromags Automotive Products Pvt. Ltd.	<b>197.80</b> <i>(175.11)</i>	— <i>(—)</i>	— <i>(—)</i>	<b>197.80</b> <i>(175.11)</i>
Inor Medical Products Ltd.	— <i>(—)</i>	— <i>(—)</i>	<b>65.46</b> <i>(66.21)</i>	<b>65.46</b> <i>(66.21)</i>
Naira Holdings Limited	<b>4.19</b> <i>(8.34)</i>	— <i>(—)</i>	— <i>(—)</i>	<b>4.19</b> <i>(8.34)</i>
<b>Dividend Received</b>				
P. T. Indo Java Rubber Planting Company	<b>353.44</b> <i>(418.82)</i>	— <i>(—)</i>	— <i>(—)</i>	<b>353.44</b> <i>(418.82)</i>
Inor Medical Products Ltd.	— <i>(—)</i>	— <i>(—)</i>	<b>1.44</b> <i>(—)</i>	<b>1.44</b> <i>(—)</i>
Leila Lands Sendirian Berhad	— <i>(916.07)</i>	— <i>(—)</i>	— <i>(—)</i>	— <i>(916.07)</i>
<b>Dividend Paid</b>				
Mr. Jeh Wadia	— <i>(—)</i>	<b>0.02</b> <i>(0.02)</i>	— <i>(—)</i>	<b>0.02</b> <i>(0.02)</i>

	(Rupees in Lakhs)			
	(Figures in brackets are in respect of the previous year)			
	Subsidiaries & Sub- Subsidiaries	Key Management Personnel	Other Related Parties	Total
<b>Management/Secondment Charges received</b>				
Afco Industrials & Chemicals Ltd.	1.53 (—)	— (—)	— (—)	1.53 (—)
Sea Wind Investments & Trading Company Ltd.	— (1.02)	— (—)	— (—)	— (1.02)
Lotus Viniyog Private Ltd.	— (—)	— (—)	0.22 (1.02)	0.22 (1.02)
Naira Holdings Limited	1.66 (—)	— (—)	— (—)	1.66 (—)
<b>Expenses recovered</b>				
Afco Industrial and Chemicals Limited	— (12.00)	— (—)	— (—)	— (12.00)
Electromags Automotive Products Pvt. Ltd.	423.55 (366.00)	— (—)	— (—)	423.55 (366.00)
Inor Medical Products Ltd.	— (—)	— (—)	76.44 (65.00)	76.44 (65.00)
<b>Management/Secondment Charges paid</b>				
Afco Industrials & Chemicals Ltd.	— (1.41)	— (—)	— (—)	— (1.41)
<b>Rent recovered</b>				
Afco Industrials & Chemicals Ltd.	6.76 (6.15)	— (—)	— (—)	6.76 (6.15)
Inor Medical Products Ltd.	— (—)	— (—)	65.29 (69.59)	65.29 (69.59)
<b>Advance/Inter Corporate Deposits Paid</b>				
Sea Wind Investments & Trading Company Ltd.	— (1.00)	— (—)	— (—)	— (1.00)
Electromags Automotive Products Pvt. Ltd.	— (202.00)	— (—)	— (—)	— (202.00)
Inor Medical Products Ltd.	— (—)	— (—)	— (60.74)	— (60.74)
<b>Advance/Inter Corporate Deposits given, now repaid</b>				
Afco Industrials & Chemicals Ltd.	21.00 (50.00)	— (—)	— (—)	21.00 (50.00)
Sea Wind Investments & Trading Company Ltd.	— (0.80)	— (—)	— (—)	— (0.80)
Electromags Automotive Products Pvt. Ltd.	170.00 (335.00)	— (—)	— (—)	170.00 (335.00)
Inor Medical Products Ltd.	— (—)	— (—)	240.00 (314.95)	240.00 (314.95)
Lotus Viniyog Private Ltd.	— (—)	— (—)	— (0.48)	— (0.48)
Naira Holdings Limited	71.91 (—)	— (—)	— (—)	71.91 (—)
<b>Managerial Remuneration</b>				
Mr. Ashok Panjwani	— (—)	81.26 (86.95)	— (—)	81.26 (86.95)
Mr. Jeh Wadia	— (—)	68.93 (70.57)	— (—)	68.93 (70.57)

# The Bombay Burmah Trading Corporation, Limited

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

	Subsidiaries & Sub- Subsidiaries	Key Management Personnel	Other Related Parties	Total
<b>Outstanding amount payable</b>				
Afco Industrial & Chemicals Ltd.	— (3.66)	— (—)	— (—)	— (3.66)
Inor Medical Products Ltd.	— (—)	— (—)	<b>8.72</b> (—)	<b>8.72</b> (—)
<b>Outstanding amount receivable</b>				
Afco Industrials & Chemicals Ltd.	<b>69.14</b> (87.87)	— (—)	— (—)	<b>69.14</b> (87.87)
DPI Products & Services Ltd.	<b>73.38</b> (71.26)	— (—)	— (—)	<b>73.38</b> (71.26)
Sea Wind Investments & Trading Company Ltd.	<b>67.14</b> (67.36)	— (—)	— (—)	<b>67.14</b> (67.36)
Electromags Automotive Products Pvt. Ltd.	<b>2,202.25</b> (1,808.39)	— (—)	— (—)	<b>2,202.25</b> (1,808.39)
Inor Medical Products Ltd.	— (—)	— (—)	<b>555.30</b> (546.88)	<b>555.30</b> (546.88)
Lotus Viniyog Private Ltd.	— (—)	— (—)	<b>3.80</b> (4.02)	<b>3.80</b> (4.02)
Naira Holdings Limited	<b>224.92</b> (253.43)	— (—)	— (—)	<b>224.92</b> (253.43)
Island Horti-Tech Holdings Pte. Limited	— (1.48)	— (—)	— (—)	— (1.48)
P. T. Indo Java Rubber Planting Company	— (12.91)	— (—)	— (—)	— (12.91)
<b>Dividend receivable</b>				
Leila Lands Sendirian Berhad	— (916.07)	— (—)	— (—)	— (916.07)

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

### DEFINED CONTRIBUTION PLAN

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

	(Rs. in Lakhs)	
	2009-10	2008-09
Employer's Contribution to Government Provident Fund	214.82	233.17
Employer's Contribution to Superannuation Fund	68.54	62.16

### DEFINED BENEFIT PLAN – GRATUITY

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

	Previous Year	
Liability at the beginning of the year	1,265.07	1,055.04
Interest cost	96.52	82.95
Current Service cost	83.06	59.79
Liability transfer out	—	(—)
Benefits paid	(123.90)	(155.95)
Actuarial (gain)/loss on Obligations	38.89	223.24
<b>Liability at the end of the year</b>	<b>1,359.64</b>	<b>1,265.07</b>

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

		<i>Previous Year</i>
Fair value of plan assets as at the beginning of the year	<b>1,282.95</b>	1,060.62
Expected Returns on Plan Assets	<b>101.15</b>	103.28
Contributions	<b>45.08</b>	308.35
Benefits Paid	<b>(123.90)</b>	(155.95)
Actuarial Gain/(Loss) on Plan Assets	<b>54.52</b>	(33.36)
Fair value of plan assets as at the end of the year	<b>1,359.79</b>	1,282.95

**III. Actual Return on Plan Assets**

		<i>Previous Year</i>
Expected Return on Plan Assets	<b>101.15</b>	103.28
Actuarial Gain/(Loss) on Plan Assets	<b>54.52</b>	(33.36)
Actual Return on Plan Assets	<b>155.67</b>	69.92

**IV. Amount recognized in the Balance Sheet**

		<i>Previous Year</i>
Liability at the end of the year	<b>1,359.64</b>	1,265.07
Fair value of Plan Assets at the end of the year	<b>1,359.79</b>	1282.95
Difference	<b>0.15</b>	17.88
Asset/Liability recognised in the balance sheet	<b>0.15</b>	Nil

**V. Expense recognized in the Profit and Loss Account**

		<i>Previous Year</i>
Current Service Cost	<b>83.06</b>	59.79
Interest Cost	<b>96.52</b>	82.95
Expected Return on Plan Assets	<b>(101.15)</b>	(103.28)
Actuarial (Gain)/Loss	<b>(15.63)</b>	256.59
Expense recognized in the P&L A/c	<b>62.81</b>	296.05

**VI. Investment Details**

		<i>Previous Year</i>
Central Government Securities	<b>3.65%</b>	4.89%
PSU Bonds	<b>5.51%</b>	7.78%
Special Deposit Scheme	—	—
State Government Securities	<b>1.37%</b>	1.83%
Property	—	—
Others	—	—
Insurer Managed Funds	<b>89.47%</b>	85.50%
Total	<b>100%</b>	<b>100%</b>

**VII. Actuarial assumptions used**

		<i>Previous Year</i>
Mortality Table	<b>1994-96 LIC</b>	1994-96 LIC
Discount rate	<b>Ultimate</b>	Ultimate
Rate of return on Plan Assets	<b>8.25%</b>	7.5% - 8%
Salary escalation rate	<b>8%</b>	8%
	<b>5%</b>	8%

**VIII. Prescribed Contribution for next year**

		<i>Previous Year</i>
Prescribed Contribution for next year	<b>93.41</b>	169.61

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 Bombay Burmah Trading Corporation, Limited

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.

Provident fund: The Corporation contributes to recognized 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. 42.67 Lakhs** (*Previous Year Rs. 31.85 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. 197.99 Lakhs** (*Previous Year Rs. 101.92 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 utilized entitlement of **Rs. 156.85 Lakhs** (*Previous Year Rs. 59.14 Lakhs*) leaving a balance of **Rs. 41.44 Lakhs** (*Previous Year Rs. 42.78 Lakhs*).
17. 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 **Nil** (*Previous Year Nil*).
18. The Corporation has opted for accounting the exchange difference arising on reporting of Long Term Foreign Currency Monetary Items (the said Monetary Items) in line with Accounting Standard Amendment Rules 2009 on Accounting Standard 11 (AS 11) notified by the Government of India on 31st March, 2009. Accordingly, the exchange difference arising on the said Monetary Items at the rates different from those at which they were initially recorded is accounted in "Foreign Currency Monetary Item Translation Difference Account" and amortised over balance period of such loans but not beyond 31st March, 2011. Further such exchange difference pertaining to the accounting period commenced after 7th December, 2006 and previously recognised in the Profit & Loss Account was transferred to the said Account by adjusting to General Reserve in the previous year. As a result, exchange difference recognised in the Profit & Loss Account upto financial year ended on 31st March, 2008 relating to the said Monetary Items and aggregating to Rs. 213.66 Lakhs was adjusted against the General Reserve in the previous year. During the year a sum of Rs. 848.37 Lakhs has been charged to the Profit & Loss Account and the balance amount of Rs. 127.45 Lakhs remains outstanding in the Foreign Currency Monetary Item Translation Difference Account.
19. In an earlier year the Corporation took up development of Real Estate in the vacant properties at Pune, Coimbatore and Mumbai; and converted these assets as stock in trade at cost.
20. Provision for contingencies of **Rs. 85 Lakhs** (*Previous Year Nil*) represents a part amount provided for against the contingent liabilities with regards to the disputed demands for excise duties, wages and damages and interest as described in Note No. 2 on the basis of a fair estimate by the Corporation. There were no carrying amount at the beginning of the year and the provision of Rs. 85 Lakhs made during the year is carried forward at the end of the year and neither the amount has been used nor the unused amount reversed during the year under review.
21. The Corporation subscribed to 19,30,000 Warrants of The Bombay Dyeing & Mfg. Co. Ltd. (BDMC) issued on a preferential basis on 7th September, 2007. The Corporation as per the terms of the said Issue was entitled to exercise the option to apply for and be allotted equivalent number of Equity Shares of BDMC within 18 months from the date of issue at the price of Rs. 616/- per share. Due to the capital market conditions prevailing at the relevant time, the Corporation did not exercise the said option within the stipulated time. Consequently, in the previous year, the Corporation was required to write off the amount equivalent to 10% of price, aggregating to Rs. 1,188.88 Lakhs paid on subscription of the said Warrants as the same was forfeited as per the terms of the issue and in accordance with the Guidelines of Preferential Issue of the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000.
22. 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.
23. 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.

24. 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

Foreign Currency Monetary Item Translation Difference Account

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.

# The Bombay Burmah Trading Corporation, Limited

## V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Item Code No.  
(ITC Code)

0	9	0	2	4	0	0	0													
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Product  
Description

T	E	A																		
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Item Code No.  
(ITC Code)

8	4	6	3	9	0	0	2													
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Product  
Description

S	P	R	I	N	G	S														
---	---	---	---	---	---	---	--	--	--	--	--	--	--	--	--	--	--	--	--	--

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Item Code No.  
(ITC Code)

4	8	0	7	1	0	0	0													
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Product  
Description

L	A	M	I	N	A	T	E	S												
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**AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENT**

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

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, 2010, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. The Consolidated Financial Statements include investments in associates accounted on the equity method in accordance with Accounting Standard 23 (Accounting for Investments in Associates in Consolidated Financial Statements) as notified under the Companies (Accounting Standards) Rules, 2006. These financial statements are the responsibility of the Corporation's Management and have been prepared on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
2. We conducted our audit in accordance with the 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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the 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 certain subsidiaries, whose financial statements reflect total assets of Rs. 262,950.15 lakhs as at 31st March, 2010, total revenue of Rs. 407,095.72 lakhs and net cash flows amounting to Rs. (18,055.41) lakhs for the year ended on that date and financial statements of certain associates wherein the Group's share of profit aggregates to Rs. 1,101.92 lakhs as considered in the Consolidated Financial Statements. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of these subsidiaries and associates, is based solely on the reports of the other auditors.
4. The Consolidated Financial Statements include the unaudited financial statements of 5 subsidiaries, whose financial statements reflect total assets of Rs. 158.78 lakhs as at 31st March 2010, total revenue of Rs Nil and net cash flows amounting to Rs. (781.83) lakhs for the year then ended on that date. The Consolidated Financial Statements also include the Company's share of profits amounting to net profit of Rs 21.52 lakhs based on the unaudited financial statements of two associates.
5. We report that the Consolidated Financial Statements have been prepared by the Corporation 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.
6. We invite attention to Note No. 22 of Schedule No. 22 regarding provision for foreseeable losses on outstanding derivative contracts on the basis stated in the note. On the basis of the information available to us, we are unable to form an opinion in this matter.
7. Based on our audit as aforesaid, and on consideration of the separate audit reports on individual financial statements of the Corporation, its aforesaid subsidiaries and associates and to the best of our information and according to the explanations given to us, in our opinion, the Consolidated Financial Statements, subject to the limited extent of our comments in paragraphs (6) 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, 2010;
  - (ii) in the case of the Consolidated Profit and Loss account, of the profit of the Group for the year ended on that date and
  - (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Registration No. 117364W)

R. SALIVATI  
Partner

**MUMBAI,**  
28<sup>th</sup> May, 2010

(Membership No: 34004)



# The Bombay Burmah Trading Corporation, Limited

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

(Rupees in Lakhs)

	Schedule No.	As at 31st March, 2010 Rupees	As at 31st March, 2009 Rupees	As at 31st March, 2009 Rupees
<b>I. SOURCES OF FUNDS:</b>				
1. SHAREHOLDERS' FUNDS –				
(a) Capital	1	1,396.27		1,396.27
(b) Reserves and Surplus	2	78,299.23		78,269.16
			79,695.50	79,665.43
2. MINORITY INTEREST			18,667.23	1,052.10
3. LOAN FUNDS –				
(a) Secured Loans	3	125,106.13		40,013.87
(b) Unsecured Loans	4	18,657.52		8.53
			143,763.65	40,022.40
4. DEFERRED TAX LIABILITY (Net)			510.57	850.17
TOTAL		242,636.95		121,590.10
<b>II. APPLICATION OF FUNDS:</b>				
1. FIXED ASSETS —				
(a) Gross Block	5	219,109.67		28,485.51
(b) Less: Depreciation/Amortisation		62,838.52		9,950.34
(c) Net Block		156,271.15		18,535.17
(d) Capital Work-in-Progress		1,590.25		235.71
			157,861.40	18,770.88
2. INVESTMENTS —	6	54,126.18		58,984.13
3. FOREIGN CURRENCY MONETARY ITEM TRANSLATION DIFFERENCE ACCOUNT			127.45	2,654.59
4. CURRENT ASSETS, LOANS AND ADVANCES —				
(a) Inventories	7	40,421.99		8,484.25
(b) Sundry Debtors	8	15,722.12		11,841.77
(c) Cash and Bank Balances	9	11,531.41		22,141.62
(d) Other Current Assets	10	1,602.27		1,131.54
(e) Loans and Advances	11	19,498.87		4,552.34
		88,776.66		48,151.52
LESS: CURRENT LIABILITIES AND PROVISIONS				
(a) Liabilities	12	47,726.15		5,977.08
(b) Provisions	13	11,270.67		1,147.99
		58,996.82		7,125.07
NET CURRENT ASSETS			29,779.84	41,026.45
5. DEFERRED TAX ASSET (Net)			734.73	146.85
6. MISCELLANEOUS EXPENDITURE To the extent not written off or adjusted Deferred Revenue Expenditure			7.35	7.20
TOTAL		242,636.95		121,590.10
Significant Accounting Policies and Notes to Accounts	22			

In terms of our report attached

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

For DELOITTE HASKINS & SELLS  
Chartered Accountants

A. PANJWANI  
N. H. DATANWALA

Managing Director  
Vice President Corporate & Co.  
Secretary

R. SALIVATI  
Partner

For and on behalf of the Board  
NUSLI N. WADIA  
A. K. HIRJEE  
K. MAHINDRA  
M. L. APTE  
D. E. UDWADIA  
ISHAAT HUSSAIN  
NESS WADIA  
VINITA BALI

Chairman  
Vice-Chairman  
Director  
Director  
Director  
Director  
Director

Mumbai:  
Dated, 28th May, 2010.

**CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010**

(Rupees in Lakhs)

	Schedule No.	Rupees	Rupees	Previous Year Rupees	Previous Year Rupees
<b>INCOME</b>					
Sales	14	427,324.57		42,370.62	
Less: Excise Duty recovered on Sales		3,483.11		1,394.34	
Net Sales			423,841.46		40,976.28
Other Income	15		13,637.49		7,538.94
Share of Profit of Associates			1,123.44		2,242.69
			438,602.39		50,757.91
<b>EXPENDITURE</b>					
(Increase)/Decrease in Stocks	16		(4,268.44)		(36.81)
Raw Materials Consumed			219,197.16		14,202.54
Cost of Horticulture and Landscape Services			3,017.37		1,432.19
Purchase of Trading Goods/Shares			42,344.63		1,075.30
Operation and Other Expenses	17		119,113.44		12,092.77
Payments to and Provision for Employees	18		23,923.23		7,531.81
Cost relating to Real Estate Division	19		20.02		18.72
Interest	20		8,021.22		2,884.83
Depreciation/Amortisation		7,509.12		1,338.49	
Less: Transfer from Revaluation Reserve		3.08		3.08	
			7,506.04		1,335.41
			418,874.67		40,536.76
			19,727.72		10,221.15
<b>OPERATING PROFIT</b>					
Less: Loss on Exchange (Net)					
(Refer Note No. 23 of Schedule No. 22)		848.37		2,165.12	
Exchange Difference on other Loan					
(Refer Note No. 11d of Schedule No. 22)		4,755.87		—	
Impairment Loss on Current Investments		—		3,341.85	
Long Term Investment written off		—		1,188.88	
			5,604.24		6,695.85
<b>PROFIT BEFORE TAXATION AND EXCEPTIONAL ITEMS</b>					
			14,123.48		3,525.30
Exceptional Items					
Amortisation of VRS in Subsidiary		3,325.45		—	
Provision for claims and other costs		655.95		—	
			3,981.40		—
<b>PROFIT BEFORE TAXATION</b>					
Provision for Taxation	21		10,142.08		3,525.30
			944.65		926.54
<b>PROFIT AFTER TAXATION AND BEFORE MINORITY INTEREST</b>					
Minority Interest			9,197.43		2,598.76
			(5,568.62)		(693.36)
<b>PROFIT AFTER MINORITY INTEREST</b>					
			3,628.81		1,905.40
Balance brought forward from Previous Year			14,307.36		12,338.00
Transferred from Asset Revaluation Reserve Account			—		1.02
Transferred from General Reserve			—		306.01
Translation adjustment			—		13.63
Adjustment of Dividend received/Dividend proposed			(921.84)		(93.40)
<b>AMOUNT AVAILABLE FOR APPROPRIATION</b>					
			17,014.33		14,470.66
<b>APPROPRIATIONS</b>					
Proposed Dividend			488.40		139.54
Corporate Dividend Tax (CDT) thereon [incl. CDT of Subsidiary – Rs. 505.50 lakhs (Previous Year Nil)]			586.62		23.72
Transferred to General Reserve			736.23		—
Transferred to Statutory Reserve			0.26		0.04
Balance Carried to Balance Sheet			15,202.82		14,307.36
			17,014.33		14,470.66
Basic and Diluted Earnings per Share (in Rs.) –					
Face Value Rs. 10/- each					
Refer Note No. 14 of Schedule No. 22			26.00		13.65
Significant Accounting Policies and Notes to Accounts.	22				

In terms of our report attached

The foregoing Consolidated Profit and Loss Account for the year ended 31st March, 2010 including Schedule Numbers 14 to 22 is hereby authenticated by us.

For and on behalf of the Board

For DELOITTE HASKINS & SELLS  
Chartered Accountants  
R. SALIVATI  
Partner

A. PANJWANI  
N. H. DATANWALA

Managing Director  
Vice President Corporate & Co.  
Secretary

NUSLI N. WADIA  
A. K. HIRJEE  
K. MAHINDRA  
M. L. APTE  
D. E. UDWADIA  
ISHAAT HUSSAIN  
NESS WADIA  
VINITA BALI

Chairman  
Vice-Chairman  
Director  
Director  
Director  
Director  
Director

Mumbai:  
Dated, 28th May, 2010.

# The Bombay Burmah Trading Corporation, Limited

## CONSOLIDATED CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR YEAR ENDED 31ST MARCH, 2010

	(Rupees in Lakhs)		
	Rupees	Rupees	Previous Year Rupees
<b>A. Cash flows from operating activities:</b>			
Profit before Taxation		<b>10,142.08</b>	3,525.30
Adjustments for:			
Depreciation	7,506.04		1,335.41
Currency Alignment on Depreciation	(1,955.59)		239.17
Loss on Exchange (net)	848.37		2,165.12
Exchange Difference on other loan	4,755.87		—
Share of Profit of Associates	(1,123.44)		(2,242.69)
Profit on Sale of Fixed Assets (net)	(424.31)		(80.38)
Profit on Sale of Investments (net)	(1,220.11)		(2,816.04)
Long term investments written off	—		1,188.88
Amortisation of VRS in subsidiary	3,325.45		—
Assets discarded written off	5.63		9.40
Impairment Loss on Current Investments	1,419.67		3,341.85
Amortisation of Miscellaneous Expenditure	(0.15)		0.20
Advances/Doubtful Debts written off	155.41		15.22
Provision for doubtful debts	359.49		33.93
Provision for contingencies	85.00		—
Provision for claims & other costs	655.95		—
Excess Provision in respect of previous year written back	(752.83)		(70.05)
Interest expense	8,021.22		2,884.83
Interest income	(1,956.16)		(980.71)
Dividend income	(6,385.75)		(2,548.79)
		<b>13,319.76</b>	2,475.35
Operating Profit before working capital changes		<b>23,461.84</b>	6,000.65
Adjustments for:			
Increase/(Decrease) in Sundry Debtors and other receivables	3,412.17		(3,891.78)
(Decrease) in Inventories	(3,068.84)		(636.72)
(Decrease)/Increase in Sundry Creditors and Provisions	(428.73)		(1,049.83)
		<b>(85.40)</b>	(5,578.33)
Cash from operations		<b>23,376.44</b>	422.32
Net Increase in Reserves	—		0.22
Foreign exchange gain/(loss) on consolidation	(7,310.00)		12,341.08
Direct taxes paid (net)	(1,462.76)		(942.86)
		<b>(8,772.76)</b>	11,398.44
<b>Net cash from operating activities</b>		<b>14,603.68</b>	11,820.76
<b>B. Cash flows from investing activities:</b>			
Purchase of fixed assets		(7,264.68)	(1,659.22)
Consideration paid on acquisition of subsidiaries		(88,120.08)	—
Advances and Loans		1,817.87	190.44
Proceeds from sale of fixed assets		704.88	192.64
Sale/(Purchase) of Investments (net)		11,018.08	2,717.62
Bank Deposits withdrawn during the year		4,676.18	2,647.17
Bank Deposits made during the year		(1,325.24)	(4,676.18)
Interest income		2,140.36	792.37
Dividend income		7,301.82	1,632.72
<b>Net cash (used in)/from investing activities</b>		<b>(69,050.81)</b>	1,837.56

**CONSOLIDATED CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET  
FOR YEAR ENDED 31ST MARCH, 2010 (Contd.)**

	(Rupees in Lakhs)		
	Rupees	Rupees	Previous Year Rupees
<b>C. Cash flows from financing activities:</b>			
Proceeds from/(Repayment of) Borrowings (net)		<b>53,389.55</b>	3,349.71
(Repayment of)/Proceeds from Cash Credit		<b>(137.48)</b>	(633.95)
Proceeds from/(Payment of) Finance Leases		—	2.74
Adjustment to Minority Interest (net of dividend paid)		<b>(3,412.73)</b>	(458.19)
Interest paid		<b>(8,085.54)</b>	(2,795.69)
Dividend and dividend distribution tax paid		<b>(3,504.89)</b>	(484.26)
Adjustment of dividend received/dividend proposed		<b>(921.84)</b>	(93.40)
<b>Net cash from (used) in financing activities</b>		<b>37,327.07</b>	(1,113.04)
<b>Net (Decrease)/Increase in cash and cash equivalents (A+B+C)</b>		<b>(17,120.06)</b>	12,545.20
Cash and cash equivalents as at the commencement of the year	<b>17,465.44</b>		4,920.16
Add: On acquisition of Subsidiary	<b>36,618.85</b>	<b>54,084.29</b>	—
Cash and cash equivalents as at the end of the year		<b>36,964.23</b>	17,465.44
<b>Net (Decrease)/Increase as disclosed above</b>		<b>(17,120.06)</b>	12,545.28
<b>Components of Cash and Cash Equivalents as at</b>		<b>31-03-2010</b>	<b>31-03-2009</b>
Cash on hand		<b>327.94</b>	38.11
<b>Balances with Banks – on Current Account</b>		<b>4,705.49</b>	11,870.84
– on Deposit Account		<b>5,172.74</b>	5,556.49
Current Investments in Mutual Funds		<b>26,758.06</b>	—
		<b>36,964.23</b>	17,465.44

## Notes:

- 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.
- Component of Cash and Cash Equivalents exclude bank deposits with maturity of more than 3 months aggregating to Rs. 1,325.24 lakhs (Previous Year Rs. 4,676.38 lakhs).
- Figures relating to previous year have been recast where necessary to conform to figures of the current year.

In terms of our report attached

For and on behalf of the Board

For DELOITTE HASKINS & SELLS  
Chartered Accountants  
R. SALIVATI  
Partner

A. PANJWANI  
N. H. DATANWALA

Managing Director  
Vice President Corporate & Co.  
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NUSLI N. WADIA  
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ISHAAT HUSSAIN  
NESS WADIA  
VINITA BALI

Chairman  
Vice-Chairman  
Director  
Director  
Director  
Director  
Director

Mumbai:  
Dated, 28th May, 2010.

# The Bombay Burmah Trading Corporation, Limited

## SCHEDULES TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

	(Rupees in Lakhs)	
	As at 31st March, 2010	As at 31st March, 2009
	Rupees	Rupees
<b>SCHEDULE NO. 1</b>		
<b>SHARE CAPITAL:</b>		
<b>AUTHORISED —</b>		
1,50,00,000 Equity Shares of Rs. 10/- each	<b>1,500.00</b>	<i>1,500.00</i>
	<b>1,500.00</b>	<i>1,500.00</i>
<b>ISSUED AND SUBSCRIBED —</b>		
1,39,54,380 Equity Shares of Rs. 10/- each fully paid-up	<b>1,395.44</b>	<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:</i> Forfeited Shares –		
Amount paid-up	<b>0.83</b>	<i>0.83</i>
<b>TOTAL</b>	<b>1,396.27</b>	<i>1,396.27</i>

<b>SCHEDULE NO. 2</b>		
<b>RESERVES AND SURPLUS:</b>		
<b>CAPITAL RESERVE ACCOUNT</b>		
As per last Balance Sheet	<b>1,809.23</b>	<i>1,809.23</i>
<i>Add:</i> On acquisition of Subsidiaries	<b>31.96</b>	<i>—</i>
	<b>1,841.19</b>	<i>1,809.23</i>
<b>CAPITAL RESERVE (ON INVESTMENT IN SUBSIDIARIES)</b>		
As per last Balance Sheet	<b>605.16</b>	<i>608.01</i>
<i>Add:</i> On acquisition of Subsidiaries		
– Reserves & Surplus	<b>—</b>	<i>0.23</i>
<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	<b>(3.08)</b>	<i>(3.08)</i>
	<b>602.08</b>	<i>605.16</i>
<b>CAPITAL REDEMPTION RESERVE —</b>		
As per last Balance Sheet	<b>0.02</b>	<i>0.02</i>
<i>Add:</i> On acquisition of Subsidiaries	<b>201.94</b>	<i>—</i>
	<b>201.96</b>	<i>0.02</i>
<b>REVALUATION RESERVE ACCOUNT —</b>		
As per last Balance Sheet	<b>—</b>	<i>1.02</i>
<i>Add:</i> On acquisition of Subsidiaries	<b>0.11</b>	<i>—</i>
<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	<b>—</b>	<i>(1.02)</i>
	<b>0.11</b>	<i>—</i>
<b>SECURITIES PREMIUM ACCOUNT —</b>		
As per last Balance Sheet	<b>3,637.21</b>	<i>3,637.21</i>

## SCHEDULES TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

		(Rupees in Lakhs)	
	Rupees	As at 31st March, 2010 Rupees	As at 31st March, 2009 Rupees
<b>SCHEDULE NO. 2 (Contd.)</b>			
<b>RESERVES AND SURPLUS:</b>			
<b>FOREIGN CURRENCY TRANSLATION RESERVE</b>			
As per last Balance Sheet	21,001.69		7,632.00
Add: On acquisition of Subsidiaries	(735.45)		—
(Less)/Add: Amount transferred on account of resulting exchange differences on conversion of non-integral foreign branches and subsidiaries	(11,047.26)		13,369.69
		<b>9,218.98</b>	<b>21,001.69</b>
<b>STATUTORY RESERVE FUND</b>			
As per last Balance Sheet	148.10		148.06
Add: Transferred from Profit and Loss Account	0.26		0.04
		<b>148.36</b>	<b>148.10</b>
<b>GENERAL RESERVE ACCOUNT —</b>			
As per last Balance Sheet	36,760.39		37,280.07
Add: On acquisition of Subsidiaries (net)	13,467.27		—
(Less): Dividend distribution tax (Refer Note No. 21 of Schedule No. 22)	(3,517.37)		—
(Less): Transferred to Foreign Currency Monetary Item translation Difference account (Refer Note No. 23 of Schedule No. 22)	—		(213.67)
(Less): Transferred to Profit and Loss Account	—		(306.01)
Add: Transferred from Profit and Loss Account	736.23		—
		<b>47,446.52</b>	<b>36,760.39</b>
<b>PROFIT AND LOSS ACCOUNT</b>		<b>15,202.82</b>	<b>14,307.36</b>
TOTAL		<b>78,299.23</b>	<b>78,269.16</b>

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

Cash Credit/Overdraft Accounts	1,587.87	1,725.35
Book Debts	449.15	—
From Government of Sultanate of Oman/Oman Development Bank	5,281.77	—
8.25% Secured Redeemable Non-Convertible Bonus Debentures (Refer Note No. 21 of Schedule No. 22)	19,916.75	—
Term Loans	96,920.74	38,172.60
Hire Purchase/Lease facility (Net of unmatured finance charges)	61.69	46.73
Lease Creditors	888.16	69.19
TOTAL	<b>125,106.13</b>	<b>40,013.87</b>

**SCHEDULE NO. 4****UNSECURED LOANS:**

Intercompany Deposits	13.00	8.00
Short Term Loans from Banks	16,644.80	—
Other Loans: From Others	1,999.72	0.53
TOTAL	<b>18,657.52</b>	<b>8.53</b>



## SCHEDULES TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

	Rupees	(Rupees in Lakhs)	
		As at 31st March, 2010 Rupees	As at 31st March, 2009 Rupees
<b>SCHEDULE NO. 6</b>			
<b>INVESTMENTS —</b>			
(A) Long Term Investments (At Cost)			
In Equity Shares of Companies			
Quoted	13,006.35		16,416.72
Unquoted	134.35		—
	<u>13,140.70</u>		<u>16,416.72</u>
In Associates	388.82		32,419.32
In Government Securities	4.01		4.00
In Debentures	8,220.23		—
In Bonds	2,733.08		—
In Units of Mutual Funds	1,000.58		—
In Units of Insurance policies	598.88		—
Capital in a Partnership firm	1.00		—
In Others (viz. Co-operative Societies, etc.)	118.21		25.22
		<u>26,205.51</u>	<u>48,865.26</u>
(B) Current Investments			
(At Cost or Market/Fair value whichever is lower)			
In Managed Fixed Income Accounts	243.81		7,636.24
In Specialist Equity Account	579.54		—
In Units of Mutual Funds	26,758.06		—
In Debentures	0.04		—
In Structured Notes	340.26		2,482.63
		<u>27,921.71</u>	<u>10,118.87</u>
Less: Provision for diminution in value of Investments		1.04	—
		<u>54,126.18</u>	<u>58,984.13</u>
TOTAL			

<b>SCHEDULE NO. 7</b>			
<b>INVENTORIES:</b>			
Stores and Spare parts		2,104.83	751.63
Packing Materials		3,950.58	—
Stock-in-trade:			
Raw Materials (includes material in transit <b>Rs. 97.63 lakhs</b> ) (Previous Year Rs.68.70 lakhs)	15,049.53		1,975.02
Work-in-Progress	652.19		396.07
Finished Goods	16,537.71		3,286.89
Plants and Nursery Hardware	350.44		419.26
Real Estate under Development	1,776.66		1,655.33
Equity Shares	0.05		0.05
		<u>34,366.58</u>	<u>7,732.62</u>
TOTAL		<u>40,421.99</u>	<u>8,484.25</u>



# The Bombay Burmah Trading Corporation, Limited

## SCHEDULES TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

	(Rupees in Lakhs)	
	As at 31st March, 2010 Rupees	As at 31st March, 2009 Rupees
<b>SCHEDULE NO. 8</b>		
<b>SUNDRY DEBTORS</b>		
<b>Secured</b>		
Considered Good	128.87	—
Considered Doubtful	—	—
	<u>128.87</u>	<u>—</u>
<b>Unsecured</b>		
Considered Good	15,593.25	11,841.77
Considered Doubtful	1,325.64	244.14
	<u>16,918.89</u>	<u>12,085.91</u>
<i>Less:</i> Provision for Doubtful Debts	1,325.64	244.14
TOTAL	<u><u>15,722.12</u></u>	<u><u>11,841.77</u></u>

<b>SCHEDULE NO. 9</b>		
<b>CASH AND BANK BALANCES:</b>		
Cash on hand	327.94	38.11
Cheques on hand	1,086.50	105.99
Bank Balances		
(a) With Scheduled Banks:		
On Current Accounts	3,180.72	583.28
On Margin Account	1.68	52.80
Unpaid Dividend Accounts		
– Current Account	<u>203.31</u>	<u>27.57</u>
	<u>3,385.71</u>	<u>663.65</u>
(b) With Others:		
On Current Accounts with Foreign Banks (incl. With Fund Managers)	233.28	11,101.20
On Deposit account with Foreign Banks	<u>5,172.74</u>	<u>5,556.29</u>
	<u>5,406.02</u>	<u>16,657.49</u>
Fixed Deposits With Banks	1,325.24	4,676.38
TOTAL	<u><u>11,531.41</u></u>	<u><u>22,141.62</u></u>

<b>SCHEDULE NO. 10</b>		
<b>OTHER CURRENT ASSETS:</b>		
Interest accrued on Investments and Deposits	31.26	215.46
Deposits (Refer Note No. 24 of Schedule No. 22)	1,446.49	—
Assets held for Sale	124.51	—
Dividend Receivable	0.01	916.08
TOTAL	<u><u>1,602.27</u></u>	<u><u>1,131.54</u></u>

## SCHEDULES TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

		(Rupees in Lakhs)	
	Rupees	As at 31st March, 2010 Rupees	As at 31st March, 2009 Rupees
<b>SCHEDULE NO. 11</b>			
<b>LOANS AND ADVANCES:</b>			
<b>Secured, Considered Good</b>			
Advances recoverable in cash or in kind or for value to be received		7,518.06	—
<b>Unsecured, Considered Good (unless otherwise specified)</b>			
Advances and Loans to Others	1,661.05		2,285.91
Advance Payment of Income-tax etc. (Net of Provision for Tax)	1,078.74		498.22
MAT credit entitlement	138.27		—
Advance Payment of Fringe Benefit Tax (Net of Provision)	0.41		7.95
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
	<u>2,878.47</u>		<u>2,792.28</u>
Advances recoverable in cash or in kind or for value to be received	9,973.87		1,499.77
Balance with Government and Other Authorities	451.48		390.29
Less: Provision for doubtful advances	<u>1,323.01</u>		<u>130.00</u>
		<u>11,980.81</u>	<u>4,552.34</u>
TOTAL		<u>19,498.87</u>	<u>4,552.34</u>
Advances includes:			
Considered Good		19,498.87	4,552.34
Considered Doubtful		1,323.01	130.00
		<u>20,821.88</u>	<u>4,682.34</u>

<b>SCHEDULE NO. 12</b>			
<b>CURRENT LIABILITIES:</b>			
Sundry Creditors		46,530.01	5,435.44
Balance consideration towards acquisition of Business		11.00	11.00
Unclaimed Dividends		203.31	27.57
Book Overdraft with Bank		542.80	—
Staff Pension and Other Funds		44.57	44.29
Interest Accrued but not due on Loans		94.46	158.78
Deposit from lessee for premises given on lease		300.00	300.00
TOTAL		<u>47,726.15</u>	<u>5,977.08</u>

<b>SCHEDULE NO. 13</b>			
<b>PROVISIONS:</b>			
Taxation (Net of Advance Tax)		1,237.49	355.14
Fringe Benefit Taxation (Net of Advance Tax)		113.94	13.94
Proposed Dividend		488.40	139.54
Corporate Dividend Tax		586.62	23.72
Provision for contingencies/expenses (Refer note No. 18b of Schedule No. 22)		85.00	—
Compensated Absences		1,648.13	615.65
Provision for Excise related issues (Refer note No. 18a of Schedule No. 22)		2,219.15	—
Provision for Sales Tax and other issues (Refer note No. 18a of Schedule No. 22)		1,140.59	—
Provision for Trade and other issues (Refer note No. 18a of Schedule No. 22)		3,751.35	—
TOTAL		<u>11,270.67</u>	<u>1,147.99</u>

# The Bombay Burmah Trading Corporation, Limited

## SCHEDULES TO CONSOLIDATED PROFIT AND LOSS ACCOUNT AS AT 31ST MARCH, 2010

	Rupees	(Rupees in Lakhs) Previous Year Rupees
<b>SCHEDULE NO. 14</b>		
<b>SALES:</b>		
Tea	12,692.76	7,838.55
Coffee	1,170.75	1,289.67
Rubber	3,056.55	3,375.51
Other Plantation Products	302.87	213.22
Laminates	8,271.73	7,955.95
Biscuit and Dairy Products	379,427.08	—
Precision Springs/Auto Electric	17,103.99	14,191.06
Weighing Products	241.96	226.36
Horticulture & Landscaping Services	3,640.26	5,834.66
Dental Products	1,348.32	1,445.64
Other Goods (including shares)	68.30	—
TOTAL	<u>427,324.57</u>	<u>42,370.62</u>

<b>SCHEDULE NO. 15</b>		
<b>OTHER INCOME:</b>		
Interest (Gross) – Current Accounts, Loans, Deposits, etc.	1,956.16	980.71
Dividend from Investments	6,385.75	2,548.79
Rent (including Machinery, etc. Hire Charges/Lease Rent)	97.76	101.39
Expenses recovered from various Companies	95.00	65.00
Sundry Receipts	2,323.44	492.02
Export benefits and Incentives	198.00	167.40
Insurance claim received	—	24.07
Profit on sale of Fixed Assets	441.51	80.38
Profit on sale of Investments	1,220.11	2,818.71
Foreign Exchange Gain	111.54	136.25
Profit on Sale of Raw Materials	2.89	0.93
Agency Commission	52.50	51.10
Bad Debts written off recovered	—	2.14
Excess Provision in respect of Previous Year [including <b>Rs.11.49 lakhs</b> ] (Previous Year Rs. 4.78 lakhs) in respect of doubtful debts written back	752.83	70.05
TOTAL	<u>13,637.49</u>	<u>7,538.94</u>

## SCHEDULES TO CONSOLIDATED PROFIT AND LOSS ACCOUNT AS AT 31ST MARCH, 2010

(Rupees in Lakhs)

	Rupees	Rupees	Rupees	Previous Year	
				Rupees	Rupees
<b>SCHEDULE NO. 16</b>					
<b>INCREASE IN STOCKS:</b>					
Closing Stock					
Finished Goods		16,888.15		3,706.15	
Work-in-Progress		652.19		396.07	
Equity Shares		0.05		0.05	
			17,540.39		4,102.27
Less: Opening Stock *					
Finished Goods		12,825.67		3,469.12	
Work-in-Progress		446.23		596.29	
Equity Shares		0.05		0.05	
			13,271.95		4,065.46
<b>TOTAL</b>			<b>(4,268.44)</b>		<b>(36.81)</b>

\* Including on acquisition of Subsidiaries - Rs. 9,169.68 lakhs (Previous Year Nil)

**SCHEDULE NO. 17****OPERATION AND OTHER EXPENSES:**

Consumption of Stores and Spare parts		2,996.00		1,613.87
Power, Fuel and Oil		6,040.51		1,282.60
Repairs to Buildings and Roads		690.89		228.46
Repairs to Machinery		2,416.30		376.69
Freight, Transport and Carriage Charges		26,377.64		907.29
Insurance		297.30		70.86
Rates and Taxes		2,802.65		87.53
Excise Duty (Net)*		59.03		35.07
Rent		2081.04		312.17
Technical Know-how Fees		62.40		49.04
Advances/Doubtful Debts written off		155.41		15.22
Provision for Doubtful debts/advances		359.49		33.93
Provision for Contingencies (Refer note No. 18a of Schedule No. 22)		85.00		—
Travelling Expenses		479.77		524.92
Postage, Telegrams and Telephones		163.41		150.15
Advertisement and Sales Promotion Expenses		30,510.00		399.18
Miscellaneous Expenses		12,106.55		1,704.41
Upkeep of Mature Rubber		457.68		109.24
Selling Agents' Commission and Discount		1,687.71		1,342.10
Foreign Exchange Loss		524.20		687.70
Loss on sale of Fixed Assets		17.20		—
Loss on sale of Investment		—		2.67
Legal and Professional Charges		425.63		437.97
Assets Discarded Written off		5.63		9.40
Tapping and Collecting Rubber expenses		—		413.72
Directors' Sitting fees		8.74		7.90
Management charges		36.39		5.55
Processing charges		26,697.50		1,262.58
Impairment Loss on Investments		1,419.67		—
Auditors' Remuneration:				
Audit Fees		129.45		58.53
Tax Audit	1.00			0.75
Taxation Matters	0.28			—
Any Other Manner – certification, etc.	62.65			53.87
		63.93		54.62
Reimbursement of expenses		6.32		1.14
			199.70	114.29
Less: Transferred to Real Estate cost			50.00	91.74
<b>TOTAL</b>			<b>119,113.44</b>	<b>12,092.77</b>

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

# The Bombay Burmah Trading Corporation, Limited

## SCHEDULES TO CONSOLIDATED PROFIT AND LOSS ACCOUNT AS AT 31ST MARCH, 2010

	(Rupees in Lakhs)		
	Rupees	Rupees	Previous Year Rupees
<b>SCHEDULE NO. 18</b>			
<b>PAYMENTS TO AND PROVISIONS FOR EMPLOYEES:</b>			
Salaries, Wages and Bonus		21,316.05	6,423.72
Contribution to Provident and Other Funds		1,428.89	770.24
Labour and Staff Welfare Expenses		1,269.64	464.01
Less: Transferred to Real Estate cost		91.35	126.16
TOTAL		<u>23,923.23</u>	<u>7,531.81</u>

<b>SCHEDULE NO. 19</b>			
<b>COST RELATING TO REAL ESTATE DIVISION:</b>			
Opening Stock (Real Estate under Development)		1,655.33	1,456.15
<i>Add:</i> Expenditure relating to Real Estate Division incurred during the year:			
Payments to and provision for employees	53.20		126.16
Preliminaries and site expenses	0.25		21.16
Contract/retainership fees	38.15		41.81
Travelling and other expenses	49.75		28.77
		<u>141.35</u>	<u>217.90</u>
		1,796.68	1,674.05
Closing Stock (Real Estate under Development)		1,776.66	1,655.33
		<u>20.02</u>	<u>18.72</u>

<b>SCHEDULE NO. 20</b>			
<b>INTEREST:</b>			
On Debentures		91.80	—
On Term Loan		6,030.08	2,875.06
Other Interest		1,899.34	9.77
TOTAL		<u>8,021.22</u>	<u>2,884.83</u>

<b>SCHEDULE NO. 21</b>			
<b>PROVISION FOR TAXATION:</b>			
Indian Income-tax – Current	2,431.23		12.10
– Earlier Years	56.62		48.35
Less: MAT Credit	175.27		—
		<u>2,312.58</u>	<u>60.45</u>
Fringe Benefit Tax		—	45.23
Agricultural Income-tax		21.00	17.00
Wealth-tax		15.24	—
Deferred Tax		(1,910.25)	171.04
Foreign tax		506.08	632.82
TOTAL		<u>944.65</u>	<u>926.54</u>

**SCHEDULE NO. 22****SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2010.****1. Principles of Consolidation:**

The consolidated financial statements relate to The Bombay Burmah Trading Corporation, Limited ('the Corporation', 'BBTCL') and its subsidiaries and associate companies, which together constitute the Group. The consolidated financial statements have been prepared on the following basis:

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

# The Bombay Burmah Trading Corporation, Limited

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

<u>Name of Subsidiary</u>	<u>Country of Incorporation</u>	<b>Current Year Percentage Holding-Share</b>	<i>Previous Year Percentage Holding-Share</i>
Afco Industrial & Chemicals Limited	India	<b>100%</b>	<i>100%</i>
DPI Products & Services Limited	India	<b>100%</b>	<i>100%</i>
Sea Wind Investments & Trading Company Limited	India	<b>100%</b>	<i>100%</i>
P.T. Indo Java Rubber Planting Company	Indonesia	<b>50.30%</b>	<i>50.30%</i>
Electromags Automotive Products Private Limited	India	<b>100%</b>	<i>100%</i>
* Leila Lands Senderian Berhad	Malaysia	<b>100%</b>	<i>100%</i>
<u>Sub-Subsidiaries:</u>			
<u>Subsidiary of DPI Products &amp; Services Limited:</u>			
Subham Viniyog Private Limited	India	<b>100%</b>	<i>100%</i>
<u>Subsidiaries of Leila Lands Senderian Berhad:</u>			
* Naira Holdings Limited	The British Virgin Islands	<b>100%</b>	<i>100%</i>
* Island Horti-Tech Holdings Pte. Limited	Singapore	<b>100%</b>	<i>100%</i>
* Leila Lands Limited	Mauritius	<b>100%</b>	<i>100%</i>
* Restpoint Investments Limited	The British Virgin Islands	<b>100%</b>	<i>100%</i>
<u>Subsidiaries of Island Horti-Tech Holdings Pte. Limited:</u>			
* Island Landscape & Nursery Pte. Limited	Singapore	<b>100%</b>	<i>100%</i>
* ILN Investments Pte. Limited	Singapore	<b>100%</b>	<i>100%</i>
* Innovative Organics Inc.	USA	<b>54.86%</b>	<i>54.86%</i>
<u>Subsidiaries of Leila Lands Limited:</u>			
* Britannia Brands Limited (BBL, UK) <sup>Ⓟ</sup>	United Kingdom	<b>100%</b>	<i>Nil</i>
* ABI Holding Limited <sup>f</sup>	United Kingdom	<b>100%</b>	<i>50%</i>
* Associated Biscuits International Limited (ABIL, UK) <sup>Ⓟ</sup>	United Kingdom	<b>100%</b>	<i>Nil</i>
* Dowbiggin Enterprises Pte. Limited <sup>Ⓟ</sup>	Singapore	<b>100%</b>	<i>Nil</i>
* Nacupa Enterprises Pte. Limited <sup>Ⓟ</sup>	Singapore	<b>100%</b>	<i>Nil</i>
* Spargo Enterprises Pte. Limited <sup>Ⓟ</sup>	Singapore	<b>100%</b>	<i>Nil</i>
* Valletort Enterprises Pte. Limited <sup>Ⓟ</sup>	Singapore	<b>100%</b>	<i>Nil</i>
* Bannatyne Enterprises Pte. Limited <sup>Ⓟ</sup>	Singapore	<b>100%</b>	<i>Nil</i>
Britannia Industries Limited (BIL) <sup>Ⓟ</sup>	India	<b>50.96%</b>	<i>Nil</i>
<u>Subsidiary of Restpoint Investments Limited:</u>			
* Restpoint International Technology Corporation	The British Virgin Islands	<b>100%</b>	<i>100%</i>
* Island Telesystems Pte. Limited	The British Virgin Islands	<b>100%</b>	<i>100%</i>
<u>Subsidiary of Innovative Organics Inc.:</u>			
* Granum Inc.	USA	<b>52.12%</b>	<i>52.12%</i>
<u>Subsidiaries of Britannia Industries Limited (BIL):</u>			
Boribunder Finance & Investments Private Limited	India	<b>100%</b>	<i>Nil</i>
Flora Investments Company Private Limited	India	<b>40.53%</b>	<i>Nil</i>
Gilt Edge Finance & Investments Private Limited	India	<b>46.13%</b>	<i>Nil</i>
Ganges Vally Foods Private Limited	India	<b>51%</b>	<i>Nil</i>
International Bakery Products Limited	India	<b>100%</b>	<i>Nil</i>
J. B. Mangharam Foods Private Limited	India	<b>100%</b>	<i>Nil</i>
Manna Foods Private Limited	India	<b>100%</b>	<i>Nil</i>
Sunrise Biscuit Company Private Limited	India	<b>96.85%</b>	<i>Nil</i>

Name of Subsidiary	Country of Incorporation	Current Year Percentage Holding-Share	Previous Year Percentage Holding-Share
Britannia and Associates (Mauritius) Private Limited	Mauritius	100%	Nil
Britannia and Associates (Dubai) Private Company Limited	Dubai, UAE	100%	Nil
Al Sallan Food Industries Company SAOG	Oman	65.46%	Nil
Strategic Food International Company LLC <sup>v</sup>	Dubai, UAE	100%	Nil
Strategic Brands Holding Company Limited <sup>v</sup>	Dubai, UAE	100%	Nil
Britannia Lanka Private Limited	Sri Lanka	100%	Nil
Daily Bread Gourmet Foods (India) Private Limited	India	100%	Nil
Britannia Dairy Private Limited (formerly known as Britannia New Zealand Foods Private Limited) <sup>s</sup>	India	100%	Nil
Britannia New Zealand Holdings Private Limited <sup>s</sup>	Mauritius	100%	Nil
<u>Subsidiary of Island Landscape &amp; Nursery Pte. Limited:</u>			
* Peninsula Landscape & Nursery Sdn. Bhd.	Malaysia	100%	100%
<u>Subsidiary of ILN Investments Pte. Limited:</u>			
* Saikjaya Holdings Sdn. Bhd.	Malaysia	100%	100%

\* 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 31<sup>st</sup> December, 2009 have been considered.

§ Pursuant to a change in control during the year, Britannia Dairy Private Limited and Britannia New Zealand Holdings Private Limited have become subsidiaries (Previous Year: Joint Ventures).

ϕ The Corporation's subsidiary, Leila Lands Ltd. (LLL) acquired 100% shareholding in Britannia Brands Limited, a company incorporated in United Kingdom. This resulted in LLL's indirect shareholding in ABIL, Dowbiggin Enterprises Pte. Limited, Nacupa Enterprises Pte. Limited, Spargo Enterprises Pte. Limited, Valletort Enterprises Pte. Limited, Bannatyne Enterprises Pte. Limited, and Britannia Industries Limited (BIL).

£ The Corporation's subsidiary, Leila Lands Ltd. (LLL) acquired 100% shareholding in Britannia Brands Limited, a company incorporated in United Kingdom. This resulted in increase in LLL's indirect shareholding in ABIH by 50%.

ψ BIL has acquired additional shares in Strategic Food International Company LLC and Strategic Brands Holding Company Limited, thereby increasing its shareholding from 70% to 100%.

(B) The effect of acquisition of subsidiaries on the financial position and results as included in the consolidated financial statements for the year ended 31<sup>st</sup> March, 2010 are given below:

	(Rs. in Lakhs)
Revenue (Post Acquisition)	Rs 3,84,120.93
Profit after Minority Interest (Post Acquisition)	Rs 9,644.28
Net Assets Excluding Minority Interest (Post Acquisition)	Rs 56,409.89

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	Current Year Percentage Holding-Share	Previous Year Percentage Holding-Share
Roshnara Investments & Trading Company Private Limited	Investments	India	50%	50%
Lima Investments & Trading Company Private Limited	Investments	India	50%	50%
Cincinnati Investments & Trading Company Private Limited	Investments	India	50%	50%
Lotus Viniyog Private Limited	Investments	India	50%	50%
Shadhak Investments & Trading Private Limited	Investments	India	50%	50%
MSIL Investments Private Limited	Investments	India	50%	50%
Inor Medical Products Limited	Orthopaedic implants and instruments	India	20%	20%



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Name of the Associate	Principal Activities	Country of Incorporation	Current Year Percentage Holding-Share	Previous Year Percentage Holding-Share
Medical Microtechnology Limited	Ophthalmic instruments	India	50%	50%
* Appear Dream Limited	Trademark investment	United Kingdom	50%	50%
* Ink (Clothing) Limited (UK)	Design and Wholesale of clothing (UK)	United Kingdom	22%	22%
Klassik Foods Private Limited	Biscuit manufacture	India	26.02%	Nil
Nalanda Biscuits Company Limited	Biscuit manufacture	India	35%	Nil

The following Associate Companies/Firms are excluded from consolidation as they are not significant:

Name of the Company	Country of Incorporation
Associates of BIL Group	
Britannia Sports (partnership firm)	India
Vasna Agrex and Herbs Private Limited	India
Snacko Bisc Private Limited	India

\* For the purpose of consolidating the accounts of these associates, the balances as per audited accounts for the financial year ended 31<sup>st</sup> December, 2009 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) BBTCL and its subsidiaries have adopted the straight line method of depreciation for all its tangible fixed assets except assets other than plant and machinery of Sunmica Division of the Corporation, Afco Industrial & Chemicals Limited and DPI Products & Services Limited (formerly known as Dental Products of India Limited) which are depreciated under the written down value method at the rates prescribed under Schedule XIV to the Companies Act, 1956. As regards the Assets depreciated on straight-line basis the depreciation rates are equal to or higher than those prescribed under Schedule XIV to the Companies Act, 1956 based on the management's estimate of useful lives of these assets. The rates of depreciation that are different from Schedule XIV rates are as follows:

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

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

(iii) In case of BIL and its subsidiaries (the BIL Group), depreciation in respect of all the assets of the Company acquired upto 30<sup>th</sup> June 1984 is provided on written down value method. For additions on or after 1<sup>st</sup> July 1984, straight line method has been used. Depreciation rates estimated by the Company and certain subsidiaries are as specified in the amended Schedule XIV of the Companies Act, 1956, except relating to vehicles which is depreciated over a period of five years or period of lease, whichever is lower. Assets costing upto Rs. 5,000/- are fully depreciated in the year of addition. Computer software is amortised over a period of six years. Leasehold land is amortised over the period of primary lease.

Tangible Assets:

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

Building on freehold land: 20 - 30 years,

Plant and machinery: 10 - 30 years,

Data processing equipments: 4 - 6 years and

Furniture and fixtures: 4 - 16 years.

The assets identified and retired based on technical evaluation and held for disposal are stated at estimated net realisable value.

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 Sunmica Division, Electronics Division and South India Branches (Plantations) of the Corporation as on 30<sup>th</sup> 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 P. T. 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 27<sup>th</sup> 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) 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 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.
- (vi) Expenditure incurred by P.T. Indo Java Rubber Planting Company for acquisition of land rights such as location permit costs, legal costs and other expenses are classified as deferred expenses and amortised using the straight line method over the period of land rights.
- (vii) 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.
- (viii) 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) Franchisee fees  
Franchisee fees is 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.

## The Bombay Burmah Trading Corporation, Limited

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 business respectively.

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

- (v) Goodwill arising on consolidation is not amortised, but instead, it is evaluated for impairment periodically, if the events or changes in circumstances indicate that carrying value may be impaired.
- (vi) Tenancy rights in respect of residential flat has been amortised over the period of agreement.
- (vii) In the case of BIL Group, the expected useful life of assets for amortization is as mentioned below
  - Know-how: 3 years
  - Marketing Infrastructure: 3 years
  - Non compete Rights: 2 years

### 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 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) 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 recognised 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 contributions are recognised 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 recognised as an expense in the year in which it is incurred.
- (v) In case of the BIL Group,
  - o The Britannia Industries Limited Covenanted Staff Pension Fund Trust (BIL-CSPF) and Britannia Industries Limited Officers' Pension Fund Trust (BILOPF) were established by the Company to administer pension schemes for its employees. These trusts are managed by the trustees. The Pension scheme is applicable to all the managers and officers of the Company who have been employed up to the date of September 15, 2005 and any manager or officer employed after that date, if he has opted for the membership of the scheme. The Company makes a contribution of 15% of salary in respect of the members each month to the trusts. On retirement, subject to the vesting conditions as per the rules of the trust, the member becomes eligible for pension, which is paid from annuity purchased in the name of the member by the trusts.
  - o In case of Al Sallan Food Industries Co. SAOG, a subsidiary of BIL, the contributions to a defined contribution retirement plan for Omani employees in accordance with the Oman Social Insurance Scheme, are recognised as an expense in the income statement as incurred. Provision for non-Omani employee terminal benefits, which is an unfunded defined benefit retirement plan, is made in accordance with Oman Labour Law and is based on the liability that would arise if the employment of all employees were terminated at the balance sheet date.

- o In case of Strategic Food International Co. LLC, another subsidiary of BIL, provision for staff terminal benefits is calculated in accordance with the UAE Federal Labour Law and is based on the liability that would arise if the employment of all the Company's staff were terminated on the balance sheet date. This difference in accounting policy from the group's accounting policy as mentioned above does not have a material impact on the financial statements.
  - o Other Long Term Employee Benefits:  
All employee benefits (other than post-employment benefits and termination benefits) which do not fall due wholly within twelve months after the end of the period in which the employees render the related services are determined based on actuarial valuation carried out at each balance sheet date. Provision for Long term compensated absences is based on actuarial valuation carried out as at 1 January every year.
  - o Termination Benefits:  
Compensation in respect of payments made before 31 March 2006 under the Company's Voluntary Retirement Schemes (VRS) and terminal compensation benefit is amortised over a period of 60 months from the month of such payments. The payments made on or after 1<sup>st</sup> April 2006 are amortised equally to ensure that the amount is not carried forward beyond 31 March 2010. The unamortised amount is recognised as "Miscellaneous expenditure (to the extent not written off or adjusted)".
  - o The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense, if any, is amortised over the vesting period of the option on a straight line basis.
- G. Provisions, Contingent Liabilities and Contingent Assets:  
Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the financial statements. Contingent Assets are neither recognised nor disclosed in the financial statements.
- H. Valuation of Inventories:
1. Stores and spare parts are valued at lower of cost or net realisable value. Cost is calculated on weighted average basis except in the case of Sunmica Division, where it is on First in First out basis.
  2. 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 Sunmica Division, where it is on First in First out basis.
  3. 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.
  4. Work-in-progress is valued at cost or net realisable value whichever is lower. Cost is arrived at on the basis of absorption costing. In case of BIL and its Subsidiaries, materials-in-process is valued at input material cost plus conversion cost, as is applicable.
  5. 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.
  6. Traded finished goods are valued at cost or net realisable value which ever is lower.
  7. Stock of shares and debentures are valued at cost or net realisable value whichever is lower.
  8. Nursery plants are stated at cost, which consists of plant cost, direct labour and attributable overheads.
  9. 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.

# The Bombay Burmah Trading Corporation, Limited

## (ii) Other Transactions:

### (a) Initial recognition:

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

### (b) Conversion:

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

### (c) Exchange Differences:

In case of BBTCL, the exchange differences arising on the settlement/conversion of monetary items are recognised as income or expense in the year in which they arise except in case of exchange differences in conversion of Long Term Monetary Items. Exchange differences arising on conversion of Long Term Monetary Items are accounted in "Foreign Currency Monetary Item Translation Difference Account" to be amortised upto 31<sup>st</sup> March, 2011.

In the case of subsidiaries, the transactions in foreign currencies are recorded at exchange rates prevailing on the respective dates of the relevant transactions. Monetary Assets and Liabilities denominated in foreign currency are restated at the exchange rates prevailing at the Balance Sheet date. The gains or losses resulting from such transactions are adjusted to the Profit and Loss Account.

The premium or discount arising at the inception of forward exchange contracts is amortised as expenses or income over the life of the respective contracts. The difference between year end conversion rate and rate on the date of contract is recognised as exchange difference. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change except for exchange difference in respect of contracts relating to Long Term Monetary Items which are amortised upto 31<sup>st</sup> March, 2011 or date of expiry of contract, whichever is earlier. 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 recognised 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 recognised until they are accepted.

## L. Borrowing Cost:

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

M. Segment Accounting Policies:

(a) Segment assets and liabilities:

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

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

(b) Segment revenue and expenses:

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

N. Financial Derivatives Transaction:

Outstanding derivative contracts are not marked to market at each balance sheet date by BBTCL. 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.

Based on the principle of prudence as provided in Accounting Standard 1- "Disclosure of accounting policies", BIL Group assesses losses, if any, by marking to market all its outstanding derivative contracts [other than those accounted under Accounting Standard 11 "Effects of changes in foreign exchange rates" (Refer point (I) above) and commodity hedging contracts referred under point (O) below] at the Balance Sheet date and provides for such losses. The net gain, if any, based on the said evaluation is not accounted for in line with the ICAI notification issued in March 2008 in relation to such transactions.

O. Commodity hedging Transactions:

The realised gain or loss in respect of commodity hedging contracts, the pricing period of which has expired during the year are recognised in the profit and loss account by BIL.

P. Taxes on Income:

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

Foreign companies recognise tax liabilities and assets in accordance with the applicable local laws of those jurisdictions.

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 where 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.

Q. Leases:

(a) Lease transactions entered into prior to 1<sup>st</sup> April, 2002:

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

(b) Lease transactions entered into on or after 1<sup>st</sup> 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.

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## R. Investments

- (i) Investments in Subsidiaries have been accounted as per Accounting Standard (AS-21) "Consolidated Financial Statements" as notified under the Companies (Accounting Standards) Rules, 2006.
- (ii) Investments in Associates have been accounted as per Accounting Standard (AS-23) "Accounting for Investments in Associates in Consolidated Financial Statements" as notified under the Companies (Accounting Standards) Rules, 2006.
- (iii) Long term Investments other than investments in subsidiaries and associates as stated above are shown at cost. However, when there is a decline, other than temporary, in the value of a long-term investment, the carrying amount is reduced to recognise the decline.
- (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.
- (vii) A provision for diminution is made to recognise a decline, other than temporary, in the value of long term investments.

## 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. In respect of Bank Guarantees, Letter of Credit, Letter of Comfort, etc., **Rs. 11,556.39 lakhs** (Previous Year Rs. 8,484.10 lakhs).
- C. Disputed Claims/Demands against the Group not acknowledged as debt including disputed demands in respect of Excise Duty/Sales Tax/Income Tax **Rs. 11,253.10 lakhs** (Previous Year Rs. 364.93 lakhs).
- D. Damages and Interest on Alleged Unauthorised Occupation of residential premises **Rs. 264.46 lakhs** (Previous Year Nil).
- E. Disputed wage demands pending with Industrial Tribunal **Rs. 266.06 lakhs** (Previous Year Rs. 232.25 lakhs).

The Corporation has created provision for contingencies as an abundant precaution. (Refer Note No.18(b) of Schedule 22)

- F. Cheques/Bills of Exchange discounted with Banks not matured **Rs. 6,495.72 lakhs** (Previous Year Rs. 231.83 lakhs).

9. Estimated amount of contracts remaining to be executed on Capital Account and not provided for **Rs. 1,220.75 lakhs** (Previous Year Rs. 194.06 Lakhs).

## 10. Financial & Derivative Instruments:

- (a) Outstanding Foreign exchange forward contracts **USD 11.10 lakhs (Sold) – INR 517.51 lakhs, USD 32.70 lakhs (Bought) – INR 1,520.99 lakhs, JPY 671.44 lakhs (Bought) – INR 338.63 lakhs** (Previous year USD 1.39 Lakhs (Sold) – INR 68.71 Lakhs, USD 168.10 Lakhs (Bought) – INR 8,538.11 Lakhs, JPY 230.96 Lakhs (Bought) – INR 120.04 Lakhs)
- (b) Option contract of Euro 11.25 Million. (Previous year Interest Rate Swap contract of USD 15.29 Million, Option contract of Euro 11.25 Million) is outstanding as at the year end.
- (c) The year end foreign currency exposures that have not been hedged by a forward contract/derivative instrument or otherwise are given below:

	Rupees in lakhs
Foreign Currency	Equivalent INR
Receivable in foreign currency on account of export of Goods:	
<b>USD Nil</b>	<b>Nil</b>
<i>(USD 580,483)</i>	<i>(294.42)</i>
<b>EURO 314,293</b>	<b>206.32</b>
<i>(EURO 216,741)</i>	<i>(146.40)</i>
<b>GBP Nil</b>	<b>Nil</b>
<i>(GBP 14,544)</i>	<i>(10.55)</i>
<b>AUS \$ 173,488</b>	<b>71.03</b>
<i>(AUS \$ 84,557)</i>	<i>(29.70)</i>

	Foreign Currency	Rupees in lakhs Equivalent INR
Dividend receivable	<b>RP Nil</b> <i>(RP NIL)</i>	<b>Nil</b> <i>(NIL)</i>
	<b>RM Nil</b> <i>(RM 63,99,000)</i>	<b>Nil</b> <i>(916.07)</i>
Amount payable in foreign currency on account of import of goods and services:		
	<b>USD 245,149</b> <i>(USD 16,838)</i>	<b>110.07</b> <i>(8.54)</i>
	<b>EURO 267,490</b> <i>(EURO 100,603)</i>	<b>161.70</b> <i>(67.95)</i>
	<b>YEN 7,793,257</b> <i>(YEN 61,421,618)</i>	<b>37.44</b> <i>(316.21)</i>
	<b>SEK 616,089</b> <i>(SEK Nil)</i>	<b>38.35</b> <i>(Nil)</i>
	<b>CHF Nil</b> <i>(CHF 74,120)</i>	<b>Nil</b> <i>(33.03)</i>
Loans Payable	<b>USD 24,952,100</b> <i>(USD 31,366,720)</i>	<b>11,203.49</b> <i>(15,909.20)</i>

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

- (d) The BIL Group has entered into foreign exchange forward contracts for hedging the foreign exchange fluctuation risks on payables, which has been accounted for in line with AS-11 "The effects of changes in foreign exchange rates". Accordingly, the amount receivable of Rs. 2,151.49 lakhs and foreign currency payable of Rs. 2,007.72 lakhs, in the subsequent years, relating to foreign exchange forward contracts for hedging have been netted off.

The BIL Group has designated certain Foreign Exchange Forward Contracts outstanding as on 31<sup>st</sup> March 2010 as Hedge of highly probable forecasted transaction. On that date, the Company had forward contracts to sell USD 9.74 lakhs. As at the year end the unrealized exchange loss of Rs. Nil arrived on a mark to market basis has been accounted for.

For all other derivative contracts, a mark to market valuation has been obtained and any loss thereon has been accounted for in line with the ICAI notification issued in March 2008 in relation to such transactions. Any gain on such valuation is not accounted for based on the principle of prudence. As at the year end, the unrealized loss of Rs. 16.55 lakhs arrived on a mark to market basis for such contracts has been duly accounted for.

#### 11. Non-Use of Uniform Accounting Policies by Subsidiaries and Associates

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

<u>Name of Subsidiary/Associate</u>	<u>Rupees in lakhs</u> <u>Gross Value of Fixed Assets</u>
Afco Industrial and Chemicals Limited	<b>109.53</b> <i>(109.13)</i>
DPI Products & Services Limited (formerly known as Dental Products of India Limited)	<b>57.11</b> <i>(56.71)</i>
Inor Medical Products Limited	<b>580.44</b> <i>(428.82)</i>

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

- (b) In respect of assets held by J B Mangharam Foods Private Limited and Ganges Vally Foods Private Limited, subsidiaries of the BIL Group, depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset on a written-down-value basis over its expected useful life. The written down value of assets as on March 31, 2010 amounts to Rs. 433.62 lakhs and Rs.308.41 lakhs for J B Mangharam Foods Private Limited and Ganges Vally Foods Private Limited respectively.
- (c) In respect of following subsidiaries of the BIL Group, inventories are valued at cost, computed under first-in-first-out basis. The value of these inventories are as given below:

	<b>Rupees in lakhs</b> <b>31 March, 2010</b>
J B Mangharam Foods Private Limited	<b>50.94</b>
Sunrise Biscuit Company Private Limited	<b>628.91</b>
Britannia Dairy Private Limited	<b>1,162.18</b>



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(d) In respect of LLL, subsidiary of the LLSB Group, exchange difference on translation of Foreign Currency loans is charged to P & L account. The value of such loans outstanding at 31<sup>st</sup> December, 2009 is Rs. 65,200.89 lakhs.

## 12. Deferred Tax:

The break up of net deferred tax assets as at 31<sup>st</sup> March, 2010 is as under:

	Deferred Tax Asset Rupees in lakhs	Deferred Tax Liability Rupees in lakhs
Timing difference on account of:		
Difference between book written down value and Written down value under the Income-Tax Act 1961		<b>3,486.03</b> (971.96)
Difference between book written down value and Written down value under the Agricultural Income-Tax Act		<b>13.06</b> (11.94)
Voluntary Retirement Scheme	<b>1,140.55</b> (—)	— (173.01)
Provision for Manuring Activities	— (12.69)	
Provision for Doubtful Debts, Advances	<b>305.25</b> (79.32)	
Provision for Staff Bonus	<b>61.12</b> (59.68)	
Provision for Employee Compensation	<b>129.26</b> (134.14)	
Tax Losses *	<b>13.22</b> (21.00)	
Statutory Payments	<b>2,073.84</b> (—)	
Carry Forward of Unabsorbed Depreciation	— (146.76)	
<b>Total</b>	<b>3,723.24</b> (453.59)	<b>3,499.09</b> (1,156.91)
<b>Net Deferred Tax Asset (Liability)</b>	<b>224.15</b> —	— (703.32)

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

Note: Deferred Tax Asset consisting of unabsorbed depreciation is recognized to the extent of the reversible timing difference on account of depreciation.

\* Deferred Tax Benefits are recognised on Tax Losses to the extent that it is more likely than not that future taxable profit will be available against which the Tax Losses can be utilised.

## 13. Leases:

(A) The minimum installments as at 31<sup>st</sup> March, 2010 and the present value as at 31<sup>st</sup> March, 2010 of minimum installments in respect of assets acquired under agreements are as follows:

Minimum Installments	Current Year Rupees in Lakhs	Previous Year Rupees in Lakhs
Payable not later than 1 year	<b>123.81</b>	49.14
Payable later than 1 year and not later than 5 years	<b>248.46</b>	83.02
Total minimum installments	<b>372.27</b>	132.16
Less: Future Finance Charges	<b>13.45</b>	(16.24)
Present Value of Minimum installments	<b>358.82#</b>	115.92

Minimum Installments	Current Year Rupees in Lakhs	Previous Year Rupees in Lakhs
Present Value of Minimum installments:		
Payable not later than 1 year	94.72	41.63
Payable later than 1 year and not later than 5 years	215.47	74.29
Total Present value of Minimum Installments	310.19#	115.92

# The difference between the minimum lease payments and the Total Present Value of Minimum Lease Payments of Rs. 48.63 lakhs represents the Interest not due

(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. 198.08 lakhs** (Previous Year Rs. 81.43 lakhs).

Leila Lands Sendirian Berhad Group:

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

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

	Current Year Rupees in Lakhs	Previous Year Rupees in Lakhs
Within 1 year	135.77	115.10
Later than 1 year and not later than 5 years	165.84	249.19
Later than 5 years	18.51	48.06
Total Present value of Minimum Installments	320.12	412.35

BIL Group:

The BIL Group has certain operating leases for Land, Vehicles, office facilities and residential premises (cancellable as well as non cancellable leases). Such leases are generally with the option of renewal against increased rent and premature termination of agreement. Rental expenses of Rs. 1,638.16 lakhs in respect of obligation under operating leases [including minimum lease payments of Rs. 26.37 lakhs have been recognised in the profit and loss account. With respect to Al Sallan Food Industries Company (SAOG), the Company has taken on lease a plot of land for factory premises at Sohar from the Public Establishment for Industrial Estates ("PEIE") for a period of 25 years from 1 January 1994 which is renewable thereafter for a further period of 25 years.

Assets on operating lease which represents motor vehicles (acquired prior to April 1, 2001) aggregate to Rs. Nil. The charge on account of lease rental to profit and loss account for the year is Rs. 10.19 lakhs.

Future obligations of lease rentals applicable to above leased assets aggregate to Rs. 151.44 lakhs and are due:

	Rupees in lakhs Current Year
Within 1 year	17.31
Later than 1 year and not later than 5 years	69.23
More than five years	64.90
	151.44

14. Earnings per Share:

	Rupees in lakhs
(A) Net Profit after taxation	9,197.43 (2,598.76)
Less: Minority Interest	5,568.62 (693.36)
Net Profit for calculation of Earnings per Share (numerator)	3,628.81 (1,905.40)

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	(Rupees in lakhs)
(B) Weighted Average number of equity shares (denominator) (Nos.)	<b>1,39,54,380</b> <i>(1,39,54,380)</i>
(C) Basic and Diluted Earnings per shares (A/B) (in Rupees)	<b>26.00</b> <i>(13.65)</i>
(D) Nominal value per equity share (in Rupees)	<b>10</b> <i>(10)</i>

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

## 15. Segment Information:

### A. Primary Segment Reporting (by Business Segment)

#### (i) Composition of Business Segments

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

- **Plantation Products**  
Segment produces/trades in Tea, Coffee, Timber, Cardamom, Pepper and Rubber.
- **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.
- **Food – Bakery and Dairy Products**  
Segment represents bakery and dairy products.

#### (ii) Segment Revenues, Results and Other Information

	Plantation Products	Building Products	Auto Ancillary Products	Weighing Products	Investments	Dental Products	Real Estate	Horticulture	Food-Bakery & Dairy Products	Total of Reportable Segments
Sales (Net of excise duty)	<b>13,981.19</b> <i>(12,716.96)</i>	<b>8,271.73</b> <i>(7,955.95)</i>	<b>15,980.45</b> <i>(12,708.93)</i>	<b>226.72</b> <i>(207.14)</i>	<b>1.68</b> <i>(—)</i>	<b>1,348.32</b> <i>(1,445.28)</i>	<b>—</b> <i>(—)</i>	<b>6,881.99</b> <i>(5,834.66)</i>	<b>3,77,084.64</b> <i>(—)</i>	<b>4,23,776.72</b> <i>(40,868.92)</i>
Other Income	<b>365.39</b> <i>(336.34)</i>	<b>101.75</b> <i>(167.35)</i>	<b>206.50</b> <i>(350.21)</i>	<b>21.22</b> <i>(48.93)</i>	<b>7,410.80</b> <i>(8,562.35)</i>	<b>3.83</b> <i>(6.00)</i>	<b>—</b> <i>(—)</i>	<b>107.22</b> <i>(116.10)</i>	<b>6,374.64</b> <i>(—)</i>	<b>14,591.35</b> <i>(9,587.28)</i>
Segment Revenues	<b>14,346.58</b> <i>(13,053.30)</i>	<b>8,373.48</b> <i>(8,123.30)</i>	<b>16,186.95</b> <i>(13,059.14)</i>	<b>247.94</b> <i>(256.07)</i>	<b>7,412.48</b> <i>(8,562.35)</i>	<b>1,352.15</b> <i>(1,451.28)</i>	<b>—</b> <i>(—)</i>	<b>6,989.21</b> <i>(5,950.76)</i>	<b>3,83,459.28</b> <i>(—)</i>	<b>4,38,368.05</b> <i>(50,456.18)</i>
Segment Results	<b>3,274.69</b> <i>(2,996.64)</i>	<b>649.25</b> <i>(632.33)</i>	<b>1,679.44</b> <i>(1,420.45)</i>	<b>47.56</b> <i>(58.83)</i>	<b>5,946.15</b> <i>(3,294.49)</i>	<b>248.23</b> <i>(222.56)</i>	<b>- 20.35</b> <i>(-19.00)</i>	<b>334.94</b> <i>(458.15)</i>	<b>12,488.69</b> <i>(—)</i>	<b>24,648.60</b> <i>(9,064.45)</i>
Segment Assets	<b>11,234.30</b> <i>(9,385.52)</i>	<b>7,332.48</b> <i>(6,644.34)</i>	<b>13,240.98</b> <i>(12,984.81)</i>	<b>360.52</b> <i>(345.52)</i>	<b>1,06,887.12</b> <i>(79,679.86)</i>	<b>889.57</b> <i>(915.33)</i>	<b>1,778.10</b> <i>(1,657.10)</i>	<b>7,616.08</b> <i>(7,673.02)</i>	<b>1,48,393.39</b> <i>(—)</i>	<b>2,97,732.54</b> <i>(1,19,285.50)</i>
Segment Liabilities	<b>2,458.08</b> <i>(1,659.72)</i>	<b>1,251.59</b> <i>(947.27)</i>	<b>4,866.85</b> <i>(6,536.84)</i>	<b>31.11</b> <i>(33.88)</i>	<b>- 1,499.07</b> <i>(682.85)</i>	<b>145.29</b> <i>(137.98)</i>	<b>—</b> <i>(—)</i>	<b>2,761.65</b> <i>(3,141.82)</i>	<b>47,921.31</b> <i>(—)</i>	<b>57,936.81</b> <i>(13,140.36)</i>
Capital Expenditure (included in segment assets)	<b>1,060.92</b> <i>(747.62)</i>	<b>508.39</b> <i>(136.36)</i>	<b>209.63</b> <i>(311.08)</i>	<b>45.07</b> <i>(136.65)</i>	<b>87,946.23</b> <i>(0.40)</i>	<b>8.35</b> <i>(34.58)</i>	<b>—</b> <i>(2.05)</i>	<b>62.32</b> <i>(272.55)</i>	<b>9,979.63</b> <i>(—)</i>	<b>99,820.54</b> <i>(1,641.29)</i>
Depreciation/Amortisation	<b>325.69</b> <i>(344.72)</i>	<b>317.12</b> <i>(294.50)</i>	<b>711.37</b> <i>(413.82)</i>	<b>8.69</b> <i>(9.66)</i>	<b>—</b> <i>(—)</i>	<b>20.17</b> <i>(18.83)</i>	<b>0.33</b> <i>(0.27)</i>	<b>269.34</b> <i>(223.21)</i>	<b>5,823.18</b> <i>(—)</i>	<b>7,475.89</b> <i>(1,305.01)</i>

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

(iii) Reconciliation of Reportable Segments with the Financial Statements

	Revenues	Results/Net Profit/Loss	Assets	Liabilities	Capital Expenditure	Depreciation/Amortisation	Non-cash expense other than depreciation
Total of Reportable Segments	<b>4,38,368.05</b>	<b>24,648.60</b>	<b>2,97,732.54</b>	<b>57,936.81</b>	<b>99,820.54</b>	<b>7,475.89</b>	—
	(50,456.18)	(9,064.45)	(1,19,285.50)	(13,140.36)	(1,641.29)	(1,305.01)	(4,530.73)
Corporate/Unallocated Segment	<b>1,182.13</b>	<b>- 5,929.87*</b>	<b>7,084.95</b>	<b>1,47,971.06</b>	<b>641.44</b>	<b>30.15</b>	<b>5,604.24</b>
	(1,366.82)	(-2,042.35)*	(9,816.11)	(37,153.58)	(17.93)	(30.88)	(2,165.12)
Less: Interest		<b>- 8,021.22</b>					
		(-3,077.99)					
Less: Taxes		<b>- 944.65</b>					
		(-926.54)					
Less: Net Intra/Inter segment transactions	<b>- 947.85</b>	<b>- 555.43</b>	<b>- 3,311.15</b>	<b>- 2,636.83</b>			
	(-1,065.10)	(-418.82)	(-3,041.03)	(-2,296.24)			
As per Financial Statement	<b>4,38,602.33</b>	<b>9,197.43</b>	<b>3,01,506.34</b>	<b>2,03,271.06</b>	<b>1,00,461.98</b>	<b>7,506.04</b>	<b>5,604.24</b>
	(50,757.90)	(2,598.76)	(1,26,060.58)	(47,997.70)	(1,659.22)	(1,335.89)	(6,695.85)

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

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

B. Secondary Segment Reporting (by Geographical Segment)

	Domestic	Exports*	Total
Revenues	<b>4,17,734.01</b>	<b>20,868.32</b>	<b>4,38,602.33</b>
	(31,122.07)	(19,635.83)	(50,757.90)
Total Assets	<b>1,79,370.70</b>	<b>1,22,135.65</b>	<b>3,01,506.34</b>
	(47,707.56)	(78,353.02)	(1,26,060.58)
Capital Expenditure	<b>12,136.92</b>	<b>88,325.06</b>	<b>1,00,461.98</b>
	(961.98)	(697.24)	(1,659.22)

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

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

16. Related Party Disclosures

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

(1) **Key management personnel:**

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

(2) **Associates:**

Lotus Viniyog Private Limited  
 Roshnara Investment & Trading Company Private Limited  
 Cincinnati Investment & Trading Company Private Limited  
 Lima Investment & Trading Company Private Limited  
 Shadhak Investment & Trading Private Limited  
 MSIL Investments Private Limited  
 Inor Medical Products Limited

# The Bombay Burmah Trading Corporation, Limited

Medical Microtechnology Limited  
 Britannia Sports (partnership firm)  
 Klassik Foods Private Limited  
 Nalanda Biscuits Company Limited  
 Vasna Agrex Private Limited  
 Appear Dream Limited U.K.  
 Ink (Clothing) Limited U.K.  
 ABI Holding Limited U.K.

(3) **Other Related parties:**

PT J. A. Wattie  
 PT Perkebunan Kroewoek  
 PT Benjoemas Landen  
 PT Kalidurem Estates  
 PT Perkebunan Biting  
 PT Kintap Jaya Wattindo  
 PT Tebing Siring

(4) **The following transactions were carried out with the related parties in ordinary course of business. Details relating to the parties referred to in items 1 and 2 above:**

Details	Relationship	Rupees in lakhs	
		Year ended 31 <sup>st</sup> March, 2010	Year ended 31 <sup>st</sup> March, 2009
<b>Purchase of finished goods/ consumables and ingredients</b>			
Nalanda Biscuits Company Limited	Associates	12,745.91	—
<b>Total</b>		<b>12,745.91</b>	<b>—</b>
<b>Conversion charges paid</b>			
Klassik Foods Private Limited	Associates	496.22	—
<b>Total</b>		<b>496.22</b>	<b>—</b>
<b>Rent Received</b>			
Inor Medical Products	Associates	65.29	69.59
<b>Shared Expenses</b>			
Inor Medical Products	Associates	76.44	65.00
<b>Expenses Charged to them</b>			
Inor Medical Products	Associates	—	86.33
Medical Microtechnology Limited	Associates	—	0.20
<b>Total</b>		<b>—</b>	<b>86.53</b>
<b>Interest and dividend income</b>			
Klassik Foods Private Limited	Associates	3.39	—
Ms. Vinita Bali	KMP	0.20	—
Inor Medical Products	Associates	68.34	69.09
P T J. A. Wattie	Other Related Party	—	35.46
P T Kalidurem Estates	Other Related Party	—	8.38
<b>Total</b>		<b>71.93</b>	<b>112.93</b>
<b>Dividend Paid</b>			
Mr. Jeh Wadia	KMP	0.02	0.02
<b>Commission Received</b>			
Inor Medical Products	Associates	57.91	51.10

Details	Relationship	Rupees in lakhs	
		Year ended 31 <sup>st</sup> March, 2010	Year ended 31 <sup>st</sup> March, 2009
<b>Management contracts including secondment of employees, net</b>			
Klassik Foods Private Limited	Associates	(0.24)	—
Nalanda Biscuits Company Limited	Associates	30.17	—
Lotus Viniyog	Associates	0.22	1.02
Inor Medical Products	Associates	12.85	53.91
P T J. A. Wattie	Other Related Party	18.53	18.29
<b>Total</b>		<b>61.53</b>	<b>73.22</b>
<b>Remuneration</b>			
Mr. Ashok Panjwani	KMP	81.26	86.95
Mr. Jeh Wadia	KMP	68.93	70.57
Ms. Vinita Bali	KMP	466.30	—
Mr. Jayant Gadgil, Mr. Albert Geow Chwee Hiam, Dr. Chua Sian Eng, Mr. Patrick Kennedy Cassels, Ms. Tai Yit Chan, Ms. Irene Liew	KMP	100.23	91.40
<b>Total</b>		<b>716.72</b>	<b>248.92</b>
<b>Loan repaid by</b>			
Ms. Vinita Bali	KMP	1.94	—
<b>Share of Current Year Profit/(Loss)</b>			
Klassik Foods Private Limited	Associates	12.88	—
Nalanda Biscuits Company Limited	Associates	8.64	—
Britannia Sports (partnership firm)	Associates	(0.03)	—
Roshnara Investments & Trading Company Private Limited	Associates	(0.03)	(0.02)
Cincinnati Investment & Trading Company Private Limited	Associates	(0.03)	(0.02)
Lima Investment & Trading Company Private Limited	Associates	(0.03)	(0.02)
Shadhak Investment & Trading Private Limited	Associates	(0.03)	(0.02)
Lotus Viniyog Private Limited	Associates	0.05	(0.16)
MSIL Investments Private Limited	Associates	(0.05)	(0.04)
Inor Medical Products Limited	Associates	6.11	7.11
Medical Microtechnology Limited	Associates	0.05	(0.08)
Appear Dream Limited U.K.	Associates	—	(2.67)
Ink (Clothing) Limited U.K.	Associates	(4.59)	(33.88)
ABI Holding Limited U.K.	Associates	1,100.44	2,272.49
<b>Total</b>		<b>1,123.39</b>	<b>2,242.69</b>
<b>Sale of Goods/consumables and ingredients</b>			
Nalanda Biscuits Company Limited	Associate	1,667.48	—
Inor Medical Products Limited	Associate	—	37.85
<b>Total</b>		<b>1,667.48</b>	<b>37.85</b>
<b>Buying Commission</b>			
P T J. A. Wattie	Other Related Party	6.35	6.78
<b>Total</b>		<b>6.35</b>	<b>6.78</b>
<b>Selling Commission</b>			
P T J. A. Wattie	Other Related Party	77.60	84.37
<b>Total</b>		<b>77.60</b>	<b>84.37</b>

# The Bombay Burmah Trading Corporation, Limited

Details	Relationship	Rupees in lakhs	
		Year ended 31 <sup>st</sup> March, 2010	Year ended 31 <sup>st</sup> March, 2009
<b>Advance/InterCorporate Deposits Paid</b>			
Inor Medical Products Limited	Associates	—	60.74
<b>Advance/InterCorporate Deposits Given, Now Repaid</b>			
Inor Medical Products Limited	Associates	240.00	314.95
Lotus Viniyog Private Limited	Associates	—	0.48
<b>Total</b>		<b>240.00</b>	<b>315.43</b>
<b>Outstanding as at year end</b>			
<b>Net receivables/(payables)</b>			
Klassik Foods Private Limited	Associates	(23.12)	—
Nalanda Biscuits Company Limited	Associates	178.27	—
Britannia Sports (partnership firm)	Associates	7.46	—
Ms.Vinita Bali	KMP	6.87	—
Inor Medical Products Limited	Associates	546.57	615.23
Lotus Viniyog Private Limited	Associates	3.80	4.02
P T J. A. Wattie	Other Related Party	503.74	422.88
PT Kalidurem Estates, PT Perkebunan Biting, PT Kintap Jaya Wattindo, PT Benjoemas Landen	Other Related Parties	—	1.91
<b>Total</b>		<b>1,223.59</b>	<b>1,044.04</b>
<b>Investments (Including goodwill)</b>			
Klassik Foods Private Limited	Associates	109.32	—
Nalanda Biscuits Company Limited	Associates	35.02	—
Vasna Agrex Private Limited	Associates	1.00	—
Britannia Sports (Partnership Firm)	Associates	1.00	—
Roshnara Investments & Trading Company Private Limited	Associates	4.80	4.83
Cincinnati Investment & Trading Company Private Limited	Associates	4.80	4.83
Lima Investment & Trading Company Private Limited	Associates	4.81	4.84
Shadhak Investment & Trading Private Limited	Associates	4.80	4.83
Lotus Viniyog Private Limited	Associates	35.67	35.62
MSIL Investments Private Limited	Associates	4.83	4.88
Inor Medical Products Limited	Associates	98.93	99.32
Medical Microtechnology Limited	Associates	4.19	4.14
Appear Dream Limited U.K.	Associates	(0.68)	(0.68)
Ink (Clothing) Limited U.K.	Associates	80.33	91.42
ABI Holdings Limited U.K.	Associates	—	32,165.29
<b>Total</b>		<b>388.82</b>	<b>32,419.32</b>
<b>Provision for doubtful advances</b>			
Britannia Sports (partnership firm)	Associates	7.46	—
<b>Provision for Investment</b>			
Vasna Agrex Private Limited	Associates	1.00	—

17. The following are the details of the investments in associates made by the Corporation/Subsidiaries of the Corporation (other than for associates of BIL Group and Britannia Brands Limited).

Name of the Associate	Rupees in lakhs Amount of Goodwill/(Capital Reserve)
Shadhak Investments & Trading Private Limited	<b>0.09</b> (0.09)
MSIL Investments Private Limited	<b>0.06</b> (0.06)
Lima Investments & Trading Company Private Limited	<b>0.23</b> (0.23)
Lotus Viniyog Private Limited	<b>2.02</b> (2.02)
Roshnara Investments & Trading Company Private Limited	<b>0.17</b> (0.17)
Cincinnati Investments & Trading Company Private Limited	<b>0.04</b> (0.04)
Inor Medical Products Limited	<b>5.45</b> (5.45)
Medical Microtechnology Ltd	<b>0.23</b> (0.23)
ABI Holding Limited United Kingdom	— (5,296.21)
Ink (Clothing) Limited United Kingdom	— (—)
Appear Dream Limited United Kingdom	— (—)

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

18. In accordance with AS 29—"Provisions, Contingent Liabilities and Contingent Assets", issued by the Institute of Chartered Accountants of India, certain classes of liabilities have been identified as provisions.
- a. Disclosed by the BIL Group as under:

	<i>On Acquisition Of Subsidiaries</i>	Additions	Utilisation	Reversals/ Adjustments	Rupees in lakhs <b>31 March 2010</b>
(i) Excise related issues	919.52	1,356.96	—	(57.33)	<b>2,219.15</b>
(ii) Sales tax and other issues	798.11	361.63	—	(19.15)	<b>1,140.59</b>
(iii) Trade and other issues	1,077.74	2,209.23	—	464.38	<b>3,751.35</b>

(i) and (ii) represents estimates made for probable liabilities arising out of pending disputes/litigations with various regulatory authorities. The timing of the outflow with these matters depends on the position of law and the settlement of which is not expected to exceed 2-3 years in most cases.

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

- b. In the case of BBTCL, the provision for contingencies of Rs. 85 lakhs (*Previous Year Nil*) represents a part amount provided for against the contingent liabilities with regards to the disputed demands for excise duties, wages and damages and interest as described in Note No. 8 on the basis of a fair estimate by the Corporation. There were no carrying amount at the beginning of the year and the provision of Rs. 85 lakhs made during the year is carried forward at the end of the year and neither the amount has been used nor the unused amount reversed during the year under review.

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

**A. BBTCL: DEFINED CONTRIBUTION PLAN**

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

	2009-10	2008-09
Employer's Contribution to Government Provident Fund	<b>214.82</b>	233.17
Employer's Contribution to Superannuation Fund	<b>68.54</b>	62.16



# The Bombay Burmah Trading Corporation, Limited

## DEFINED BENEFIT PLAN – GRATUITY

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

		<i>Previous Year</i>
		(Rupees in lakhs)
Liability at the beginning of the year	1,265.07	1,055.04
Interest cost	96.52	82.95
Current Service cost	83.06	59.79
Liability transfer out	—	(—)
Benefits paid	(123.90)	(155.95)
Actuarial (gain)/loss on Obligations	38.89	223.24
<b>Liability at year end of the year</b>	<b>1,359.64</b>	<b>1,265.07</b>

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

Fair value of plan assets as at the beginning of the year	1,282.95	1,060.62
Expected Returns on Plan Assets	101.15	103.28
Contributions	45.08	308.35
Benefits Paid	(123.90)	(155.95)
Actuarial Gain/(Loss) on Plan Assets	54.52	(33.36)
<b>Fair value of plan assets as at the end of the year</b>	<b>1,359.79</b>	<b>1,282.95</b>

### III. Actual Return on Plan Assets

Expected Return on Plan Assets	101.15	103.28
Actuarial Gain/(Loss) on Plan Assets	54.52	(33.36)
<b>Actual Return on Plan Assets</b>	<b>155.67</b>	<b>69.92</b>

### IV. Amount recognized in the Balance Sheet

Liability at the end of the year	1,359.64	1,265.07
Fair value of Plan Assets at the end of the year	1,359.79	1,282.95
Difference	0.15	17.88
<b>Asset/Liability recognised in the balance sheet</b>	<b>0.15</b>	<b>Nil</b>

### V. Expense recognized in the Profit and Loss Account

Current Service Cost	83.06	59.79
Interest Cost	96.52	82.95
Expected Return on Plan Assets	(101.15)	(103.28)
Actuarial (Gain)/Loss	(15.63)	256.59
<b>Expense recognized in the P&amp;L A/c</b>	<b>62.81</b>	<b>296.05</b>

### VI. Investment Details

Central Government Securities	3.65%	4.89%
PSU Bonds	5.51%	7.78%
Special Deposit Scheme	—	—
State Government Securities	1.37%	1.83%
Property	—	—
Others	—	—
Insurer Managed Funds	89.47%	85.50%
<b>Total</b>	<b>100%</b>	<b>100%</b>

*Previous Year*  
(Rupees in lakhs)

**VII. Actuarial assumptions used**

Mortality Table	<b>1994-96</b>	<i>1994-96</i>
	<b>LIC Ultimate</b>	<i>LIC Ultimate</i>
Discount rate	<b>8.25%</b>	<i>7.5% – 8%</i>
Rate of return on Plan Assets	<b>8%</b>	<i>8%</i>
Salary escalation rate	<b>5%</b>	<i>8%</i>

**VIII. Prescribed Contribution for next year**

Prescribed Contribution for next year	<b>93.41</b>	<i>169.61</i>
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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.

Provident fund: The Corporation contributes to recognized 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.42.67 Lakhs** (*Previous Year Rs.31.85 Lakhs*) to the recognized provident fund.

**B. BIL : POST-RETIREMENT EMPLOYEE BENEFITS****I. DEFINED CONTRIBUTION PLAN**

The Company has recognised an amount of Rs. 62,271 as expenses under the defined contribution plans in the Profit and Loss account for the year:

	<b>31 March 2010</b>
	<b>(Rupees in lakhs)</b>
<b>Benefit (Contribution to)</b>	
Provident Fund	<b>272.93</b>
Family Pension Scheme	<b>137.31</b>
Pension Fund	<b>166.60</b>
Labour Welfare Fund	<b>0.36</b>
ESI	<b>44.42</b>
<b>Total</b>	<b>621.62</b>

**II. DEFINED BENEFIT PLAN**

As per Actuarial Valuation as on 31<sup>st</sup> March, 2010 and recognised in financial statements

	<b>31 March 2010</b>
	<b>(Rupees in lakhs)</b>
<b>1. Reconciliation of Opening and Closing balances of the present value of the defined benefit obligation:</b>	
Obligations as at 1 <sup>st</sup> April	<b>1,872.49</b>
Current Service Cost	<b>121.77</b>
Interest Cost	<b>147.88</b>
Benefits Settled	<b>(112.83)</b>
Actuarial (gain)/loss on acquisition	<b>4.16</b>
Past Service Cost	<b>(23.99)</b>
Obligations at 31 <sup>st</sup> March	<b>2,009.48</b>

# The Bombay Burmah Trading Corporation, Limited

31 March 2010  
(Rupees in lakhs)

<b>2. Change in Plan Assets</b>	
Plan assets at 1 April at fair value	1,736.07
Expected return on plan assets	136.74
Actuarial gain/(loss)	9.76
Asset distributed on settlements	—
Contributions	275.97
Benefit Settled	(112.83)
On acquisition	(26.83)
Plan assets at 31 March at fair value	2,018.88
<b>3. Actual Return on Plan Assets:</b>	
Expected Return on Plan Assets	136.74
Actuarial gain/(loss) on Plan Assets	9.76
Actual Return on Plan Assets	146.50
<b>4. Reconciliation of present value of the obligation and the fair value of the plan assets</b>	
Present value of obligation as at 31 March	2,009.48
Plan assets at 31 March at fair value	2,018.88
Amount recognised in Balance Sheet (Asset)/Liability	(9.40)
<b>5. Expenses recognised in the Profit and Loss account</b>	
Current Service Cost	121.77
Interest Cost	147.88
Expected Return on Plan Assets	(136.74)
Actuarial (Gain)/Loss	(5.60)
Net Cost	127.31
<b>6. Amount Recognised in the Balance Sheet:</b>	
Opening net liability	136.42
On acquisition	2.84
Expense as above	127.31
Employers Contribution paid	(275.97)
Closing net liability	(9.40)
<b>7. Principal Actuarial Assumptions</b>	
Discount Factor	8%
Estimated Rate of Return on Plan Assets	8%

C. The charge for retirement benefits of other subsidiaries has been calculated in accordance with the laws applicable in their respective countries of incorporation, which amounts to Rs. 222.15 lakhs.

20. BIL decided to cease the operations of Britannia Lanka Pvt. Ltd. Sri Lanka, with effect from 31 March, 2010. Accordingly, its financial statements have not been prepared on going concern basis. All non current assets and non current liabilities have been valued at Net realisable value and classified under current assets and liabilities respectively. An amount of Rs. 655.95 lakhs has been provided in relation to costs/expenses associated to cessation of operations.

21. The Committee of the Board of Directors (the Board) of BIL, at its meeting held on 22<sup>nd</sup> March, 2010, pursuant to the scheme of arrangement (the Scheme) sanctioned by the Hon'ble Kolkata High Court on

11 February, 2010 under Section 391(2) of the Companies Act, 1956 (the Act), allotted 8.25% secured fully paid-up redeemable non-convertible bonus debentures (the bonus debentures) from the general reserve, in the ratio of one debenture of the face value of Rs.170 for every equity share held by the shareholders of the Company as on 9 March, 2010. The date of allotment of bonus debentures is 22 March, 2010. The Scheme was earlier approved by the Board at its meeting held on 27 May, 2009 and by the shareholders at the general meetings held on 31 August, 2009. The bonus debentures have been listed on the Bombay Stock Exchange Limited, National Stock Exchange of India Limited and the Calcutta Stock Exchange Limited. The Issue of bonus debentures would be treated as 'deemed dividend' under the provisions of the Income-tax Act, 1961. Accordingly, the Company has remitted Rs.6,902.22 lakhs (including share of minority interest of Rs. 3,384.85 lakhs) as dividend distribution tax and has utilised general reserve for the payment of the same, pursuant to the Scheme. The Scheme involves issuance of bonus debentures out of General Reserve and does not entail any real borrowing; accordingly, the requirement of creating a Debenture Redemption Reserve pursuant to Section 117C of the Act and Clause 20(1) (c) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 is not applicable. This has also been approved in the scheme of arrangement sanctioned by the Honourable Kolkata High Court.

## 22. Derivative contracts:

BBTCL (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 Nil (*Previous Year Nil*).

23. BBTCL (the Corporation) has opted for accounting the exchange difference arising on reporting of Long Term Foreign Currency Monetary Items (the said Monetary Items) in line with Accounting Standard Amendment Rules 2009 on Accounting Standard 11 (AS 11) notified by the Government of India on 31<sup>st</sup> March, 2009. Accordingly, the exchange difference arising on the said Monetary Items at the rates different from those at which they were initially recorded is accounted in "Foreign Currency Monetary Item Translation Difference Account" and amortised over balance period of such loans but not beyond 31<sup>st</sup> March, 2011. Further such exchange difference pertaining to the accounting period commenced after 7<sup>th</sup> December, 2006 and previously recognised in the Profit & Loss Account was transferred to the said Account by adjusting to General Reserve in the previous year. As a result, exchange difference recognised in the Profit & Loss Account upto financial year ended on 31<sup>st</sup> March, 2008 relating to the said Monetary Items and aggregating to Rs. 213.66 lakhs was adjusted against the General Reserve in the previous year. During the year a sum of Rs. 848.37 lakhs has been charged to the Profit & Loss Account and the balance amount of Rs.127.45 lakhs remains outstanding in the Foreign Currency Monetary Item Translation Difference Account.

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

Pursuant to the directions of the Madras High Court, the CIT, Kolkata passed orders rejecting the deeds of variation submitted in May 2005 by the Pension Fund on technical grounds. The Company has preferred appeals before the Central Board of Direct Taxes (CBDT), New Delhi challenging the orders. The appeals came up for hearing in August 2009 and the matter is in progress.

A suit has been filed in the City Civil Court, Bangalore, where the Hon'ble judge has passed interim orders on 1 January, 2009 and 10 February, 2009 directing the Fund to pay pension to the members in accordance with the Fund's calculations. The Fund has since complied with the said order. On 8th April, 2010, the Hon'ble judge passed another interim order requiring the Funds to pay pension as per Rule 11(a) of the Pension Fund Rules, i.e. on "Defined Benefit Basis", and gave the Funds 2 months' time for complying with the order. An appeal was filed against this order in the Karnataka High Court, which was

## The Bombay Burmah Trading Corporation, Limited

heard on 22<sup>nd</sup> April, 2010. The Hon'ble Court has fixed 26<sup>th</sup> May, 2010 for further hearing and has simultaneously modified the Trial Court's order so as to extend the time limit for compliance from two months to three months.

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

25. Pursuant to Labour Commissioner's Order under section 25 O (1) of the Industrial Disputes Act, 1947, production at BIL's (the Company's) owned facility was closed effective 24 March, 2004. As per the Order of the Mumbai High Court, the Company as on the date of the Balance Sheet has paid an amount of Rs. 583.17 lakhs equivalent to eligible compensation under section 25 O (1) of the Industrial Disputes Act, 1947. Further, based on the appeal filed by the worker union, the Industrial Tribunal has reversed the Order of the Labour Commissioner. The Company has preferred an appeal against the Order of the Industrial Tribunal. As per interim direction of the Mumbai High Court, the Company has paid Rs. 147.03 lakhs as compensation equivalent to 70% of the last drawn amount for the year. The Company has made the above payments as compensation under the Industrial Disputes Act, 1947. The case is currently pending in the High Court.
26. With respect to AI Sallan Food Industries Co. SAOG, BIL (the Company) has incurred a tax loss during the year. The tax loss incurred during the five year exemption period (expired on 31<sup>st</sup> December, 2001) amounting to Rs. 8,072.37 lakhs will be available for set off against future taxable profits without any time limit. The tax loss estimated as incurred during the period from January 1, 2002 to December 31, 2008 of Rs. 6,201.60 lakhs is eligible to be carried forward for not more than five years unless the Company's tax exemption is further renewed. The tax assessments up to 2003 have been completed by the Secretariat General for Taxation. The management consider that any amounts that may become payable upon finalization of the tax for the years 2004 to 2007 would not be material to the Company's financial position as at the date of balance sheet. The future tax benefit from carried forward losses together with other timing differences amounting to Rs. 1,222.81 lakhs is not recognized as a deferred tax asset during the current year. The management has decided not to consider the potential deferred tax benefit because of the uncertainty relating to the extension of the period of tax exemption and until future profitability can be consistently demonstrated.
27. Consequent upon Britannia Industries Limited (BIL) becoming a subsidiary of the Corporation during the year, the financial statement of BIL & its subsidiaries have been included in the Corporation's consolidated results for the year. Accordingly, the figures of previous year are not comparable.
28. Interest Bearing Loans: In April 2009, the Corporation's subsidiary (LLL) entered into a Credit Facility with ICICI Bank UK PLC for GBP equivalent of **INR 82,730.52 lakhs** (GBP 1,110.96 lakhs). The loan is secured by pledge of the shares of LLL and subsidiaries viz. ABI Holdings Limited and Britannia Brands Limited and guarantee given by the fellow subsidiary- Naira Holdings Limited. The interest rate is set at one year GBP Libor plus 525 bps, payable quarterly. The loan matures on 14<sup>th</sup> October, 2011.
29. At 31<sup>st</sup> December, 2009 the Corporation's subsidiary (LLL) experienced a negative working capital of USD equivalent of INR 19,798.60 lakhs (USD 423.42 Lakhs) due to bank loan taken for acquisition of Britannia Brands Limited. The current liabilities have been settled subsequent to the year end. The Corporation's subsidiary (LLL) finances its working capital required through facilities granted by the companies within the group. The financial statements of LLL have been prepared on a going concern basis based on the above, on the assumption that facilities shall not be recalled by providers of finance and the funds shall be available by the shareholder, who has undertaken to provide of financial and other support to the Corporation's subsidiary for the foreseeable future to enable it to continue its operations. The Directors consider it appropriate to prepare the financial statements on that basis.
30. Export benefits/Incentives are accounted on accrual basis. Accordingly, on the Balance Sheet date, in respect of Exports made, estimated benefit of Rs.197.99 Lakhs (Previous year Rs.101.92 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.156.85 Lakhs (Previous year Rs.59.14 Lakhs) leaving a balance of Rs.41.44 Lakhs (Previous year Rs.42.78 Lakhs).
31. BBTCL (the Corporation) subscribed to 19,30,000 Warrants of The Bombay Dyeing & Mfg. Co. Ltd. (BDMC) issued on a preferential basis on 7<sup>th</sup> September, 2007. The Corporation as per the terms of the said Issue was entitled to exercise the option to apply for and be allotted equivalent number of Equity Shares of

BDMC within 18 months from the date of issue at the price of Rs.616/- per share. Due to the capital market conditions prevailing at the relevant time, the Corporation did not exercise the said option within the stipulated time. Consequently, in the previous year, the Corporation was required to write off the amount equivalent to 10% of price, aggregating to Rs.1,188.88 Lakhs paid on subscription of the said Warrants as the same was forfeited as per the terms of the issue and in accordance with the Guidelines of Preferential Issue of the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000.

32. Figures in respect of current financial year have been rounded off to the nearest thousand and are expressed in terms of decimals of lakhs.
33. 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.	DPI Products & Services of India Ltd.	Sea Wind Investment & Trading Co. Ltd.	Shubham Viniyog Pvt. Ltd.	Britannia Industries Limited	Boribunder Finance & Investments Private Limited	Flora Investments Company Private Limited
1.	Capital	29.70	76.05	20.00	5.98	40.00	2,389.02	17.10	28.43
2.	Reserves	863.56	—	237.46	153.74	(6.96)	44,200.70	(221.18)	59.82
3.	Total Assets	4,165.12	145.19	330.84	226.86	45.55	131,137.65	151.08	95.34
4.	Total Liabilities	3,271.86	69.14	73.38	67.14	12.51	84,547.93	355.16	7.09
5.	Investments (except in subsidiaries)								
	(a) Government Securities	—	—	—	—	—	—	—	—
	(b) Quoted Equity Shares	0.48	34.31	245.05	—	0.60	2.22	—	—
	(c) Unquoted Equity Shares	—	0.95	0.95	184.69	0.24	46,207.17	—	—
	(d) Debentures	—	—	—	—	0.02	757.04	—	—
	(e) Others	—	—	—	—	—	2,097.46	—	—
	Total Investments	0.48	35.26	246.00	184.69	0.86	49,063.89	—	—
6.	Turnover	7,363.72	64.72	—	—	0.01	383,437.76	1.79	1.27
7.	Profit Before Tax	83.99	(5.24)	(1.52)	1.28	(0.74)	10,867.77	(120.46)	(6.49)
8.	Provision for Tax (including deferred tax)	(13.74)	(1.21)	—	—	—	557.79	—	—
9.	Profit After Tax *	70.25	(6.45)	(1.52)	1.28	(0.74)	10,309.98	(120.46)	(6.49)
10.	Proposed Dividend ** (excluding Tax on Dividend)	—	—	—	—	—	—	—	—
11.	Original Currency	INR	INR	INR	INR	INR	INR	INR	INR
12.	Exchange rate as on:								
	31st March, 2010 (in INR)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	31st December, 2009 (in INR)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

\* 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)

Gilt Edge Finance & Investments Private Limited	Ganges Vally Foods Private Limited	International Bakery Products Limited	J. B. Mangharam Foods Private Limited	Manna Foods Private Limited	Sunrise Biscuit Company Private Limited	Britannia Dairy Private Limited	Daily Bread Gourmet Foods Private Limited	Britannia Employees' General Welfare Association Private Limited	Britannia Employees' Educational Welfare Association Private Limited	Britannia Employees' Medical Welfare Association Private Limited	PT Indo Java Rubber Planting Co.
24.98	60.00	50.00	45.02	37.50	379.95	1,178.00	5,168.14	17.50	17.52	18.00	8.55
40.71	333.97	46.49	117.93	(18.67)	332.69	(2,045.02)	(4,417.58)	7.38	9.31	5.88	1,438.77
71.06	544.95	901.99	916.02	144.25	2,383.15	5,090.88	1,083.26	24.99	26.94	23.99	2,535.84
5.37	150.98	805.50	753.07	125.42	1,670.51	5,957.90	332.70	0.11	0.11	0.11	1,088.52
—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—
2.11	995.89	1,177.27	1,683.72	113.21	7,064.08	18,905.36	1,486.90	1.19	1.25	1.04	3,205.77
1.70	13.93	3.47	157.19	(68.01)	420.28	(3,439.80)	(455.54)	1.05	1.11	0.89	1,379.45
(0.06)	9.04	(1.29)	53.33	—	67.79	—	—	0.36	0.38	0.31	(438.33)
1.76	4.89	4.76	103.86	(68.01)	352.49	(3,439.80)	(455.54)	0.69	0.73	0.58	941.12
—	—	—	—	—	—	—	—	—	—	—	795.43
INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	Rp
1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.0050
N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.



# 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	Leila Lands Senderian Berhad	Island Horti-Tech Holding Pte Ltd.	Leila Lands Ltd.	Naira Holdings Ltd.	Island Landscape & Nursery Pte Ltd.	ILN Investments Pte. Ltd.	Peninsula Landscape & Nursery Snd. Bhd.	Saikjaya Holdings Snd. Bhd.
1.	Capital	1,489.90	649.20	0.09	452.40	714.12	232.86	41.91	69.85
2.	Reserves	7,015.37	1,554.67	3,769.30	22,878.12	1,566.34	(232.86)	(30.76)	102.28
3.	Total Assets	8,510.30	2,961.80	98,473.29	25,423.76	2,375.37	—	27.25	172.83
4.	Total Liabilities	5.03	757.93	94,703.90	2,093.24	94.91	—	16.10	0.70
5.	Investments (except in subsidiaries)								
	(a) Government Securities	—	—	—	—	—	—	—	—
	(b) Quoted Equity Shares	—	—	—	2,147.03	—	—	—	—
	(c) Unquoted Equity Shares	—	—	95,248.48	6.12	10.61	—	—	—
	(d) Debentures	—	—	—	—	—	—	—	—
	(e) Others	—	—	—	1,125.81	—	—	—	—
	Total Investments	—	—	95,248.48	3,278.96	10.61	—	—	—
6.	Turnover	1,131.11	46.83	—	441.37	3,569.77	—	—	—
7.	Profit Before Tax	1,096.72	144.45	(19,158.31)	(160.20)	322.49	(228.90)	(2.83)	(2.50)
8.	Provision for Tax (including deferred tax)	(0.19)	—	—	—	(46.69)	—	—	—
9.	Profit After Tax *	1,096.53	144.45	(19,158.31)	(160.20)	275.80	(228.90)	(2.83)	(2.50)
10.	Proposed Dividend ** (excluding Tax on Dividend)	893.94	—	—	—	—	—	—	—
11.	Original Currency	RM	S \$	US \$	US \$	S \$	S \$	RM	RM
12.	Exchange rate as on:								
	31st March, 2010 (in INR)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	31st December, 2009 (in INR)	13.97	32.46	45.24	45.24	32.46	32.46	13.97	13.97

\* 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)

Restpoint Investments Ltd.	Restpoint International Technology Corpn.	Island Tele-systems Pte. Ltd.	Innovative Organics Inc.	Granum Inc.	ABI Holdings Limited	Associated Biscuits International Ltd.	Britannia Brands Limited	Dowbiggin Enterprises Pte. Limited	Nacupa Enterprises Pte. Limited	Spargo Enterprises Pte. Limited	Valletort Enterprises Pte. Limited
0.60	0.05	—	633.40	542.37	3,427.61	1,097.76	—	159.57	159.58	159.62	159.62
2,842.92	(314.11)	—	(311.95)	979.38	13,411.18	1,273.76	5,366.94	4,883.03	4,878.17	4,870.92	4,867.46
2,844.79	9.74	—	2,677.87	1,911.60	18,373.15	4,674.17	6,023.42	5,056.40	5,051.32	5,044.45	5,029.90
1.27	323.80	—	2,356.42	389.85	1,534.36	2,302.65	656.48	13.80	13.57	13.91	2.82
—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	18,274.26	2,994.19	—	4,568.08	4,568.08	4,568.08	4,568.08
1.82	—	—	—	—	—	—	4,815.09	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—
2,644.28	—	—	—	—	—	—	—	—	—	—	—
2,646.10	—	—	—	—	18,274.26	2,994.19	4,815.09	4,568.08	4,568.08	4,568.08	4,568.08
—	—	61.62	—	2,972.07	—	—	—	108.73	108.73	108.73	108.73
52.14	(1.55)	61.18	(92.62)	196.12	3,671.84	3,779.68	1,776.12	94.46	94.06	94.22	95.23
—	—	—	30.39	(60.30)	—	2.65	13.07	(2.37)	(2.37)	(2.37)	(2.37)
52.14	(1.55)	61.18	(62.23)	135.82	3,671.84	3,782.33	1,789.19	92.10	91.70	91.85	92.86
—	—	—	—	—	—	—	—	—	—	—	—
US \$	US \$	S \$	US \$	US \$	GBP	GBP	GBP	S \$	S \$	S \$	S \$
N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
45.24	45.24	32.46	45.24	45.24	68.61	68.61	68.61	32.46	32.46	32.46	32.46

# 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	Bannatyne Enterprises Pte. Limited	Al Sallan Food International Co. LLC, Dubai	Strategic Food International Co. LLC, Dubai	Britannia Lanka (Pvt.) Ltd.	Britannia and Associates (Mauritius) Private Limited	Britannia and Associates (Dubai) Private Company Limited	Strategic Brands Holding Company Limited	Britannia New Zealand Holdings Private Limited
1.	Capital	154.38	2,327.10	2,378.22	552.09	89.78	0.12	0.12	3,327.70
2.	Reserves	4,776.30	(5,971.80)	(1,202.93)	(1,522.49)	(92.92)	(623.43)	(13.26)	(860.89)
3.	Total Assets	4,965.86	5,931.16	9,649.23	442.36	10,811.00	10,003.10	0.23	2,573.84
4.	Total Liabilities	35.18	9,575.86	8,473.94	1,412.76	10,814.14	10,626.41	13.37	107.03
5.	Investments (except in subsidiaries)								
	(a) Government Securities	—	—	—	—	—	—	—	—
	(b) Quoted Equity Shares	4,564.95	—	—	—	—	—	—	—
	(c) Unquoted Equity Shares	—	—	—	—	—	—	—	—
	(d) Debentures	—	—	—	—	—	—	—	—
	(e) Others	—	—	—	—	—	—	—	—
	Total Investments	4,564.95	—	—	—	—	—	—	—
6.	Turnover	108.73	0.09	0.12	0.01	—	—	—	—
7.	Profit Before Tax	95.93	(0.01)	(0.02)	(0.01)	—	—	—	—
8.	Provision for Tax (including deferred tax)	(2.37)	—	—	—	—	—	—	—
9.	Profit After Tax *	93.57	(0.01)	(0.02)	(0.01)	—	—	—	—
10.	Proposed Dividend ** (excluding Tax on Dividend)	—	—	—	—	—	—	—	—
11.	Original Currency	S \$	OMR	AED	LKR	USD	USD	USD	USD
12.	Exchange rate as on:								
	31st March, 2010 (in INR)	N.A.	116.355	12.196	0.393	45.24	45.24	45.24	45.24
	31st December, 2009 (in INR)	32.46	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

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

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

# 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 FIFTH ANNUAL GENERAL MEETING of the Corporation at Rama Watumull Auditorium, K. C. College, Dinshaw Wacha Road, Churchgate, Mumbai 400 020, at 4.00 p.m. on Tuesday, 10th August, 2010.

.....  
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.**

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# 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 Rama Watumull Auditorium, K. C. College, Dinshaw Wacha Road, Churchgate, Mumbai 400 020, at 4.00 p.m. on Tuesday, 10th August, 2010 and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2010

15 Paise  
Revenue  
Stamp

\_\_\_\_\_  
Shareholder

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Fort, Mumbai 400 001.