

The
Bombay Burmah Trading Corporation, Limited.

2011-2012
One hundred and forty seventh annual report

**ANNUAL GENERAL MEETING — 8TH AUGUST, 2012 AT
Y. B. CHAVAN AUDITORIUM, GEN JAGANNATH BHOSLE MARG
MUMBAI 400 021 — 3.45 p.m.**

The Bombay Burmah Trading Corporation, Limited

**ONE HUNDRED AND FORTY SEVENTH ANNUAL REPORT
2011-2012**

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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.
- 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 2011-2012

DIRECTORS

NUSLI N. WADIA, Esq., *Chairman*

A. K. HIRJEE, Esq., *Vice Chairman*

KESHUB MAHINDRA, Esq.

M. L. APTE, Esq.

D. E. UDWADIA, Esq.

P. K. CASSELS, Esq.

B. N. B. TAO, Esq.

JEH WADIA, Esq.

VINITA BALI

A. PANJWANI, Esq., *Managing Director*

NESS WADIA, Esq., *Managing Director*

VICE PRESIDENT CORPORATE & COMPANY SECRETARY

N. H. DATANWALA, Esq.

REGISTERED OFFICE

9, WALLACE STREET, FORT, MUMBAI 400 001.
Tel. No. 2207 9351 (4 lines)

PRINCIPAL BANKERS

HDFC BANK LIMITED
AXIS BANK LIMITED

AUDITORS

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

SOLICITORS

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

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

NOTICE

NOTICE is hereby given that the One Hundred and Forty Seventh Annual General Meeting of the members of the Corporation will be held on Wednesday, the 8th day of August, 2012 at 3.45 pm at Y. B. Chavan Auditorium, Gen. Jagannath Bhosle Marg, Mumbai 400 021, to transact the following business:

1. To receive, consider and adopt the audited Profit and Loss Account for the year ended 31st March, 2012 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. M. L. Apte, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. B. N. B. Tao, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Ms. Vinita Bali, who retires by rotation and, being eligible, offers herself for re-appointment.

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

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

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

"RESOLVED THAT pursuant to Section 228 and other applicable provisions, if any, of the Companies Act, 1956, Messrs. Deloitte Haskins & Sells, Chennai, Chartered Accountants (Registration No. 008072S), be and are hereby appointed as the Branch Auditors for auditing the accounts of the branches of the Corporation in South India, for the current financial year, at such remuneration and on such other 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 for the current financial year, in consultation with the Corporation's Auditors namely Messrs B S R & Co., in respect of the audit of the accounts of the Corporation's branch offices outside India, a person who is either qualified for appointment as auditor of the Corporation under Section 226 of the Companies Act, 1956 or an accountant duly qualified to act as an auditor of the accounts of such branch offices in accordance with the laws of the concerned countries; and to fix the remuneration and other terms and conditions of their appointment as branch auditors."

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 311 and other applicable provisions, if any, of the Companies Act, 1956 ("**the Act**") read with Schedule XIII and subject to the approval of the Central Government, if and to the extent required, consent of the Corporation be and is hereby accorded to the re-appointment of Mr. Ashok Panjwani ("**Mr. Panjwani**") as Managing Director of the Corporation for a period of 5 years with effect from 24th June, 2012 to 23rd June, 2017 (both days inclusive) at the remuneration including perquisites, and on other terms and conditions set out in the draft Agreement between the Corporation and Mr. Panjwani placed before the meeting and initialed by the Chairman for the purpose of identification, and the Board of Directors (hereinafter referred to as "**the Board**") which expression shall also include a duly constituted Committee thereof) be and is hereby authorized to fix, alter or vary, from time to time, his remuneration including perquisites within the overall ceiling set out in the draft Agreement and/or the other terms and conditions contained therein, as may be agreed with Mr. Panjwani subject however to the overall ceiling in remuneration and perquisites specified in the said Schedule XIII and other applicable provisions of the said Act and the approval of the Central Government, if and to the extent required.

"RESOLVED FURTHER THAT where in any financial year during the currency of Mr. Panjwani's tenure as Managing Director, the Corporation has no profits or its profits are inadequate, the Corporation shall pay Mr. Panjwani for a period not exceeding three years commencing from 24th June, 2012, all the remuneration and perquisites by way of salary, commission, allowances etc. not exceeding the overall ceiling stipulated in the aforesaid draft Agreement, as altered or varied from time to time by the Board, subject to compliance with the overall ceiling in remuneration specified in the said Schedule XIII, and other applicable provisions of the Act and, if and to the extent required, with the approval of the Central Government, and that such remuneration shall be treated as the minimum remuneration payable to Mr. Panjwani.

"RESOLVED FURTHER THAT the Board be and is hereby authorised to enter into an Agreement on behalf of the Corporation with Mr. Panjwani in terms of the aforesaid draft.

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do or cause to be done all such acts, deeds, matters and things as may be necessary, desirable or expedient to give effect to this Resolution."

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

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

Dated, the 9th July, 2012

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 Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Corporation will remain closed from Saturday, 28th July, 2012 to Wednesday, 8th August, 2012 (both days inclusive).
4. Warrants in respect of dividend, if declared, will be paid to the members on or after 17th August, 2012. Dividend will be payable on and from that date to those members whose names stand on the Register of Members of the Corporation as on 27th July, 2012. Dividend in respect of shares held in dematerialized form will payable to the beneficial owners of shares as on 27th July, 2012 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 demat 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 (SEBI), 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 27th July, 2012. 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.

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

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. Dividends remaining unclaimed or unpaid for a period of seven years are required to be transferred to the Investor Education and Protection Fund (IEPF) established in accordance with Section 205C of the Companies Act, 1956.

During the current financial year, the company will be required to transfer to the IEPF, the unclaimed dividend for the year ended 31st March, 2005.

Members who have not yet encashed their dividend warrants for the financial year ended 31st March, 2005 or any subsequent dividend payments are requested to submit their claim to the Corporation or its R & TA. Members may please note that once the unclaimed dividend is transferred to the IEPF as aforesaid, no claim shall lie in respect of such amount with the Corporation.

10. The Corporation has listed its equity shares at the Bombay Stock Exchange Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001 and the National Stock Exchange of India, Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai 400 051. The annual listing fees as prescribed has been paid to both stock exchanges.
11. As part of the Green Initiative in Corporate Governance, the Ministry of Corporate Affairs has allowed companies to send official documents through electronic mode. In order to enable the Corporation to be a part of the said 'Green Initiative', members are requested to provide/update their e-mail address to the dedicated email address, i.e. bombayburmah@shareproservices.com or login at the R&TA's website <http://www.shareproservices.com> and register their request. Members are also informed that the full text of all Notices, Reports etc. sent by email to them will also be made available on our website (www.bbtcl.com).
12. Members/Proxies attending the Meeting are requested to complete the enclosed attendance slip and deliver the same at the entrance of the meeting hall.
13. Members are requested to bring their copies of the Annual Report at the time of attending the Meeting as the same will not be distributed at the Meeting.
14. Pursuant to the requirement of Clause 49 of the Listing Agreements, the requisite information pertaining to Mr. M. L. Apte, Mr. B. N. B. Tao and Ms. Vinita Bali who retire by rotation and are eligible for re-appointment is as follows:

Mr. M. L. Apte:

Mr. M. L. Apte, 80, is a Bachelor of Arts from Mumbai University. Mr. Apte is a well-known industrialist and well connected with textile and sugar industry.

Mr. Apte is a former Sheriff of Bombay and an Ex-President of the Cricket Club of India. He is a Trustee of the Victoria Memorial School for the Blind and of the Mahalaxmi Temple Charities. He was also President of Indian Sugar Mills Association and Bombay Chambers of Commerce and Industry. He has been a Director of the Corporation for the past 24 years and has extensive experience and expertise in financial and general management.

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

Other Directorships: Apte Amalgamations Ltd., Bajaj Hindustan Ltd., Kulkarni Power Tools Ltd., Standard Industries Ltd., The Raja Bahadur International Ltd., Grasim Industries Ltd., Zodiac Clothing Co. Ltd. and Tata Asset Management Ltd.

Committee Memberships: Audit Committee of Grasim Industries Ltd., Standard Industries Ltd., Zodiac Clothing Co. Ltd. and The Bombay Burmah Trading Corporation Limited; Share Transfer/ Investors' Grievance Committee of Zodiac Clothing Co. Ltd. and The Bombay Burmah Trading Corporation Limited; Remuneration Committee of Bajaj Hindustan Ltd., Standard Industries Ltd., The Bombay Burmah Trading Corporation Limited and the Compensation Committee of Zodiac Clothing Co. Ltd.

Mr. B. N. B. Tao:

Mr. B. N. B. Tao, 53, was appointed a Director in 2006. Mr. B. N. B. Tao, who was born in Myanmar, moved with his family to Singapore in 1963 and studied at Winchester College and then Cambridge University from which he matriculated in 1976. He further obtained a BFA in film production from New York University in 1984.

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

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

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

Ms. Vinita Bali:

Ms. Vinita Bali, 56, is an MBA from the Jamnalal Bajaj Institute of Management Studies, Mumbai and a postgraduate in Business & Economics from Michigan State University.

Ms. Vinita Bali, presently the Managing Director, Britannia Industries Limited, has rich and diverse experience in the packaged foods and beverages industry, having handled global roles in marketing and general management in FMCG multi-nationals like Coca-Cola and Cadbury Schweppes PLC. Ms. Bali also blends a high quality of Indian and International perspective which may be attributed to her extensive work stints in the UK, Nigeria, South Africa, USA and Chile.

Ms. Bali does not hold any shares of the Company.

Other Directorships: Britannia Industries Limited, Titan Industries Limited, Piramal Glass Limited, Bombay Dyeing Manufacturing Company Limited and Go Airlines (India) Limited.

Besides these companies, she is also a director in several foreign companies. She also serves on the Board of NGO's like Global Alliance for Improved Nutrition (GAIN), Geneva Committee memberships: Audit Committee of Titan Industries Limited; Share Transfer, Shareholders' Grievance Committee, Ethics & Compliance committee and Innovation committee of Britannia Industries Limited.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT

(Pursuant to Section 173 of the Companies Act, 1956)

Item No. 8:

The Board of Directors of the Corporation, at its meeting held on 29th May, 2012, re-appointed Mr. Ashok Panjwani (hereinafter referred to as "Mr. Panjwani") as Managing Director of the Corporation for a period of 5 years with effect from 24th June, 2012, subject to the approval of the Members in the ensuing Annual General Meeting and the Central Government, if any, and to the extent required, on the terms and conditions set out in the draft agreement to be entered into between Mr. Panjwani and the Corporation.

The material terms and conditions relating to Mr. Panjwani's re-appointment as set out in the draft Agreement referred to in the Resolution are as follows:

- (1) **Period of appointment:** 24.06.2012 to 23.06.2017 (both days inclusive).
- (2) **Scope and nature of duties:** Mr. Panjwani shall be in charge of general conduct and management of the business and affairs of the Corporation and carry out such functions, exercise such powers and perform such duties as the Board shall, from time to time in its absolute discretion, determine and entrust to him and subject to the overall superintendence, control and direction of the Board including such restrictions or limitations as the Board may, in its discretion, determine from time to time. Mr. Panjwani shall devote his full time and attention during business hours to the business of the Corporation and exert best endeavours to promote its interests and welfare.
- (3) **Remuneration:**
 - (a) Basic Salary with annual increments effective 1st April every year, as may be decided by the Board, upto a maximum of ₹ 12,00,000 per month;
 - (b) Benefits, Perquisites & Allowances commensurate with the Basic Salary, upto a maximum of ₹ 6,00,000 per month;
 - (c) Perquisites including contributions to Provident Fund, Superannuation Fund, Gratuity Fund, as per the rules of the Corporation;

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- (d) Performance-linked bonus as may be decided by the Board based on performance criteria to be prescribed by the Board;
- (e) Group medical and other insurance for which the payment of premium would be made by the Corporation;
- (f) Leave encashment as per the rules framed by the Corporation from time to time.

The Board may, at its discretion, fix, and revise from time to time, the actual remuneration and perquisites of Mr. Panjwani within the maximum amount stipulated in the draft Agreement, provided that the aggregate of the remuneration and perquisites payable to Mr. Panjwani shall be within the limits prescribed under Sections 198 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 ("the Act"), as amended from time to time and shall be subject to the approval of the Central Government, if and to the extent required.

Minimum Remuneration:

Where in any financial year during the currency of Mr. Panjwani's tenure, the Corporation has no profits or its profits are inadequate, the Corporation shall pay to Mr. Panjwani for a period not exceeding 3 years from 24th June, 2012, all remuneration by way of salary, perquisites, allowances and all other benefits as specified above not exceeding the overall ceiling stipulated in the aforesaid draft Agreement, as altered or varied from time to time by the Board, subject to compliance with the overall ceiling in remuneration specified in the said Schedule XIII and other applicable provisions of the Act and if to the extent required, with the approval of the Central Government and that such remuneration shall be treated as the minimum remuneration payable to Mr. Panjwani.

(4) Reimbursement of expenses:

Reimbursement of all reasonable expenses including travelling, entertainment/business promotion and other out-of-pocket expenses incurred by him in connection with or in relation to the business of the Corporation, in accordance with the Company's policy in force from time to time.

(5) Other terms and conditions:

- (a) Mr. Panjwani will not be entitled to receive any sitting fees for attending meetings of the Board.
- (b) Mr. Panjwani will not be liable to retire by rotation during his tenure as Managing Director.
- (c) As per the provisions of Section 283(1) of the Act, if at any time Mr. Panjwani ceases to be a Director of the Corporation for any reason whatsoever, he shall cease to be the Managing Director of the Corporation.
- (d) Mr. Panjwani shall not become interested or otherwise concerned directly or indirectly or through his spouse and/or children, in any selling agency of the Corporation and as contemplated under Section 297(1) of the Act without the prior approval of the Central Government.
- (e) Mr. Panjwani shall be bound by the non-compete and confidentiality provisions detailed out in the draft Agreement between him and the Corporation.
- (f) Mr. Panjwani's employment as Managing Director may be terminated by the Corporation forthwith, by notice in writing, in the event of his being found guilty of any gross negligence, default or misconduct or of any serious repeated or continuing breach or if the Board expresses a loss of confidence in him.
- (g) Either Party may determine the Agreement by giving not less than six calendar months prior notice in writing in that behalf to the other party, without the necessity of showing any cause and on the expiry of the period of such notice, the Agreement shall stand determined and Mr. Panjwani cease to be the Managing Director of the Corporation, provided however that the Corporation shall be entitled to terminate the Agreement at any time by making payment to Mr. Panjwani of six months basic salary in lieu of such notice period.
- (h) In the event of expiry or earlier termination of the Agreement for any reason whatsoever, Mr. Panjwani shall be deemed to have resigned from the office of Director of the Corporation.

The Board will have the authority to fix, vary, modify/amend any of the aforesaid terms and conditions provided such variation/modification/amendment is in conformity the applicable provisions of the Act as amended from time to time.

The Directors consider the remuneration payable to Mr. Panjwani to be commensurate with his duties and responsibilities as the Managing Director having regard to his experience and performance to date and in the context of the emerging competitive environment.

The draft Agreement to be entered into by the Corporation with Mr Panjwani is available for inspection by the members at the Registered Office of the Corporation between 11.00 a.m. and 1.00 p.m. on any working day except Saturdays, Sundays and public holidays upto the date of the Annual General Meeting.

The Directors recommend the passing of the Resolution at Item No. 8 of the Notice.

Mr. Panjwani is concerned or interested in the Resolution since it relates to his appointment and remuneration payable to him.

Information pursuant to clause 49 of the Listing Agreement:

Mr. Panjwani, aged 55, is a Chartered Accountant by profession and has more than 32 years of experience in running business units in various capacities. He has extensive experience and expertise in the field of overall general management and financial management to run middle and large sized business units as a profit center head.

Mr. Panjwani has handled his responsibilities as Managing Director of the Corporation successfully in the past ten years during which period the Corporation has shown significant improvement in its operations and working results. His strategic visionary traits combined with his role as a senior management team leader has been instrumental in augmenting the Corporation's growth by acquiring some highly profitable companies and hiving off certain other divisions of the Corporation. He is also entrusted with the responsibility of carving out a niche market for the Corporation's plantations business by exploring new opportunities in the area of retail marketing.

It will be in the interest of the Corporation to continue to avail itself of the services of Mr. Panjwani as Managing Director.

Your Directors also consider the remuneration payable to Mr. Panjwani to be commensurate with his duties and responsibilities as Managing Director having regard to his experience and performance till date and in the context of the emerging competitive environment.

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

Other Directorships: Inor Medical Products Limited (Chairman), B.R.T. Ltd. (Chairman), Epsilon Medico Equipments Products Pvt. Ltd. (Chairman), Afco Industrial & Chemicals Ltd. (Chairman), Electromags Automotive Products Pvt. Ltd. (Chairman), DPI Products & Services Ltd. (Chairman) and 3 other foreign companies.

Committee Memberships: Mr. Panjwani is not a member of any committee.

Additional information as required under Schedule XIII of the Companies Act, 1956

I. General Information:

(i) Nature of Industry:

The Corporation is a multi-product and multi divisional organisation with diverse business activities. The Corporation's business is made up of plantation activities which include tea and coffee estates in South India and Tanzania and Industrial activities which include manufacturing of electronic balances and dental products.

(ii) Date or expected date of commencement of commercial production:

The Corporation was incorporated on 4th September, 1863 and commercial production commenced about 147 years ago.

(iii) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable.

(iv) Financial performance based on given indicators:

As per published audited financial results for the year ended 31st March, 2012:

Particulars	Stand Alone (₹ in Lacs)
Turnover & Other Income	27,977.58
Profit (before tax) as per Profit & Loss A/c	17,655.54
Profit as computed under Section 309(5) read with Section 198	1,650.26
Net Worth	26,969.24

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- (v) Export performance and net foreign exchange earnings:

The Corporation is a recognised export house and a net foreign exchange earner. The total export earnings during the year amounted to ₹ 4,203.89 Lakhs for the year ended 31st March, 2012. The Corporation's turnover/income from its foreign branches was ₹ 530.79 Lakhs for the said year and the Corporation has received dividend aggregating to ₹ 113.27 Lakhs from its foreign investments.

- (vi) Foreign investments or collaborations, if any:

The Corporation has substantial interests outside India in the form of investments in/by its foreign subsidiaries. The Corporation owns and operates tea estates in Tanzania. Besides this, the Corporation's 100% subsidiary in Singapore is engaged in the activities of horticulture, landscaping and decorative plants and another subsidiary in USA is engaged in speciality tea.

II. Information about the Appointee:

- (i) Background details:

Mr. Panjwani is a Chartered Accountant by profession and has more than 32 years of experience to run the business units in various capacities. Before joining the Corporation, he was with Sterlite Group designated as Director and CEO, working with its telecommunications company having an annual turnover of approximately ₹ 750 Crores. As a profit center head, he had achieved three-fold increase in revenue and profits of the unit headed by him and had successfully turned around loss making businesses while with the Sterlite Group.

During the ten years with the Corporation, he has successfully steered the Corporation to improved profitability and growth.

- (ii) Past remuneration:

Mr. Panjwani's remuneration for the year 2011-2012 was ₹ 135.78 Lakhs.

- (iii) Job Profile and Suitability:

Mr Panjwani, having been the Managing Director of the Corporation for a period of ten years, is a senior management professional and a member of the Core Group responsible for the operations and general management of all the divisions of the Corporation.

In view of his qualification, expertise and successful strategic management techniques, the Corporation has registered phenomenal growth in the last few years, and is therefore considered best suitable to handle the responsibilities as Managing Director of the Corporation.

- (iv) Remuneration Proposed:

The aggregate of the proposed remuneration and perquisites payable to Mr. Panjwani shall be within the limits prescribed under Sections 198, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 ("the Act"), as amended from time to time and subject to Central Government, if and to the extent required.

- (v) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person: Taking into consideration the size of the Corporation, the profile of the appointee, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid to Mr. Panjwani is commensurate with the remuneration packages paid to similar senior level appointees in other companies.

- (vi) Pecuniary relationship directly or indirectly with the Corporation or relationship with the managerial personnel, if any: Mr. Panjwani does not, directly or indirectly have any other material pecuniary relationship with the Corporation.

III. Other Information:

- (i) Reason for inadequate profits:

The Corporation has shown significant improvement in its operations and working results as is evident from last three years' figures which shows increase in profits before tax from ₹ 1,226.30 Lakhs in 2009-10 to ₹ 17,655.54 Lakhs in 2011-12 and profit after tax from ₹ 1,365.55 Lakhs in 2009-10 to ₹ 13,648.97 Lakhs in 2011-12. There is no inadequacy of profits per se for

the year ended 31st March, 2012. However, the said profit includes ₹ 16,470.28 Lakhs being profit from sale of undertakings of the Corporation, which is excluded from the computation of Net Profit under Sections 349 and 350 of the Companies Act, 1956 and which has resulted in inadequacy of profits for the purpose of managerial remuneration.

The Corporation's core business remains Plantations which continues to depend on nature especially the weather conditions. Further, the export market for tea and coffee continues to be dependent on the world markets in this sector. Therefore, profits for the Corporation cannot be estimated with certainty.

Interest rates and external factors such as higher inflation and fuel costs with its spiraling effects on cost of production in coming years could affect the bottom line of the Corporation.

(ii) Steps taken or proposed to be taken for improvement:

The Corporation continues to take steps for cost reduction and to improve profitability on an ongoing basis. Following are some of the specific measures taken to control cost and improve the competitive position and performances:

1. In spite of hardening of interest rate, the Corporation has managed its debt profile and kept its overall borrowing costs at the level lower to the previous year.
2. Number of measures has been taken at various divisions towards Energy Conservation and thereby reducing overall energy cost.
3. On plantation side, the Corporation has taken up the programme of uprooting low yielding fields and replacing them with superior clones raised in the nursery and also to expand nursery operations to cater to the requirements of additional plants. Further drip irrigation introduced in plantation division has shown positive results in the form of increase in yields.

(iii) Expected increase in productivity and profits in measurable terms:

1. In the current year the Corporation expects its Plantation business to perform better with combination of various measures taken.
2. The Corporation has promoted Organic Teas for over two decades and this experience will consolidate the Corporation's position in major Organic market around the globe. Further cost efficiency and consistent quality standards followed for Tea & Coffee will ensure better footprint worldwide for Corporation's Plantation crop.
3. Steps taken for energy savings and developmental activities are expected to improve the Corporation's performance in the future.
4. With the proceeds from sale of undertakings being applied towards reduction of debts as a part of restructuring, interest cost is expected to reduce substantially.
5. The merger of M/s. Electromags Automotive Products Pvt. Ltd. (a wholly-owned subsidiary) with the Corporation, development of real estate and certain other initiatives being undertaken for growth of the existing business is likely to be completed shortly and is expected to result in increased profits in the near future which would be more than adequate to cover the managerial remuneration.

By Order of the Board,

N. H. DATANWALA
Vice President Corporate &
Company Secretary

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

Dated, the 9th July, 2012

The Bombay Burmah Trading Corporation, Limited

10 YEARS' FINANCIAL REVIEW

(₹ in Lakhs)

	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
FINANCIAL POSITION									
Share Capital	1,396.27	1,396.27	1,396.27	1,396.27	1,396.27	1,396.27	1,396.27	1,396.27	1,396.27
Reserves And Surplus #	5,358.91	5,728.30	6,254.79	6,951.51	7,429.63	5,764.03	6,479.30	12,983.60	25,572.97
Net Worth	6,755.18	7,124.57	7,651.06	8,347.78	8,825.90	7,160.30	7,875.57	14,379.87	26,969.24
Borrowings	14,472.61	15,812.62	22,357.60	22,798.42	27,002.41	35,239.62	27,385.27	27,175.80	16,069.78
Deferred Tax Liability (Net)	545.96	568.96	516.00	534.00	532.66	614.94	289.28	168.48	(50.58)
Capital Employed	21,773.75	23,506.15	30,524.66	31,680.20	36,360.97	43,014.86	35,550.12	41,724.15	43,038.94
Gross Block	10,591.25	11,009.94	12,217.65	15,254.38	16,301.56	17,184.55	18,083.41	19,817.20	11,233.34
Net Block	5,191.72	5,408.52	6,961.75	8,953.35	9,605.76	9,833.07	10,325.07	11,103.73	5,967.53
Investments	8,327.95	9,873.41	9,291.93	9,283.59	11,856.62	10,673.91	10,673.22	10,677.06	11,183.44
Foreign Currency Monetary Item translation Difference Account	—	—	—	—	—	2,654.59	127.45	—	—
Working Capital	8,254.08	8,224.22	14,270.98	13,443.26	14,898.59	19,853.29	14,424.38	19,943.36	25,837.39
Total Net Assets	21,773.75	23,506.15	30,524.66	31,680.20	36,360.97	43,014.86	35,550.12	41,724.15	42,988.39
OPERATING RESULTS									
Total Income	15,474.16	17,504.10	20,221.49	24,135.64	26,184.97	29,901.40	32,053.73	41,774.71	45,304.92
Total Expenses	14,933.87	16,728.89	19,234.76	22,783.86	24,904.27	31,142.07	30,827.43	32,169.78	25,085.32
Profit/(Loss) Before Taxation	540.29	775.21	986.73	1,351.78	1,280.70	(1,240.67)	1,226.30	9,604.93	17,655.64
Taxation	12.97	99.94	70.33	169.67	233.31	146.86	(139.25)	1,950.73	4,006.57
Profit/(Loss) After Taxation	527.32	675.27	916.40	1,182.11	1,047.39	(1,387.53)	1,365.55	7,654.20	13,648.97
Dividend *	236.14	318.23	397.79	489.78	489.78	163.26	569.52	1,135.27	1,135.27
Dividend (%)	15.00	20.00	25.00	30.00	30.00	10.00	35.00	70.00	70.00
Book Value (₹)	48.39	51.04	54.82	59.82	63.25	51.31	56.44	103.05	193.27

* Includes Dividend Tax.

DIRECTORS' REPORT

Your Directors have pleasure in presenting their Report on the business and operations of the Corporation and the Audited Accounts for the year ended 31st March, 2012.

1. SUMMARISED PROFIT & LOSS ACCOUNT:

	2011-2012		2010-2011	
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Profit before depreciation, interest, exceptional items and tax		3,752.84		5,697.05
Less: Finance cost		1,852.32		1,877.67
Less: Depreciation		715.56		885.59
		<u>1,184.96</u>		<u>2,933.79</u>
Add: Profit on Sale of Undertakings/Long Term Investments/Properties		16,470.58		7,293.60
Less: Loss on Exchange		—		622.46
Profit before Tax		17,655.54		9,604.93
Less: Provision for Taxation		(4,006.57)		(1,950.73)
Profit for the year		13,648.97		7,654.20
Add: Opening balance of Profit and Loss Account		6,374.96		656.03
Amount available for Appropriation		20,023.93		8,310.23
Appropriations:				
Proposed Dividend		976.81		976.81
Corporate Dividend Tax thereon		158.46		158.46
Transfer to General Reserve		1,400.00		800.00
		<u>2,535.27</u>		<u>1,935.27</u>
Closing balance of Profit and Loss Account		<u>17,488.66</u>		<u>6,374.96</u>

2. OPERATIONS:

Your Directors are pleased to report that the year under review, despite challenges, has been a satisfactory one for the Corporation.

The Corporation has, during the year, significantly recast its business portfolios. As part of the planned restructuring, Sunmica Division engaged in Laminate business was sold as a going concern with effect from

close of working hours on 31st October, 2011 for a lumpsum consideration of ₹ 100.30 Crores. BCL Springs Division engaged in manufacturing Springs was sold as a going concern with effect from close of working hours on 30th November, 2011 for a lumpsum consideration of ₹ 180.50 Crores.

The results presented include the profit of ₹ 164.71 Crores arising out of the sale of these two undertakings.

The Bombay Burmah Trading Corporation, Limited

The Profit before tax from operations in the current year is ₹ 11.85 Crores. However, this is not comparable with that of the previous year due to the mid-term discontinuation of two businesses viz. BCL Springs & Sunmica.

With regard to the continuing businesses viz. Plantation, there was a decline in the performance of tea due to erratic weather conditions which impacted production and sales volume. The Coffee output was also impacted by adverse weather conditions but with favourable prices and increased volume due to production from outsourced beans, profits were significantly better than the previous year. Pepper production and its pricing have both shown improvement.

The Healthcare Division performed satisfactorily. Successful launch of new Dental products helped to improve both turnover and profits.

3. DIVIDEND:

Your Directors recommend payment of dividend at the rate of 70% i.e. ₹ 7.00 per share. (Previous year ₹ 7.00 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 27th July, 2012.

4. DIVISIONWISE PERFORMANCE:

(a) SOUTH INDIA ESTATES:

(i) Tea –

The production for the year under review was lower at 84.65 Lakh kgs. as against 92.37 Lakh kgs. for 2010-11. As a result, sales were ₹ 75.15 Crores compared to ₹ 81.12 Crores for the previous year. The selling price per kg. remained at the same level as previous year.

(ii) Coffee –

The production for the year under review including production

from outsourced beans was at 1,640 Tonnes which is marginally lower than the 1,712 Tonnes of 2010-11. Sales were at ₹ 24.37 Crores as against ₹ 18.36 Crores in the previous year due to higher selling price per tonne and higher sale volume at 1,683 Tonnes compared to 1,385 Tonnes in 2010-11. Coffee produced by the Corporation continues to enjoy a premium position in Europe and US market.

(b) TANZANIAN ESTATES:

The crop for the year under review was 9.22 Lakh kgs. as against 9.21 Lakh kgs. for 2010-11. Sales were at ₹ 5.19 Crores as against ₹ 4.92 Crores in previous year. Results were however impacted due to substantial increase in wage costs.

(c) HEALTHCARE DIVISION:

The turnover for the year was ₹ 15.43 Crores as against ₹ 13.06 Crores for 2010-11. Although the turnover from traded products declined due to discontinuation of some of the products, sale of Alloys made up for decline. Further, successful launch of new dental products helped to improve the turnover and profitability of the Division as compared to previous year.

(d) WEIGHING PRODUCTS DIVISION:

Sale of balances for the year under review was ₹ 2.30 Crores as against ₹ 2.11 Crores for 2010-11. The Division continued to operate profitably.

(e) REAL ESTATE DEVELOPMENT:

There was no progress in development of the properties at Kanjur Marg in Mumbai and at Coimbatore under Real Estate Division.

5. RESTRUCTURING OF BUSINESS:

The implementation of the restructuring plan reported last year began with the divestment of Sunmica Laminates and BCL Springs Divisions, which has resulted in significant debt reduction and corresponding strengthening of the Corporation's Balance Sheet. The Corporation is now better placed to pursue growth options in value added businesses.

The other major action initiated by the Corporation, i.e. the amalgamation of its whollyowned subsidiary Electromags Automotive Products Pvt. Limited (EAPL) is in process. The petition filed before the Hon'ble High Court of Judicature at Chennai for the amalgamation w.e.f. 1/4/2011 has been part heard. Pending disposal of the said petition, effects of amalgamation have not been given in the results of the Corporation for the year under review. The results of EAPL have however been included as a part of the Consolidated Accounts.

6. WADIA BRAND EQUITY & BUSINESS PROMOTION AND SHARED SERVICES AGREEMENT:

The Wadia Group has several companies in diverse sectors like the airlines, food, textiles, chemicals etc and employs various subject matter experts in areas such as Legal, Finance, Information Technology, Treasury, Taxation, Human Resources, Procurement, Risk Management etc. With a view to maximizing the efficiency and effectiveness of these specialized resources, a formal structure has been created under Nowrosjee Wadia & Sons Limited (NWS) to serve the common interests of all the Group Companies. The combined skills, knowledge and expertise of this structure will benefit all the group companies availing of this arrangement.

In order to formalize this structure of common services and avail of the standing of the Wadia Group Brand, the board of the Corporation, during the year, approved an agreement between NWS and the Corporation to enter into the 'WADIA Brand Equity & Business Promotion and Shared Services Scheme.'

7. SUBSIDIARY COMPANIES:

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

8. 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, 2012.

9. INSURANCE:

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

10. INDUSTRIAL RELATIONS:

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

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

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

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

The information required under Section 217(2A) of the Companies Act, 1956 (the

The Bombay Burmah Trading Corporation, Limited

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.

13. DIRECTORS:

Mr. M. L. Apte, Mr. B. N. B. Tao and Ms. Vinita Bali retire by rotation and are eligible for re-appointment.

Mr. Ashok Panjwani was re-appointed as Managing Director for a period of 5 years from 24th June, 2007 to 23rd June, 2012. The Board has re-appointed Mr. Ashok Panjwani as the Managing Director of the Corporation for a further period of 5 years with effect from 24th June, 2012 subject to your approval at the ensuing Annual General Meeting.

14. DIRECTORS' RESPONSIBILITY STATEMENT:

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

1. in the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation with regard to material departures, if any;
2. appropriate accounting policies have been selected and applied consistently, and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Corporation as at 31st March, 2012 and of the profit for the year ended on that date;
3. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the

Corporation and for preventing and detecting fraud and other irregularities;

4. the annual accounts have been prepared on going concern basis.

15. CORPORATE GOVERNANCE:

A separate report on Corporate Governance and a certificate from the Auditors of the Corporation regarding compliance of the conditions of Corporate Governance are annexed to the Directors' Report.

16. CONSOLIDATED FINANCIAL STATEMENTS:

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

17. 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 the estates in South India. His appointment was duly approved by the Central Government for the year under review.

18. AUDITORS:

In accordance with the provisions of the Companies Act, 1956 the Auditors M/s. B S R & Co. will be proposed for re-appointment at the ensuing Annual General Meeting at a remuneration to be fixed by the Board.

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 current financial year at the ensuing 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.

and other stakeholders for their continued support.

On behalf of the Board,

ACKNOWLEDGEMENTS

Nusli N. Wadia
Chairman

The directors would like to thank all employees, customers, bankers, shareholders

Mumbai, the 29th day of May, 2012

Notes : Official Rates of Exchange were as follows:

On 31st March, 2012				On 31st March, 2011			
(₹ 1)		(Foreign Currencies)		(₹ 1)		(Foreign Currencies)	
Stg. £	0.01	Stg. £	1 - ₹ 81.80	Stg. £	0.01	Stg. £	1 - ₹ 71.70
Tanz. Sh.	31.17	Tanz. Sh.	1 - ₹ 0.03	Tanz. Sh.	33.67	Tanz. Sh.	1 - ₹ 0.03
RM.	0.06	RM.	1 - ₹ 16.61	RM.	0.07	RM.	1 - ₹ 14.74
U.S. \$	0.02	U.S. \$	1 - ₹ 51.16	U.S. \$	0.02	U.S. \$	1 - ₹ 44.65
Rp.	168.07	Rp.	1 - ₹ 0.006	Rp.	198.02	Rp.	1 - ₹ 0.005
H.K. \$	0.15	H.K. \$	1 - ₹ 6.55	H.K. \$	0.17	H.K. \$	1 - ₹ 5.73
S. \$	0.02	S. \$	1 - ₹ 40.48	S. \$	0.03	S. \$	1 - ₹ 35.39
Maur. Re.	0.58	Maur. Re.	1 - ₹ 1.72	Maur. Re.	0.65	Maur. Re.	1 - ₹ 1.53

APPENDIX 'A'

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

A. CONSERVATION OF ENERGY– Plantation Division:

(a) Energy Conservation measures taken:

- (i) Conversion of Sodium Vapor lamps into LED lights.
- (ii) Conversion of old motors into EEF-1 motors.

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

- (i) Solar Water heater installation.
- (ii) Conversion of Mono block pumps into submersed pumps.

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

- Expect a reduction of around 15% in the energy consumption.

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

(A) Power and Fuel Consumption:

		TEA	
		Current Year	Previous Year
1.	Electricity		
	(a) Purchased:		
	Units (KWH in Lakhs)	66.70	74.05
	Total amount (₹ in Lakhs)	193.89	224.26
	Rate/unit (₹)	2.91	3.03
	(b) Own Generation:		
	Through diesel generator:		
	Units (KWH in Lakhs)	4.16	3.29
	Units per ltr. of Diesel Oil	2.74	2.71
	Total amount (₹ in Lakhs)	66.54	47.83
	Cost/unit (₹)	15.97	14.55
2.	Coal (Leco, Lecofines, used in driers)		
	Quantity (Tonnes)	2202.99	2424.29
	Total cost (₹ in Lakhs)	144.27	135.03
	Average rate (₹ per Tonne)	6548.88	5569.87
3.	Furnace Oil/LPG		
	Quantity (K. Ltrs.)	—	4.7
	Total amount (₹ in Lakhs)	—	1.53
	Average rate (₹ per K. Ltr.)	—	32199.92
4.	Others/internal generation (Firewood)		
	Quantity (Tonnes)	12726.94	13350.61
	Total cost (₹ in Lakhs)	275.01	256.41
	Average rate (₹ per Tonne)	2160.85	1920.59

(B) Consumption per unit of production:

		TEA	
		Current Year	Previous Year
	Production Unit		
Electricity (KWH)	Tonnes	823.15	862.13
Furnace Oil (K. Ltrs.)	Tonnes	—	—
Coal (Leco, Lecofines, (Tonnes)	Tonnes	0.256	0.270
Others – Firewood	Tonnes	1.478	1.579

B. TECHNOLOGY ABSORPTION:

Efforts made in technology absorption:

(a) RESEARCH AND DEVELOPMENT (R & D)

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

- (i) Trials on controlling pest/diseases using alternate method to reduce dependence on pesticide/insecticide.
- (ii) Trials on Nitrogen/potash rates under progress.
- (iii) Further studies on clonal compatibility for grafting in nursery.
- (iv) Drain work to surmount the problem of high water table.
- (v) Analysis of chemical parameters and colour index of made tea.

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

- (i) Have been able to establish the compatible graft partners.
- (ii) Drainage work led to revival of root system.
- (iii) Consistency of made tea.

3. Future plan of action:

- (i) Expansion of area under mechanical shear harvesting.
- (ii) Continue trials on usage of new generation, broad spectrum pesticide/insecticide.

4. Expenditure on R & D:

	₹ in Lakhs
(a) Capital	4.07
(b) Recurring	—
(c) Total	4.07
(d) Total R & D expenditure as a percentage of total turnover	0.02%

(b) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

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

- Drip irrigation and use of coir pith as mulch have been adopted on a regular basis.

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

- The above measures have resulted in improving the yield and quality of tea.

3. Imported Technology:

- (a) Technology :
- (b) Year of import :
- (c) Has technology been fully absorbed? : Not Applicable.
- (d) If not fully absorbed areas where this :
has not taken place, reasons therefore
and further plans of action

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) The improvement in the quality profile helped in increasing exports, products, especially Coffee.
- (ii) The Corporation was able to improve exports in a depressed market by leveraging the various certifications available such as Rain Forest Alliance, Fair Trade and UTZ Kapeh.

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

	₹ in Lakhs
Used	: 2,795.66
Earned	: 4,317.16

MANAGEMENT DISCUSSION AND ANALYSIS

1. Business Segment

(a) Tea:

Industry Structure and Developments:

Indian crop was higher by 24.4 million kgs. in Calendar Year '11, with crops from Assam increasing by 28.5 million kgs. South Indian crop was marginally lower at 240.9 million kgs.; a decline of 2.5 million kgs. as compared to the previous year. Kerala recorded an increase of 1.6 million kgs. during the year on account of revival of some sick plantations in the state. All other planting regions showed a declining trend in crop with Tamilnadu and West Bengal being lower by 3.5 and 3.4 million kgs. respectively.

The higher Indian Crop was offset by decline in other Tea producing regions resulting in the Global Tea crop being lower by 18.4 million in Calendar Year '11. The crops in Kenya, Sri Lanka & Indonesia were lower by 21.2 million kgs., 3.1 million kgs. & 10.7 million kgs. respectively.

Indian exports in Calendar Year '11 were lower by 6.6 million kgs. at 186.7 million kgs., a decline of 3.4%. South Indian exports were even lower at 83.5 million kgs. as against 90.8 million kgs. recorded in the previous year; a decline of 8%.

North Indian Exports averaged ₹ 19.36/kg. higher realisations than last year. However South Indian realisations increased by ₹ 2.95/kg. only. This was primarily due to lesser off-take of South Indian teas owing to political conditions in the Middle East and North African regions, the traditional markets for South Indian Teas.

Imports in Calendar Year '11 (upto Nov. '11) were lower by 1.99 million kgs. at 16.35 million kgs., a decline of 10.9%. The average price of imports stood at ₹ 94.64/kg. as against

₹ 90.55/kg. during the previous year. Imports of tea from Vietnam declined whilst larger quantities came in from Kenya and Iran during the year.

Internal consumption was approximately 852 million kgs. in Calendar Year '11.

Larger availability of teas from Assam and the recent increase in packet prices tend to polarize the market, with domestic market supporting well-made teas. Major packers operated strongly on quality lines. The price concertina between good liquoring teas and the plainer varieties widened with large quantities of the plainer types failing to get buyer support.

Outlook:

Lower inventories in the domestic market, coupled with higher sales of packaged teas during the coming year, will increase the demand for Good liquoring teas. Political conditions in major tea drinking countries in the Middle East and northern Africa can put considerable pressure on Indian exports, particularly from South India, though price competitiveness could improve because of a weaker Rupee. Ocean Freights are expected to be weak and this could help in making Exports more competitive. The ongoing quality upgradation program of the Corporation will help in tapping the quality sensitive markets ensuring better returns.

Performance Highlights:

Erratic weather with long spells of rain lead to lower crops. Our production in FY '12 was lower by 8.8% as compared to FY '11.

Our teas averaged ₹ 0.87 lower per kg. whilst the prices at the South Indian Auctions declined by ₹ 1.41/kg. Demand for Organic Teas showed a decline owing to recession in Europe resulting in weakening of demand.

Opportunities:

The Corporation has worked closely with major Blenders in UK & Europe to develop unique blends, consolidating its position in their blends and improving returns. The Corporation's superior CTC's have found acceptance in the quality sensitive markets in the west and south of India. In the domestic market, the Corporation as a pioneer of Organic Tea, will be well placed to derive benefit from increased health awareness about Organic Tea.

Threats:

Overall pressures on Indian Tea exports due to political uncertainties in major Tea drinking countries coupled with higher shipping costs could lead to increase in inventories. Higher costs of inputs with global increase in crude oil prices along with inflationary pressures could affect margins. Recession in Europe could put pressure on our Organic Tea exports.

Segment wise / Product wise performance:

Exports: The overall export quantities of teas increased by 8.95% whilst price realization was lower by 5.50%; Average of South Indian exports, in the first 10 months of FY '12, was higher by 3.0%. Organic quantity exported was lower by 19.3% whilst price average was lower by 5.9%. Non-Organic sales were higher by 12.8% in volume and 0.1% on average prices respectively. Tea exports increased the Foreign exchange earnings of the Corporation by 2.95%.

Domestic Sales: Lower crops resulted in lower quantities available for sale within the country and volumes declined by 17.7%. However, price realization was higher by 4.3%. The sales through our Depots reduced

by 24.6% by volume and increased by 5.3% on average price realised. Quantity sold through auctions reduced by 9.2% and the price averages were lower by 1.3%. The South Indian auction averages during the period were higher by 2.4%.

The Corporation's Tea production declined by 8.4% and consequently the overall tea sales were lower by 6.6% on volumes at an average price realization that was 0.87% lower.

(b) Coffee:

Industry Structure and Developments:

Crop year 2011/12 is under way in most exporting countries.

In Brazil, Indonesia and a few other producing countries, crop year 2012/13 will commence in the very near future.

On the basis of the latest information received from Member countries, total production in crop year 2011/12 is estimated at around 132.4 million bags compared with 134.2 million bags in 2010/11, a fall of 1.3%.

Adverse weather conditions during crop year 2011/12, would have negative impacts on production and post-harvest activities, in many exporting countries, particularly in Central America, Colombia and Indonesia.

Speculation on estimated production for crop year 2011/12 continues to put pressure on coffee prices. Preliminary information on world consumption in Calendar Year 2011 indicates that it has remained resilient despite the economic turbulence seen in many importing countries.

On the basis of information currently available, world consumption in Calendar Year 2011 was provisionally estimated at 136.5 million bags compared with 135 million bags in 2010.

The Bombay Burmah Trading Corporation, Limited

Our production for 2011-12 is 26,483 bags consisting of 4,284 bags of Arabica and 22,199 bags of Robusta.

Outlook:

Due to anticipated increased crops of Arabica in Brazil, current year's prices are expected to be 30% lower than last year's record high. However, stronger dollar against Rupee is expected to compensate about 10% of this shortfall.

Indian Washed Robustas continue to be the preferred choice of roasters specializing in espresso in Europe and no real competition from other countries is noticed in this niche market.

Shortage of Washed Robustas worldwide and its lower crop in India is making Washed Robusta a premium commodity which is expected to yield higher price realization in the coming year.

Differential on Indian washed Robusta AB are at +USD 900/Tonne on terminals as compared to +USD 650/tonne last year. In comparison Vietnam Robustas are at a discount of USD 100/Tonne.

Performance Highlights:

Productwise performance:

Record prices were achieved for Arabicas and Robustas from our estates in the financial year under review due to better marketing and follow up in both the export and domestic market.

A comparison of average prices are as follows:

Grade	Indian Auction 2010-11 ₹	Corporation's Average for Exports 2010/11 ₹	Indian Auction 2011-12 ₹	Corporation's Average for Exports 2011/12 ₹
Washed Arabica	185.52	214.85	192.00	279.79
Washed Robusta	85.18	116.39	115.00	138.42

Opportunities and threats:

The quantity of quality washed Robustas, due to difficulty in processing, stringent effluent control norms and lack of skilled manpower, has seen a year on year reduction in the number of growers able to produce the same.

This provides us with an opportunity to increase quantities of outsourced fruit purchases and to increase our value added exports.

Increased processing capacities, mechanization, state-of-the-art effluent management and capitalizing on our market reputation with growers in the district will allow us to become a larger player in the speciality coffee business.

Risks and concern:

Volatility in Arabica prices, higher crops in Brazil and extensive new planting in Laos may have an impact on price stability in the coming years.

Shortage of labour will continue to affect plantations and mechanization has to be the focal point in coming years.

(c) Health Care Division:

Industry Structure and Developments:

The total market for the Dental equipments and materials is estimated at around ₹ 380 Crores annually. However, the market segment in which Dental Products Division is operating, is estimated at around ₹ 28 Crores.

The increase in the number of private dental hospitals and clinics have boosted the demand for modern equipment, as they focus on higher-income Indian consumers and foreign dental tourists, often providing complete packages including their stay and treatment facilities.

A number of foreign companies are investing in the Indian dental

market and India is becoming a manufacturing hub supplying dental equipment and materials.

Moreover, some Indian companies also produce some of such items under license from foreign manufacturers and run a parallel activity as trade dealers and importers.

Performance Highlights:

Sale of the manufactured products such as alloys, polymers and impression materials registered a growth of 25% over previous year. Sale of traded materials was however lower by 22% in view of discontinuation of some lines in the trading business. Glass Ionomer Cement introduced during the year was well received.

Opportunities:

Every year, there are around 5,000 to 6,000 fresh graduates entering the workforce with 256 dental colleges which is the largest in the world.

Growth rates as forecasted by IDA for the dental market is estimated at 10% to 12% in the coming year.

Threats:

A large number of foreign players as well as Indian manufacturers have entered the Dental market in the last three years with low price product portfolio and good quality products. This will increase the competition.

Outlook:

Despite competition, new superior products and lower margins, the business is sustainable with the growing market size and the demand for new products.

2. Internal Control Systems and Adequacy:

The Corporation has adequate internal control procedures commensurate

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

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 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: 29th May, 2012

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 11 members. Of these, 2 are Executive Directors and 9 are Non-Executive Directors and more than 50% of the Board consists of Independent Directors.

During the year under review, 6 Board Meetings were held, the dates being 27th May, 2011, 14th July, 2011, 5th August, 2011, 9th November, 2011, 13th February, 2012 and 29th March, 2012.

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

Name of the Directors	Whether Promoter, Executive OR Non-Executive/ Independent	No. of Outside Directorships held *	No. of shares held in the Corporation	No. of Board Committees of other companies in which he is a Member #	No. of Board Meetings attended	Whether attended last AGM
Mr. Nusli N. Wadia, Chairman	Promoter & Non-Executive	7	12,28,301	—	6	Yes
Mr. A. K. Hirjee, Vice Chairman	Non-Executive & Independent	4	350	6 (Chairman of 2)	5	Yes
Mr. Keshub Mahindra	Non-Executive & Independent	6	—	1 (Chairman of 1)	5	Yes
Mr. M. L. Apte	Non-Executive & Independent	8	—	4	5	Yes
Mr. D. E. Udewadia	Non-Executive & Independent	11	—	9 (Chairman of 1)	5	Yes
Mr. P. K. Cassels	Non-Executive & Independent	—	—	—	1	No
Mr. B. N. B. Tao	Non-Executive & Independent	—	—	—	—	No
Mr. Jeh Wadia	Promoter & Non-Executive Director	4	700	—	5	Yes
Ms. Vinita Bali	Non-Executive & Non-Independent	5	—	2	4	Yes
Mr. Ashok Panjwani, Managing Director	Non-Independent & Executive Director	6	—	—	6	Yes
Mr. Ness Wadia	Promoter & Executive Director	6	1,000	—	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.

The Board has adopted a Code of Conduct for all its directors and members of senior management in its meeting held on 26th July, 2005. The same has also been displayed on the Corporation's website. All the directors and members of senior management have affirmed compliance with the Code of Conduct for the financial year ended 31st March, 2012.

3. Audit Committee:

The Audit Committee is constituted 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 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 approve the appointment of CFO, to select and establish accounting policies and to review financial statements before submission to the Board.

Besides the aforesaid, the Audit Committee looks into matters included in Clause 49 of the Listing Agreement and other matters brought within the purview of the Committee's role from time to time.

The present Audit Committee consists of 3 Non-Executive Directors viz. Mr. M. L. Apte (Chairman), Mr. D. E. Udhwadia and Mr. A. K. Hirjee, Members; Mr. Keshub Mahindra resigned from the Committee on 14th July, 2011. Mr. N. H. Datanwala (VP Corporate and Company Secretary) acts as the Secretary to the Committee.

During the year under review, 4 Meetings of the Audit Committee were held, the dates being 27th May, 2011, 4th August, 2011, 9th November, 2011 and 13th February, 2012. Mr. M. L. Apte attended all 4 meetings whereas Mr. A. K. Hirjee & Mr. D. E. Udhwadia attended 3 meetings and Mr. Keshub Mahindra attended 1 meeting.

4. Remuneration Committee:

(a) Terms of reference, composition and attendance:

The Remuneration Committee is constituted as per the requirements of Clause 49 of the Listing Agreements with Stock Exchanges.

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.; including any revision thereof;
- 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.

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

Mr. Keshub Mahindra – Chairman

Mr. M. L. Apte

Mr. Nusli N. Wadia

Mr. A. K. Hirjee

Mr. D. E. Udhwadia

During the year 2011-2012, one meeting of the Remuneration Committee was held on 14th July, 2011 which was attended by all the members of the Committee.

The Bombay Burmah Trading Corporation, Limited

(b) Remuneration Policy:

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

The Non-Executive Directors do not draw any remuneration from the Corporation other than sitting fees and such commission not exceeding 1% of the net profits of the Corporation as approved by the shareholders and computed in the manner laid down in Section 198 of the Companies Act, 1956 as may be determined by the Board from time to time. However, no commission has been provided for/paid to the non-executive directors during the year under review.

During the year ended 31st March, 2012, the Corporation paid ₹ 48,28,755/- to the law firm M/s. Udwardia & Udeshi as fees for professional services that were provided by them on specific legal matters entrusted by the Company to them for legal advice from time to time. Mr. D. E. Udwardia is a founder partner of the above firm. With effect from 1st April, 2012, the above law firm was reconstituted with the merger of Argus Partners with it. The reconstituted law firm changed its name to Udwardia, Udeshi & Argus Partners effective 1st April, 2012. The Board does not consider the firm's association with the Corporation to be of a material nature so as to affect the independence of judgment of Mr. Udwardia as a director of the Corporation.

(c) Remuneration to Directors

(i) Details of payments made to Non-Executive Directors during the year 2011-12 are given below:

(In ₹)

Name	Sitting fees
Mr. Nusli N. Wadia	1,10,000
Mr. A. K. Hirjee	2,30,000
Mr. Keshub Mahindra	1,00,000
Mr. M. L. Apte	2,30,000
Mr. D. E. Udwardia	1,60,000
Mr. P. K. Cassels	20,000
Mr. B. N. B. Tao	Nil
Mr. Jeh Wadia	1,50,000
Ms. Vinita Bali	70,000

- (ii) Details of remuneration paid to Managing Directors during the year 2011-2012 are given below:

(In ₹)

	Salary (including allowances and bonus)	Contribution to Provident & other Funds	Perquisites in cash or kind
Mr. Ashok Panjwani	97,40,000	19,84,800	18,53,000
Mr. Ness Wadia	1,53,00,000	31,79,000	5,24,000

- (iii) In view of inadequacy of profits as computed under Sections 349/350 of the Companies Act, 1956, the Corporation has applied to the Central Government to approve the remuneration paid to Mr. Ness Wadia in terms of approval granted by the shareholders as minimum remuneration.
- (iv) The Corporation has not granted any stock options to its wholetime directors during the year.

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 3 Non-Executive Directors 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 27th June, 2011, 5th August, 2011, 9th November, 2011 and 13th February, 2012. Mr. A. K. Hirjee and Mr. M. L. Apte attended all 4 meetings and Mr. Jeh Wadia attended 3 meetings.

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

(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. During the year under review, Transfer Deeds were sent 23 times for approval of the Directors.

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

No. of Shareholders' complaints received during the year : 26.

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

No. of pending complaints : Nil.

The Bombay Burmah Trading Corporation, Limited

6. General Body Meetings:

(a) Details of Annual General Meetings held in the three previous years and Special resolutions passed thereat:

Sr. No	Date and Time of AGM	Venue	Special Resolutions passed
1.	28th July, 2009 at 4.00 p.m.	Patkar Hall, Sir Vithaldas Thackersey Marg, Mumbai 400 020	<ul style="list-style-type: none"> - Approval under Section 293(1) (a) and other applicable provisions, if any, of the Companies Act, 1956 to the Board of Directors 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 banks, financial institutions etc. for an amount not exceeding ₹ 400 Crores over the aggregate of the paid-up capital and free reserves of the Corporation. - Approval under Section 163 of the Companies Act, 1956 to keep the Register of Members, the Index of Members and copies of all Annual Returns etc. 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.
2.	10th August, 2010 at 4.00 p.m.	Rama Watumull Auditorium, K. C. College, Dinshaw Vachha Road, Churchgate, Mumbai 400 020	No special Resolution was passed.
3.	5th August, 2011 at 11.30 am	Patkar Hall, Sir Vithaldas Thackersey Marg, Mumbai 400 020	Consent of the Corporation under Sections 198, 269, 309 and 311 and other related provisions of the Companies Act, 1956, for the appointment of Mr. Ness Wadia as a Managing Director of the Company, for a period of 5 years w.e.f. 01.04.2011 as per the terms and conditions detailed in the resolution read together with the Explanatory Statement thereto.

(b) Details of Resolutions passed through postal ballot:

During the year under review, Postal Ballot was undertaken twice in order to secure members' approval under Section 293(1)(a) of the Companies Act, 1956 for transfer and sale of two of the Corporation's divisions as per details given hereinbelow:

Date of Notice	Description of Resolution	No. of valid postal ballot forms received	Votes cast for	Votes cast against
10.08.2011	Consent of the shareholders of the company under Section 293(1)(a) and other applicable provisions of the Companies Act, 1956, for sale and transfer of the Corporation's Sunmica division on a slump sale basis for a lumpsum consideration of ₹ 100.30 Crores to AICA Laminates India Pvt. Ltd.	257	92,86,403 (99.99%)	1,109 (0.01%)
07.09.2011	Consent of the shareholders of the company under Section 293(1)(a) and other applicable provisions of the Companies Act, 1956, for sale and transfer of the Corporation's BCL Springs division on a slump sale basis for a lumpsum consideration of ₹ 180.50 Crores to NHK Automative Components India Pvt. Ltd.	254	92,82,623 (99.99%)	1,330 (0.01%)

Both resolutions were approved by the shareholders with the requisite and overwhelming majority.

(c) Person who conducted the postal ballot exercise:

Mr. Tushar Shridharani, Practising Company Secretary, was appointed by the Board as Scrutinizer to conduct the Postal Ballot process in both cases and the results of the same were declared on 21st September, 2011 and 21st October, 2011 respectively.

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 unit viz. South India Plantations.

The Bombay Burmah Trading Corporation, Limited

- (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.bbtcl.com>
- (iv) Whether it also displays official news releases: No.
- (v) Whether presentations made to institutional investors or to the analysts: No.
- (vi) Whether Management Discussion and Analysis Report is a part of Annual Report or not: Yes.

9. General Shareholder Information:

(a) AGM: Date, Time and Venue:

8th August, 2012 — 3.45 p.m. at Y. B. Chavan Auditorium, Gen. Jagannath Bhosle Marg, Near Sachivalaya Gymkhana, Mumbai 400 021.

(b) Financial Calendar (tentative):

Financial reporting for the quarter ending June, 2012	By 15th August, 2012
Financial reporting for the quarter ending September, 2012	By 15th November, 2012
Financial reporting for the quarter ending December, 2012	By 15th February, 2013
Financial reporting for the year ending March 31, 2013	By 31st May, 2013
Annual General Meeting for the year ending March 31, 2013	Last week of July/first week of August, 2013

- (c) Book closure period: 28th July, 2012 to 8th August, 2012 (both days inclusive).
- (d) Dividend payment date: 17th August, 2012.
- (e) Listing on Stock Exchanges: The Corporation's Securities are listed at:
- (1) Bombay Stock Exchange Limited, Mumbai; and
 - (2) The National Stock Exchange of India Ltd., Mumbai.
- Listing fees as prescribed, have been paid to the aforesaid Stock Exchanges upto March, 2013.

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

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

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

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

Unit: The Bombay Burmah Trading Corporation, Limited
13AB, Samhita Warehousing Complex,
2nd Floor, Sakinaka Telephone Exchange Lane,
Off Andheri Kurla Road, Sakinaka,
Andheri (E), Mumbai 400 072
Tel: 67720316 • Fax: 2837 5646 • E-mail: sharepro@vsnl.com

Investor Relation Centre:

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

(j) **Share Transfer System:**

Share Transfers in physical form are registered and returned within a period of 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, 2011 to 31st March, 2012 were:

Particulars	No. of Transfers	No. of Shares
Transfers	68	10,920
Transmission	34	10,270
Total	102	21,190

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

86.59% of the paid-up capital of the Corporation has been dematerialised as on 31st March, 2012.

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

The Bombay Burmah Trading Corporation, Limited

(l) (i) **Distribution of shareholding as on 31st March, 2012.**

Group of Shares	No. of Shareholders	No. of Shares held	% of Total Shares
1 to 500	11,656	11,31,433	8.11
501 to 1000	642	4,58,408	3.28
1001 to 2000	313	4,40,169	3.15
2001 to 3000	94	2,32,479	1.67
3001 to 4000	50	1,76,533	1.27
4001 to 5000	30	1,35,288	0.97
5001 to 10000	60	4,19,975	3.01
10001 and above	32	1,09,60,095	78.54
Total	12,877	1,39,54,380	100.00

(ii) **Shareholding pattern as on 31st March, 2012.**

	No. of Shares held	% of Shares
Promoter Group	91,96,149	65.90
Financial Institutions	1,61,137	1.15
Nationalised Banks	18,270	0.13
Mutual Fund & UTI	1,19,071	0.86
FIs	26,085	0.19
Others	44,33,668	31.77
Total	1,39,54,380	100.00

(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.
- 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. Office of the Chairman of the Board:
The Corporation reimburses Chairman's proportionate office expenses.
2. Independent directors:
All the independent directors have the requisite qualifications and experience to contribute effectively to the Corporation.
3. Remuneration Committee:
All relevant details are mentioned in para 4 of this Report.
4. Shareholder rights:
As the Corporation's half yearly results are published in English and regional newspapers having adequate circulation and are also posted on its website, they are not sent separately to the shareholders other than on receipt of specific request from any shareholder in this regard.
5. Qualifications in Financial Statements:
The Corporation has moved towards a regime of unqualified financial statements.

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, 2012.

For The Bombay Burmah Trading Corporation, Limited

Ashok Panjwani
Managing Director

Mumbai, 29th May, 2012

The Bombay Burmah Trading Corporation, Limited

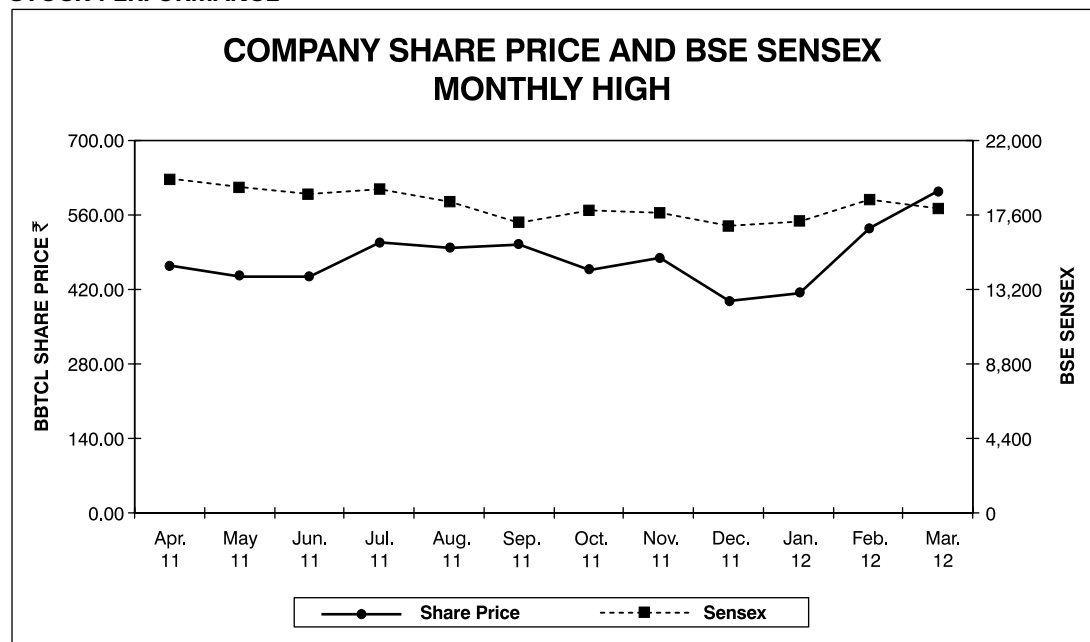
Annexure 1

BSE NSE Market Data 2012

Month	Month's High Price (In ₹)		Month's Low Price (In ₹)		No. of Shares Traded		Value ₹ (In Lakhs)	
	BSE	NSE	BSE	NSE	BSE	NSE	BSE	NSE
April, 2011	465.00	463.00	400.00	392.50	145,808	224,048	639.32	980.93
May, 2011	444.95	458.00	379.95	381.05	51,137	88,154	211.24	365.44
June, 2011	446.30	444.00	390.00	387.00	48,229	51,041	199.37	208.50
July, 2011	509.90	506.90	400.10	400.75	172,794	204,814	819.09	972.49
August, 2011	500.00	497.50	396.05	396.00	84,148	101,055	379.19	455.83
September, 2011	504.90	504.80	400.00	399.00	170,860	195,867	783.85	900.50
October, 2011	457.95	464.90	406.00	402.10	30,330	54,422	132.88	239.78
November, 2011	479.45	479.00	360.00	362.50	77,618	115,980	338.41	504.92
December, 2011	399.95	399.00	338.00	331.00	23,104	37,260	84.60	136.15
January, 2012	414.80	536.60	350.00	345.10	34,453	55,947	135.62	218.60
February, 2012	535.95	415.00	390.40	389.00	693,409	743,793	3,393.75	3,654.29
March, 2012	607.00	607.70	492.75	493.00	1,048,813	1,400,904	5,700.60	7,640.26

Annexure 2

STOCK PERFORMANCE



CERTIFICATE

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

To the Members of The Bombay Burmah Trading Corporation, Limited

We have examined the compliance of conditions of corporate governance by **The Bombay Burmah Trading Corporation, Limited** ("the Company") for the year ended on 31 March 2012, as stipulated in Clause 49 of the Listing Agreements entered into by the Company with Stock Exchanges.

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

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

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

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

Vijay Bhatt
Partner
Membership No: 036647

Mumbai
Dated: 29 May 2012

AUDITORS' REPORT

TO THE MEMBERS OF

THE BOMBAY BURMAH TRADING CORPORATION, LIMITED

We have audited the attached Balance Sheet of The Bombay Burmah Trading Corporation, Limited ('the Company') as at 31 March 2012, the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date, annexed thereto, in which are incorporated the returns from Johor Bahru, Usambara and South India branches audited by branch auditors appointed under Section 228 of the Companies Act, 1956. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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.

1. As required by the Companies (Auditor's Report) Order, 2003 ('the Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 ('the Act'), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Without qualifying our opinion, we draw attention to note 37 to the financial statements, regarding remuneration paid by the Company to its Managing Director during the year ended 31 March 2012 in excess of the limits specified in relevant provisions of the Companies Act, 1956 ("the Act") by ₹ 107.52 Lakhs. We are informed that as required by the relevant provisions of the Act, the Company has applied to seek approval from the Central Government for excess remuneration paid. Pending the said approvals in this regard, the excess remuneration paid to the Managing Director has been charged to the statement of profit and loss.
3. Further to our comments in the Annexure referred to above, we report that:
 - (a) we have obtained all information and explanations which to the best of our knowledge and belief were necessary for the purposes of audit;
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of these books and proper returns adequate for the purpose of our audit have been received from the Johor Bahru, Usambara and South India branches audited by branch auditors;
 - (c) the audit reports of the Johor Bahru, Usambara and South India branches audited by branch auditors has been forwarded to us and has been dealt with by us in preparing this report;
 - (d) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account and with the audited branch returns;
 - (e) in our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act;
 - (f) on the basis of written representations received from the directors of the Company as at 31 March 2012 and taken on record by the board of directors, we report that none of the

director is disqualified as on 31 March 2012 from being appointed as a director of the Company under clause (g) of sub-section (1) of Section 274 of the Act; and

- (g) in our opinion and to the best of our information and according to the explanations given to us, the said financial statements, read with paragraph 2 above, give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- (i) in case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2012;
 - (ii) in case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
 - (iii) in case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

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

Vijay Bhatt
Partner
Membership No: 036647

Mumbai
29 May 2012

ANNEXURE TO AUDITORS' REPORT – 31 MARCH 2012

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

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed in respect of assets verified during the year.
- (c) The Company has sold its Sunmica division and Springs division during the year. In our opinion and according to the information and explanations given to us, the sale of the said divisions does not affect the going concern status of the Company.
- ii. (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable.
- (b) The procedures for the physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii (a) The Company has granted unsecured loan to a company covered in the register maintained under section 301 of the Companies Act, 1956 ('the Act'). The maximum amount outstanding during the year was ₹ 3,050 Lakhs and the year-end balance of such loans was nil.

The Bombay Burmah Trading Corporation, Limited

- (b) In our opinion, the rate of interest and other terms and conditions on which loans have been granted to the Company listed in the register maintained under section 301 of the Act are not, prima facie, prejudicial to the interest of the company.
 - (c) In the case of loans granted to the Company listed in the register maintained under section 301, the borrowers have been regular in repaying the principal amounts as stipulated and in the payment of interest.
 - (d) There is no overdue amount of more than Rupees one lakh in respect of loans granted to the companies, firms or other parties listed in the register maintained under Section 301.
 - (e) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, paragraphs 4 (iii) (f) and (g) of the Order are not applicable.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and with regard to the sale of goods and services. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in internal control system in respect of these areas.
- v. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that Section.
- (b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred to in (a) above and exceeding the value of ₹ 5 Lacs with any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi. The Company has not accepted any deposits from the public.
- vii. In our opinion, the Company has an internal audit system commensurate with the size and the nature of its business.
- viii. We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under section 209(1)(d) of the Act in respect of products manufactured by the Company and the branch auditors have reviewed the said records in respect of South India branches in regard to tea and coffee plantations products and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- ix. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident fund, Income-tax, Sales-tax, Wealth tax, Service tax, Customs duty, Investor Education and Protection Fund, Employees' State Insurance, Cess, Excise duty and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities.
- According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Investor Education and Protection Fund, Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty, Cess and other material statutory dues were in arrears as at 31 March 2012 for a period of more than six months from the date they became payable.

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

Name of the Statute	Nature of the dues	Amount (₹ in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act	Excise duty	1.47	2005-06	High Court
Central Excise Act	Excise duty	37.65	May 2004 to December 2005	Appellate tribunal of Central Excise
Central Excise Act	Excise duty	3.45	September 2004 to January 2007	Appellate tribunal of Central Excise
The Employees' Provident Funds and Miscellaneous Provisions Act	Provident Fund	98.63	August 2008 to May 2011	Appellate authority upto Commissioner level

- x. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- xi. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers. The Company did not have any outstanding dues to any debenture holders and financial institutions.
- xii. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. The Company is not a chit fund/nidhi/mutual benefit fund/society.
- xiv. The Company is not dealing or trading in shares, securities, debentures and other investments.
- xv. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi. In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that the funds raised on short-term basis have not been used for long-term investment.
- xviii. The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Act.
- xix. The Company did not have any outstanding debentures during the year.
- xx. The Company has not raised any money by public issues during the year.
- xxi. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

For **BSR & Co.**
Chartered Accountants
 Firm's Registration No: 101248W

Vijay Bhatt
Partner
 Membership No: 036647

Mumbai
 29 May, 2012

The Bombay Burmah Trading Corporation, Limited

BALANCE SHEET AS AT 31ST MARCH, 2012

	Notes	(₹ in Lakhs) As at 31st March, 2012	As at 31st March, 2011
A. EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Capital	1	1,396.27	1,396.27
Reserves and Surplus	2	25,572.97	12,983.60
		<u>26,969.24</u>	<u>14,379.87</u>
NON-CURRENT LIABILITIES			
Long-term borrowings	3	12,901.04	14,535.26
Deferred tax liabilities (net)	4	—	168.48
Other long-term liabilities	5	42.08	39.34
Long-term provisions	6	391.78	169.41
		<u>13,334.90</u>	<u>14,912.49</u>
CURRENT LIABILITIES			
Short-term borrowings	7	947.44	4,159.57
Trade payables	8	861.76	985.09
Other current liabilities	9	3,811.05	12,960.37
Short-term provisions	10	1,244.68	1,832.74
		<u>6,864.93</u>	<u>19,937.77</u>
	TOTAL	<u>47,169.07</u>	<u>49,230.13</u>
B. ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Tangible assets	11	5,918.23	10,850.80
Intangible assets	11	3.77	17.35
Capital work-in-progress	11	45.53	235.58
		<u>5,967.53</u>	<u>11,103.73</u>
Non-current investments	12	11,183.44	10,677.06
Deferred tax assets (net)	4	50.58	—
Long-term loans and advances	13	1,109.46	838.62
		<u>12,343.48</u>	<u>11,515.68</u>
CURRENT ASSETS			
Inventories	14	6,112.30	9,615.45
Trade receivables	15	1,382.19	5,376.29
Cash and bank balance	16	9,691.79	1,302.41
Short-term loans and advances	17	11,315.26	9,978.94
Other current assets	18	356.52	337.63
		<u>28,858.06</u>	<u>26,610.72</u>
	TOTAL	<u>47,169.07</u>	<u>49,230.13</u>
SIGNIFICANT ACCOUNTING POLICIES			
I			

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

As per our attached report of even date.

For B S R & Co.

Chartered Accountants

Firm's Registration No. 101248W

Vijay Bhatt

Partner

Membership No. 036647

Mumbai,

Dated : 29th May, 2012

For and on behalf of the Board

NUSLI N. WADIA *Chairman*

A. K. HIRJEE *Vice Chairman*

D. E. UDWADIA *Director*

M. L. APTE *Director*

VINITA BALI *Director*

JEH WADIA *Director*

A. PANJWANI *Managing Director*

NESS WADIA *Managing Director*

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

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

(₹ in Lakhs)

	Notes	For the year ended 31st March, 2012	For the year ended 31st March, 2011
INCOME			
Revenue from operations (gross)	19	26,886.93	32,997.16
Less: Excise duty		856.76	1,106.14
Revenue from operations (net)		26,030.17	31,891.02
Other income	20	1,947.41	8,777.55
Total Revenue		27,977.58	40,668.57
EXPENDITURE			
Cost of materials consumed	21	9,695.31	12,756.46
Purchases of stock-in-trade	21	1,272.87	1,072.90
Changes in inventories of finished goods, work-in-progress and stock-in-trade	21	(405.07)	(822.69)
Employee benefits expense	22	5,481.45	5,315.97
Finance costs	23	1,852.32	1,877.67
Depreciation and amortisation expense		715.56	885.59
Other expenses	24	8,168.18	9,342.36
Cost relating to Real estate under development	25	12.90	12.92
Total Expenses		26,792.62	30,441.18
Profit Before Exceptional Items and Tax		1,184.96	10,227.39
Exceptional items			
Profit on sale of Undertaking	26	16,470.58	—
Loss on Exchange (net)/Derivative Loss	40	—	622.46
Profit after Exceptional items and before tax		17,655.54	9,604.93
Profit from continuing operations before tax			
Current tax expense for current year		17,261.24	9,604.93
(Less): MAT credit		4,494.62	1,950.73
Current tax expense relating to prior years		(297.96)	—
Deferred tax		(1.46)	—
		117.86	—
		4,313.06	1,950.73
Profit from continuing operations after tax		12,948.18	7,654.20
Profit from discontinued operations before tax			
Current tax expense for current year	27	394.30	—
Deferred tax		30.45	—
		(336.94)	—
		(306.49)	—
Profit from discontinued operations after tax		700.79	—
Profit after tax		13,648.97	7,654.20
Earnings per Share of Face Value of ₹ 10/- each			
Basic and Diluted in ₹	28		
Continuing Operations		92.79	54.85
Total Operations		97.81	54.85
SIGNIFICANT ACCOUNTING POLICIES	I		

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

As per our attached report of even date.

For B S R & Co.

Chartered Accountants

Firm's Registration No. 101248W

Vijay Bhatt

Partner

Membership No. 036647

Mumbai,

Dated : 29th May, 2012

For and on behalf of the Board

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

The Bombay Burmah Trading Corporation, Limited

CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR YEAR ENDED 31ST MARCH, 2012

	(₹ in Lakhs)	
	2011-12	2010-11
A. Cash flows from operating activities:		
Profit before Taxation	17,655.54	9,604.93
Adjustments for:		
Depreciation	715.56	885.59
Loss on Exchange (net)	—	622.46
Provision for Contingencies	225.00	—
Inventories written off	47.00	—
Profit on Sale of Investments	—	(6,693.91)
Loss/(Profit) on Sale of Fixed Assets (Net)	18.26	(23.74)
Loss/(Profit) on Sale of Undertakings	(16,470.58)	—
Provision for Doubtful Debts (Net)	294.48	54.96
Excess Provision written back	(227.60)	(18.91)
Advances/Doubtful Debts written off	30.25	11.76
Provision for Doubtful Advances	29.63	2.34
Interest expense	1,848.50	1,815.21
Interest income	(1,025.58)	(434.66)
Dividend income	(322.23)	(626.45)
	<u>(14,837.31)</u>	<u>(4,405.35)</u>
Operating Profit before working capital changes	2,818.23	5,199.58
Adjustments for:		
Decrease/(Increase) in Trade and other receivables	650.42	(277.17)
Decrease/(Increase) in Inventories	(1,390.39)	(1,023.04)
Increase/(Decrease) in Trade Payables and Provisions	(71.70)	(46.66)
	<u>(811.67)</u>	<u>(1,346.87)</u>
Cash from operations	2,006.56	3,852.71
Currency alignment on conversion of accounts of non-integral foreign branches & on fixed assets	56.32	7.78
Direct taxes paid (Net)	(4,269.59)	(1,814.70)
Cash flow before extraordinary items	<u>(2,206.71)</u>	<u>2,045.79</u>
Extraordinary items	—	—
Net cash from operating activities	<u>(2,206.71)</u>	<u>2,045.79</u>
<i>out of which discontinued operations</i>	1,063.72	—
B. Cash flows from investing activities:		
Purchase of fixed assets	(810.63)	(1,728.66)
Proceeds from sale of fixed assets	—	65.74
Proceeds from sale of undertaking (net of expenses)	27,821.73	—
Purchase of Investments	(509.42)	(5.93)
Proceeds from sale of investments	3.04	6,696.00
Advances & Loans to Subsidiaries (Net)	(2,601.54)	(5,751.53)
Bank Deposits withdrawn during the year (net)	1.97	371.69
Interest income	1,060.79	417.83
Dividend income	322.23	626.45
Net cash used in investing activities	<u>25,288.17</u>	<u>691.59</u>
<i>out of which discontinued operations</i>	(65.42)	—

CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR YEAR ENDED 31ST MARCH, 2012 (Contd.)

	(₹ in Lakhs)	
	2011-12	2010-11
C. Cash flows from financing activities:		
Repayment of Hire Purchase loan (Net)	(22.39)	—
Proceeds of term loans	—	78.39
Repayment of term loans	(7,871.58)	(4,660.71)
(Repayment)/Proceeds of Cash Credit/Overdraft account	(3,212.13)	4,372.85
Foreign exchange loss realised	—	22.99
Interest paid	(1,891.89)	(1,777.69)
Dividends paid (including Corporate Dividend Tax)	(1,123.03)	(563.13)
Net cash from financing activities	(14,121.02)	(2,527.30)
<i>out of which discontinued operations</i>	<i>(747.55)</i>	<i>—</i>
Net increase/(decrease) in cash and cash equivalents (A + B + C)	8,960.44	210.08
Cash and cash equivalents as at the commencement of the year	1,277.10	1,067.02
Cash and cash equivalents as at the end of the year in respect of continuing operations	9,668.44	1,277.10
	8,391.34	210.08
Cash and cash equivalents of undertakings transferred, excluded above	569.10	—
Net increase as disclosed above	8,960.44	210.08
Components of Cash and Cash Equivalents as at	31-03-2012	31-03-2011
Cash on hand	28.24	13.41
Balances with Banks – on Current Account	720.20	888.69
– with Deposit Account	8,920.00	375.00
	9,668.44	1,277.10

Notes:

- (1) The above Cash Flow Statement has been prepared under the "Indirect Method" set out in Accounting standard (AS - 3) "Cash Flow Statements" as notified under the Companies (Accounting Standards) Rules, 2006.
- (2) Component of Cash and Cash Equivalents exclude bank deposits with maturity of more than 3 months aggregating to ₹ 23.35 Lakhs (Previous Year ₹ 23.63 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 B S R & Co.
Chartered Accountants
Firm's Registration No. 101248W

Vijay Bhatt
Partner
Membership No. 036647
Mumbai,
Dated : 29th May, 2012

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

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

I. Significant Accounting Policies:

A. Basis of Accounting

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

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

This is the first year of application of the revised Schedule VI to the Companies Act, 1956 for the preparation of the financial statements of the Company. The revised Schedule VI introduces some significant conceptual changes as well as new disclosures. These include classification of all assets and liabilities into current and non-current. The previous year figures have also undergone a major reclassification to comply with the requirements of the revised Schedule VI.

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 ₹ 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 amortized as follows:

(i) Technical Know How Fees

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

(ii) Goodwill

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

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

(iii) Computer Software

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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:

(a) Short term employee benefits:

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

(b) Post-employment benefits:

(i) Provident and Family Pension Fund

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

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

(ii) Superannuation

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

(iii) Gratuity

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

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

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

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

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.

NOTES FORMING PART OF 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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- (ii) Sale of products is recognised when the risks and rewards of ownership are passed on to the customers and no significant uncertainty as to its measurability and collectability exists.
 - (iii) Sale of timber is accounted based on sale agreement/sale in auction.
 - (iv) Sale of pepper is accounted based on confirmed contract of sale.
 - (v) Dividend income is accounted when the right to receive payment is established and known. Interest income is recognised on the time proportion basis.
- M. **Borrowing Cost:**
Interest and other costs in connection with the borrowing of the funds to the extent related/attribution to the acquisition/construction of qualifying fixed assets are capitalised up to the date when such assets are ready for its intended use and all other borrowing costs are recognised as an expense in the period in which they are incurred.
- N. **Segment Accounting Policies:**
- (a) **Segment assets and liabilities:**
All Segment assets and liabilities are directly attributable to the segment. Segment assets include all operating assets used by the segment and consist principally of fixed assets, inventories, sundry debtors, loans and advances and operating cash and bank balances. Segment assets and liabilities 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. **Earnings per Share:**
The basic and diluted earnings per share (EPS) is computed by dividing Net Profit after tax for the year by weighted average number of equity shares outstanding during the year.
- R. **Leases:**
- (i) Lease transactions entered into prior to 1st April, 2002:
Lease rentals in respect of assets acquired under lease are charged to Statement of Profit & Loss.
 - (ii) Lease transactions entered into on or after 1st April, 2002:
 - (a) Assets acquired under lease where the Corporation has substantially all the risks and rewards incidental to ownership are classified as finance leases. Such assets are capitalised at the inception of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.
 - (b) Assets acquired on leases where significant portions of the risks and rewards incidental to ownership are retained by the lessors, are classified as operating leases. Lease rentals are charged to the Statement of Profit & Loss on accrual basis.

The Bombay Burmah Trading Corporation, Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

		(₹ in Lakhs)	
		As at 31st March, 2012	As at 31st March, 2011
1. SHARE CAPITAL			
Authorised Capital			
1,50,00,000 (Previous Year 1,50,00,000) Equity shares of ₹ 10/- each		1,500.00	1,500.00
		1,500.00	1,500.00
Issued, Subscribed and paid-up			
1,39,54,380 (Previous Year 1,39,54,380) Equity shares of ₹ 10/- each		1,395.44	1,395.44
Forfeited shares amount paid-up		0.83	0.83
TOTAL		1,396.27	1,396.27

- (a) The Corporation has only one class of equity share having par value of ₹ 10/- per share.
- (b) Each holder of equity shares is entitled to one vote per share.
- (c) The Corporation declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- (d) During the year ended 31st March, 2012, the amount of per share dividend recognised as distribution to equity shareholders was ₹ 7/- (Previous Year - ₹ 7). The total dividend appropriation for the year ended 31st March, 2012 amounted to ₹ **1,135.27 Lakhs** (Previous Year ₹ 1,135.27 Lakhs) including corporate dividend tax of ₹ **158.46 Lakhs** (Previous Year ₹ 158.46 Lakhs).
- (e) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- (f) Reconciliation of the shares outstanding at the beginning and at the end of reporting period.

Equity shares	31st March, 2012		31st March, 2011	
	No. of shares	₹ in lakhs	No. of shares	₹ in lakhs
At the beginning of the period	1,39,54,380	1,395.44	1,39,54,380	1,395.44
Add: Issued during the period	—	—	—	—
Outstanding at the end of the period	1,39,54,380	1,395.44	1,39,54,380	1,395.44

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

	As at 31st March, 2012		As at 31st March, 2011	
	No. of shares	% holding	No. of shares	% holding
1 Archway Investment Co. Ltd.	26,07,720	18.69	26,07,720	18.69
2 N. W. Exports Ltd.	10,75,455	7.71	10,75,455	7.71
3 Damascus Investment & Trading Co. Ltd.	8,88,000	6.36	8,88,000	6.36
4 Naperol Investments Ltd.	8,41,680	6.03	8,41,680	6.03
5 Mr. Nusli N. Wadia	12,28,301	8.80	12,28,301	8.80
6 Wallace Bros. Trading & Industrial Ltd., U.K.	11,32,140	8.11	11,32,140	8.11
	77,73,296	55.70	77,73,296	55.70

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Lakhs)

	As at 31st March, 2012	As at 31st March, 2011
2. RESERVES AND SURPLUS		
Capital reserve		
As per last Balance Sheet	89.47	89.47
Securities premium account		
As per last Balance Sheet	3,637.21	3,637.21
General reserve		
Opening balance	2,929.46	2,129.46
Add: Transferred from surplus in Statement of Profit and Loss	1,400.00	800.00
Closing balance	4,329.46	2,929.46
Foreign currency translation reserve		
Opening balance	(47.50)	(32.87)
Less: Effect of foreign exchange rate variations during the year	75.67	(14.63)
Closing balance	28.17	(47.50)
Surplus in Statement of Profit and Loss		
Opening balance	6,374.96	656.03
Add: Profit for the year	13,648.97	7,654.20
Less: Appropriations		
Proposed Dividend (dividend per share ₹ 7/-) (Previous Year - ₹ 7/- per share)	976.81	976.81
Corporate Dividend Tax thereon	158.46	158.46
Transferred to General Reserve	1,400.00	800.00
Closing balance	17,488.66	6,374.96
TOTAL	25,572.97	12,983.60

3. LONG-TERM BORROWINGS

Term loans		
From banks – Secured	12,838.28	14,450.33
Other loans and advances		
Loan against vehicles – Secured	62.76	84.93
TOTAL	12,901.04	14,535.26

The Bombay Burmah Trading Corporation, Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

		(₹ in Lakhs)	
		As at 31st March, 2012	As at 31st March, 2011
		Secured	Secured
3. LONG-TERM BORROWINGS (Contd.)			
Details of terms of repayment and security provided			
Term loans from banks:			
AXIS Bank – Rupee Term Loan	Refer note (a)	9,000.00	9,000.00
HDFC Bank – Rupee Term Loan	Refer note (b)	1,000.00	1,500.00
HDFC Bank – FCNR Term Loan	Refer note (c)	2,058.65	2,816.22
HDFC Bank – FCNR Term Loan	Refer note (d)	779.63	1,134.11
Total Term loans from banks		12,838.28	14,450.33
Other loans and advances:			
Loan against vehicles	Refer note (e)	62.76	84.93
Total Other loans and advances		62.76	84.93
	TOTAL	12,901.04	14,535.26

- (a) Rupee agri loan from Axis Bank of ₹ 10,000 Lakhs : Current outstanding ₹ 9,000 Lakhs is repayable in 3 annual installments from 1st April, 2013 to 1st April, 2015 of ₹ 1,200 Lakhs, ₹ 1,500 Lakhs and ₹ 6,300 Lakhs respectively. The loan is secured by exclusive charge over Elkhill Estate. The rate of interest on the loan is ranging from 7.5% to 10%.
- (b) Rupee loan from HDFC Bank of ₹ 2,000 Lakhs : Current outstanding ₹ 1,500 Lakhs is repayable in 2 equal annual installments of ₹ 500 Lakhs from 1st April, 2013 to 31st March, 2015. The loan is to be secured by extension of charge of an Equitable Mortgage by deposit of title deeds of Mudis and Singampatti estates together with buildings and structures thereon in favour of HDFC Bank. The rate of interest on the loan is ranging from 7.5% to 10%.
- (c) FCNR loan from HDFC Bank of USD 15.982 Million : Current Outstanding ₹ 3,226.44 Lakhs (USD 6.307 Million) is repayable in 2 annual installments of ₹ 1,167.90 Lakhs (USD 2.283 Million) and ₹ 2,058.54 Lakhs (USD 4.024 Million) respectively from 1st April, 2013 to 31st March, 2015. The loan is secured by way of an Equitable Mortgage by deposit of title deeds of Mudis and Singampatti estates together with buildings and structures thereon in favour of HDFC Bank. The rate of interest on the loan is 12 months LIBOR + spread ranging from 2.75% to 4%.
- (d) FCNR loan from HDFC Bank of USD 5.08 Million : Current Outstanding ₹ 1,299.36 Lakhs (USD 2.54 Million), is repayable in 4 semi-annual installments of ₹ 259.87 Lakhs (USD 0.508 Million), ₹ 259.87 Lakhs (USD 0.508 Million), ₹ 389.81 Lakhs (USD 0.762 Million), ₹ 389.81 Lakhs (USD 0.762 Million) respectively from 1st April, 2013 to 31st March, 2015. The loan is secured by way of an Equitable Mortgage by deposit of title deeds of Mudis and Singampatti estates together with buildings and structures thereon in favour of HDFC Bank. The rate of interest on the loan is 12 months LIBOR + spread ranging from 2.75% to 4%.
- (e) Loan against vehicles are secured by lien on vehicles purchased.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Lakhs)

	As at 31st March, 2012	As at 31st March, 2011
4. NET DEFERRED TAX (ASSET)/LIABILITY		
Timing difference on account of:		
Deferred Tax Liability		
– Difference between book written down value and written down value under the Income-Tax Act, 1961	176.15	625.34
– Difference between book written down value and written down value under the Karnataka Agricultural Income-Tax Act, 1957	24.30	18.40
Less: Deferred Tax Asset		
– Voluntary Retirement Scheme	—	(84.55)
– Provision for Doubtful Debts, Advances, Derivative Loss, Contingencies	(251.03)	(390.71)
Net Deferred Tax (Asset)/Liability	(50.58)	168.48

5. OTHER LONG-TERM LIABILITIES

Rental/Trade Deposit	42.08	39.34
TOTAL	<u>42.08</u>	<u>39.34</u>

6. LONG-TERM PROVISIONS

Provision for employee benefits:		
– Pension fund	40.28	42.91
	<u>40.28</u>	<u>42.91</u>
– Fringe Benefit Taxation (Net of Advance tax ₹ 40.50 Lakhs) (Previous Year ₹ 40.50 Lakhs)	1.50	1.50
Provision – Others:		
– Provision for other contingencies (Refer Note 45)	350.00	125.00
TOTAL	<u>391.78</u>	<u>169.41</u>

The Bombay Burmah Trading Corporation, Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	(₹ in Lakhs)	
	As at 31st March, 2012	As at 31st March, 2011
7. SHORT-TERM BORROWINGS		
Loans repayable on demand		
Secured		
– From Banks	942.44	4,154.57
Unsecured		
– From Others – Intercorporate deposits	5.00	5.00
TOTAL	947.44	4,159.57
Note: Details of security for the secured short-term borrowings:		
Secured Loans from banks:		
Axis Bank – Rupee WCDL Refer note 3a for security	0.91	2,550.45
HDFC Bank – Rupee WCDL Refer note 3c & 3d for security	15.86	796.32
HDFC Bank – FCNR WCDL Refer note 3c & 3d for security	925.67	807.80
	942.44	4,154.57

	(₹ in Lakhs)	
	As at 31st March, 2012	As at 31st March, 2011
8. TRADE PAYABLES		
Trade payables:		
– Due to Micro, Small and Medium Enterprises (Refer Note 43)	—	13.89
– Others	861.76	971.20
TOTAL	861.76	985.09

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Lakhs)

	As at 31st March, 2012	As at 31st March, 2011
9. OTHER CURRENT LIABILITIES		
Current maturities of long-term debt (Refer Note below)	2,221.22	8,480.75
Interest accrued but not due on borrowings	88.59	131.98
Unpaid dividends	48.80	36.56
Other payables:		
– Statutory liabilities	150.96	110.91
– Trade/security deposits received	320.30	300.00
– Advances from customers	15.62	163.20
– Other liabilities	965.18	3,736.97
TOTAL	<u>3,811.05</u>	<u>12,960.37</u>
Note: Current maturities of long term debts are secured as under:		
From Banks (refer note 3b, 3c & 3d for security)	2,191.71	8,425.60
Others – Loan against vehicles (refer note 3e for security)	29.51	55.15
TOTAL	<u>2,221.22</u>	<u>8,480.75</u>

10. SHORT-TERM PROVISIONS

Provision for employee benefits:

– Provision for compensated absences	109.41	179.47
	<u>109.41</u>	<u>179.47</u>
Others:		
– Provision for estimated loss on derivatives	—	518.00
– Provision for proposed equity dividend	976.81	976.81
– Provision for tax on proposed dividend	158.46	158.46
	<u>1,135.27</u>	<u>1,653.27</u>
TOTAL	<u>1,244.68</u>	<u>1,832.74</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

11. FIXED ASSETS

	Original/ Revalued Cost or Balance as at 1st Apr., 2011	Cost Additions during the year	Assets taken over during the year	Cost of Disposals/ Transfers during the year	Currency Alignment on Opening Balance	Cost/ Revalued Cost or Balance as at 31st March, 2012	Accumulated Deprecia- tion/ Amortisation as on 1st April, 2011	Currency Alignment on Opening Balance	Depreciation/ Amortisation for the year	Currency Alignment for the year	Deduction during the year on Transfers/ Disposals during the year	Deprecia- tion/ Amortisa- tion to 31st March, 2012	Net Book Value as at 31st March, 2011	Net Book Value as at 31st March, 2012
TANGIBLE ASSETS:														
LAND:														
Freehold	181.19	—	—	—	—	181.19	—	—	—	—	—	—	181.19	181.19
Leasehold	417.21	—	—	(412.41)	0.04	4.84	30.92	0.01	2.58	(0.01)	(30.05)	3.45	1.39	386.29
ROADS	104.98	128.77	—	—	—	233.75	47.66	—	7.22	—	—	54.88	178.87	57.32
DEVELOPMENT—Plantations	1,912.97	258.46	—	—	0.36	2,171.79	27.27	—	4.33	—	—	31.60	2,140.19	1,885.70
BUILDINGS	* 3,091.70	99.80	—	(1,031.93)	4.32	2,163.89	1,263.01	0.90	89.53	—	(364.94)	988.50	1,175.39	1,828.69
PLANT AND MACHINERY	12,957.08	439.44	—	(7,807.12)	26.18	5,215.58	6,763.69	11.22	525.43	—	(3,792.15)	3,508.19	1,707.39	5,793.40
MOTOR VEHICLES AND TRACTORS	# 653.76	17.60	—	(79.97)	3.55	# 594.94	314.49	3.02	42.85	—	(41.52)	318.84	276.10	339.27
OFFICE EQUIPMENTS	73.55	7.52	—	(21.11)	—	59.96	36.57	—	2.77	—	(6.98)	32.36	27.60	36.97
FURNITURE AND FIXTURES	697.60	11.09	—	(183.01)	0.23	525.91	355.63	0.19	27.28	—	(87.30)	295.80	230.11	341.97
INTANGIBLE ASSETS:														
GOODWILL	52.09	—	—	—	—	52.09	52.09	—	—	—	—	52.09	—	—
TECHNICAL KNOW – HOW	25.64	—	—	(25.64)	—	—	25.64	—	—	—	(25.64)	—	—	—
COMPUTER SOFTWARE	49.43	38.00	—	(58.03)	—	29.40	32.08	—	13.57	—	(20.02)	25.63	3.77	17.35
TOTAL	19,817.20	1,000.68	—	(9,619.22)	34.68	11,233.34	8,949.05	15.34	715.56	(0.01)	(4,368.60)	5,311.34	5,922.00	10,868.15
PREVIOUS YEAR TOTAL	18,083.41	1,861.68	—	(90.71)	(37.18)	19,817.20	8,126.94	—	885.59	(14.77)	(48.71)	8,949.05	10,868.15	235.58
CAPITAL WORK-IN-PROGRESS													45.53	235.58
TOTAL:													5,967.53	11,103.73

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

Motor Vehicles and Tractors include ₹ 201.09 lakhs (Previous Year ₹ 265.52 lakhs) being cost of Assets purchased on Hire Purchase basis on which the lender has a lien.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Lakhs)

	As at 31st March, 2012			As at 31st March, 2011		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
12. NON-CURRENT INVESTMENTS						
Long Term Investments (At cost):						
A. TRADE						
Fully paid at Cost –						
1,774 Ordinary Shares of Anamallais Ropeway Co. Limited of ₹ 100 each	—	0.01	0.01	—	0.01	0.01
5 Ordinary Shares of The Nilgiris Co-operative Central Stores Limited of ₹ 50 each (Face Value ₹ 250, Book Value ₹ 255)	—	—	—	—	—	—
250 Shares of The Valparai Co-operative Wholesale Stores Limited of ₹ 10 each	—	0.03	0.03	—	0.03	0.03
1 Share of The Coorg Orange Growers' Co-operative Society Limited of ₹ 100 (Face Value ₹ 100, Book Value ₹ 100)	—	—	—	—	—	—
50 "Member" Shares of The Tanganyika Farmers' Co-operative Association Limited of Shs. 1,000 each (Face Value Shs. 50,000 Book Value ₹ 3,090)	—	0.02	0.02	—	0.02	0.02
Total – Trade (A)	—	0.06	0.06	—	0.06	0.06
B. OTHER INVESTMENTS						
(a) Investment in equity instruments						
(i) Of Subsidiaries						
76,050 Ordinary Shares of Afco Industrial & Chemicals Limited of ₹ 100 each	—	60.02	60.02	—	60.02	60.02
2,97,000 Ordinary Shares of Electromags Automotive Products Private Limited of ₹ 10 each	—	534.60	534.60	—	534.60	534.60
20,000 Ordinary Shares of DPI Products & Services Limited of ₹ 100 each	—	73.62	73.62	—	73.62	73.62
1,06,65,000 Ordinary Shares of Leila Lands Sdn. Bhd. of RM. 1 each	—	83.28	83.28	—	73.66	73.66
Nil (Previous Year 503) Shares of P.T. Indo Java Rubber Planting Company of Rupiah 171,927 each	—	—	—	—	—	—
5,982 Equity Shares of Sea Wind Investment And Trading Company Limited of ₹ 100 each	—	5.98	5.98	—	5.98	5.98
	—	757.50	757.50	—	747.88	747.88
(ii) Of Associates						
48,000 Equity Shares of Inor Medical Products Limited of ₹ 10 each	—	0.29	0.29	—	0.29	0.29
4,999 Equity Shares of Lima Investment & Trading Company Pvt. Limited of ₹ 100 each	—	5.00	5.00	—	5.00	5.00
2,44,991 Equity Shares of Lotus Viniyog Pvt. Limited of ₹ 10 each	—	24.50	24.50	—	24.50	24.50
4,999 Equity Shares of Cincinnati Investment & Trading Company Pvt. Limited of ₹ 100 each	—	5.00	5.00	—	5.00	5.00
4,999 Equity Shares of Roshnara Investment & Trading Company Pvt. Limited of ₹ 100 each	—	5.00	5.00	—	5.00	5.00

The Bombay Burmah Trading Corporation, Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Lakhs)

	As at 31st March, 2012			As at 31st March, 2011		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
1 Equity Share of The Bombay Burmah Trading Employees' Welfare Co. Limited, of ₹ 100 (Face Value ₹ 100, Book Value ₹ 100)	—	—	—	—	—	—
1 Equity Share of National Peroxide Employees' Welfare Company Limited of ₹ 100 (Face Value ₹ 100, Book Value ₹ 100)	—	—	—	—	—	—
	—	39.79	39.79	—	39.79	39.79
(iii) Of Other Entities						
59,28,875 Equity Shares of The Bombay Dyeing and Manufacturing Co. Limited, (BDMC) of ₹ 10 each.	9,868.91	—	9,868.91	9,868.91	—	9,868.91
4,704 Equity Shares of Citurgia Biochemicals Limited, of ₹ 10 each	0.47	—	0.47	0.47	—	0.47
16 Equity Shares of The Associated Cement Company Limited, of ₹ 10 each (Face Value ₹ 160, Book Value ₹ 160)	—	—	—	—	—	—
11,580 Equity Shares of B.R.T. Limited of ₹ 100 each	—	15.87	15.87	—	15.87	15.87
35,000 (Previous year Nil) Ordinary Share of AICA laminates India Private Limited of ₹ 1000 each	—	499.80	499.80	—	—	—
1 Ordinary Share of Daisylea Apartment Owners' Association of ₹ 100 (Face Value ₹ 100, Book Value ₹ 100)	—	—	—	—	—	—
15 Shares of Hermes Park Co-operative Housing Society Limited of ₹ 50 each	—	0.01	0.01	—	0.01	0.01
10 Shares of Reena Park Co-operative Housing Society Limited of ₹ 50 each (Face Value ₹ 500, Book Value ₹ 500)	—	—	—	—	—	—
	9,869.38	515.68	10,385.06	9,869.38	15.88	9,885.26
(b) Investment in Government Securities	—	1.03	1.03	—	4.07	4.07
	—	1.03	1.03	—	4.07	4.07
Total – Other investments (B)	9,869.38	1,314.00	11,183.38	9,869.38	807.62	10,677.00
Total (A+B)	9,869.38	1,314.06	11,183.44	9,869.38	807.68	10,677.06
Aggregate amount of quoted investments			9,869.38			9,869.38
Aggregate market value of listed and quoted investments			34,386.34			21,722.64
Aggregate value of listed but not quoted investments			—			—
Aggregate amount of unquoted investments			1,314.06			807.68

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Lakhs)

13. LONG-TERM LOANS AND ADVANCES**Unsecured****Considered good**

	As at 31st March, 2012	As at 31st March, 2011
Security deposits	154.40	155.23
Loans and advances to employees	130.61	86.33
Advance income tax (net of provisions ₹ 6,402.15 Lakhs (Previous Year ₹ 2,178.04 Lakhs))	80.41	36.43
Balances with government authorities	21.10	16.48
Other Loans and Advances		
– Intercorporate advances	400.00	400.00
– Others	322.94	144.15
Considered Doubtful		
Excise duty receivable	122.47	122.47
Interest receivable	72.00	72.00
Deposit towards contingent liabilities (refer note 29D)	25.00	25.00
Other Loans and Advances	71.73	42.10
	<u>1,400.66</u>	<u>1,100.19</u>
Less: Provision for doubtful Loans and Advances	291.20	261.57
TOTAL	<u><u>1,109.46</u></u>	<u><u>838.62</u></u>

14. INVENTORIES

(At lower of cost and net realisable value)

Raw materials	89.45	1,749.42
Work-in-progress	96.57	541.58
Finished goods (other than those acquired for trading)	2,400.23	3,885.98
Stock-in-trade (acquired for trading)	1,006.35	1,005.65
Stores and spares including Loose Tools	609.11	575.83
Others – Real Estate under development	1,910.59	1,856.99
TOTAL	<u><u>6,112.30</u></u>	<u><u>9,615.45</u></u>

15. TRADE RECEIVABLES**Unsecured**

Trade receivables outstanding for a period exceeding six months from the date they were due for payment

– considered good	96.91	610.34
– considered Doubtful	347.88	275.64
	<u>444.79</u>	<u>885.98</u>
Less: Provision for doubtful trade receivables	347.88	275.64
	<u>96.91</u>	<u>610.34</u>
Other Trade receivables		
– considered good	1,285.28	4,765.95
TOTAL	<u><u>1,382.19</u></u>	<u><u>5,376.29</u></u>

The Bombay Burmah Trading Corporation, Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	(₹ in Lakhs)	
	As at 31st March, 2012	As at 31st March, 2011
16. CASH AND BANK BALANCE		
Cash and Cash Equivalents		
Cash on hand	28.24	13.41
Balances with banks		
– In current accounts	671.40	852.13
– In deposit accounts	8,920.00	375.00
Other Bank Balances		
– Unpaid dividend accounts	48.80	36.56
– Balances held as margin money against guarantees and other commitments	—	1.68
– Bank Deposits	23.35	23.63
TOTAL	<u>9,691.79</u>	<u>1,302.41</u>

17. SHORT-TERM LOANS AND ADVANCES

Unsecured

Considered Good

– Loans and advances to related parties (Refer Note 32)	10,989.90	9,154.74
– Security deposits	0.11	0.10
– Loans and advances to employees	168.15	105.81
– Prepaid expenses	76.94	91.33
– Balances with government authorities	34.97	294.47
– Others	45.19	332.49

Considered Doubtful

– Other loans and advances	—	0.48
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	<u>11,315.26</u>	<u>9,979.42</u>
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<i>Less:</i> Provision for other doubtful loans and advances	—	0.48
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TOTAL	<u>11,315.26</u>	<u>9,978.94</u>
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18. OTHER CURRENT ASSETS

Earnest Money Deposit	1.21	1.01
Accruals		
– Interest accrued on deposits	12.88	48.09
– Export benefit receivable	336.20	266.17
– Others	6.23	22.36
TOTAL	<u>356.52</u>	<u>337.63</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Lakhs)

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
19. REVENUE FROM OPERATIONS		
Sale of products [Refer Note (i) below]	25,865.52	32,032.88
Sale of services [Refer Note (ii) below]	21.83	18.68
Other operating revenues [Refer Note (iii) below]	999.58	945.60
	<u>26,886.93</u>	<u>32,997.16</u>
<i>Less:</i>		
Excise duty	856.76	1,106.14
TOTAL	<u>26,030.17</u>	<u>31,891.02</u>
Note (i)		
Sale of products comprises:		
Manufactured goods		
Tea	7,974.32	8,526.12
Coffee	1,227.07	1,169.21
Other Plantation Products	511.38	225.32
Laminates	4,376.22	7,842.96
Precision Springs	8,732.10	11,966.09
Weighing Products	209.73	201.45
Dental Products	1,398.63	1,115.93
Sub-Total	<u>24,429.45</u>	<u>31,047.08</u>
Traded goods		
Tea	60.40	80.26
Coffee	1,210.11	667.38
Laminates	—	36.82
Weighing Products	21.22	10.38
Dental Products	144.34	190.96
Sub-Total	<u>1,436.07</u>	<u>985.80</u>
TOTAL	<u>25,865.52</u>	<u>32,032.88</u>
Note (ii)		
Sale of services comprises:		
Weighing Products	21.83	18.68
TOTAL	<u>21.83</u>	<u>18.68</u>
Note (iii)		
Other operating revenues comprises:		
Sale of scrap	2.25	
Duty drawback and other export incentives	331.31	244.14
Expenses recovered from subsidiaries and other Companies	583.76	630.95
Rent (including machinery etc. Hire charges/Lease Rent)	82.26	70.51
TOTAL	<u>999.58</u>	<u>945.60</u>

The Bombay Burmah Trading Corporation, Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	(₹ in Lakhs)	
	For the year ended 31st March, 2012	For the year ended 31st March, 2011
20. OTHER INCOME		
Interest income [Refer Note (i) below]	1,025.58	434.66
Dividend income from:		
– subsidiaries	113.27	476.78
– associates	1.44	1.44
– others	207.52	148.23
Net gain on sale of long-term investments	—	6,693.91
Net gain on foreign currency transactions and translation (other than considered as finance cost)	—	107.14
Other non-operating income [Refer Note (ii) below]	599.60	915.39
TOTAL	<u>1,947.41</u>	<u>8,777.55</u>
Note (i)		
Interest income on:		
– Bank Deposits	470.53	23.90
– Loans and Advances	547.18	410.76
– Income-tax refund	7.87	—
TOTAL	<u>1,025.58</u>	<u>434.66</u>
Note (ii)		
Other non-operating income:		
– Rental income from investment properties	30.71	29.35
– Profit on sale of fixed assets	—	23.74
– Compensation on transfer of Lease	—	599.69
– Profit on sale of Raw Materials	—	0.31
– Sales tax set off	—	12.02
– Liabilities/provisions no longer required written back	227.60	18.91
– Miscellaneous income (includes compensation from surrender of tenancy rights)	341.29	231.37
TOTAL	<u>599.60</u>	<u>915.39</u>
21. COST OF MATERIALS CONSUMED		
Opening stock	1,749.42	1,622.13
Add: Purchases	8,892.78	12,883.75
	<u>10,642.20</u>	<u>14,505.88</u>
Less: Transferred on sale of undertakings	857.44	—
Less: Closing stock	89.45	1,749.42
TOTAL	<u>9,695.31</u>	<u>12,756.46</u>
Material consumed comprises:		
Paper Prints	1,258.05	2,234.62
Chemicals	1,081.36	1,873.91
Bought Leaf	1,343.00	1,316.61
Miscellaneous Raw Materials	980.51	713.57
Steel Wires	4,978.28	6,568.35
Electronic and Mechanical Components	54.11	49.40
TOTAL	<u>9,695.31</u>	<u>12,756.46</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Lakhs)

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
21. PURCHASE OF STOCK-IN-TRADE		
Tea	50.65	60.28
Coffee	1,101.72	828.22
Laminates	10.15	67.65
Weighing Products	15.74	7.96
Dental Products	94.61	108.79
TOTAL	<u>1,272.87</u>	<u>1,072.90</u>
21. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Inventories at the end of the year:		
Finished goods (including stock in trade of traded goods)	3,406.58	4,891.63
Work-in-progress	96.57	541.58
	<u>3,503.15</u>	<u>5,433.21</u>
Inventories at the beginning of the year:		
Finished goods (including stock in trade of traded goods)	4,891.63	4,183.58
Work-in-progress	541.58	426.94
	<u>5,433.21</u>	<u>4,610.52</u>
Less: Transferred on sale of undertakings	2,336.03	—
	<u>3,097.18</u>	<u>4,610.52</u>
Net Decrease/(Increase)	<u>(405.97)</u>	<u>822.69</u>
22. EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	4,621.42	4,620.27
Contributions to provident and other funds (Refer Note 36)	580.47	439.65
Staff welfare expenses	326.39	319.18
Less: Transferred to Real Estate under development (Refer Note 25)	46.83	63.13
TOTAL	<u>5,481.45</u>	<u>5,315.97</u>
23. FINANCE COSTS		
Interest expense on:		
– Bank Borrowings and Others	1,848.50	1,815.21
Bank charges	3.82	62.46
TOTAL	<u>1,852.32</u>	<u>1,877.67</u>

The Bombay Burmah Trading Corporation, Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	(₹ in Lakhs)	
	For the year ended 31st March, 2012	For the year ended 31st March, 2011
24. OTHER EXPENSES		
Consumption of stores and spare parts	1,333.47	1,555.73
Increase of excise duty on inventory	42.02	27.76
Power and fuel	1,363.45	1,558.51
Rent including lease rentals (Refer Note 42)	208.88	222.21
Repairs and maintenance – Buildings	229.08	170.17
Repairs and maintenance – Machinery	259.07	328.35
Repairs and maintenance – Others	105.21	—
Insurance	69.20	88.91
Rates and taxes	81.42	99.95
Communication	88.57	101.55
Travelling and conveyance	268.73	288.16
Printing and stationery	62.30	73.04
Freight and forwarding	879.85	1,151.01
Selling expenses	910.11	1,464.64
Business promotion	26.40	—
Legal and professional	178.07	199.12
Payments to auditors [Refer Note (i) below]	26.91	22.71
Bad trade and other receivables, loans and advances written off	30.25	14.15
Director's sitting fees	10.61	6.10
Net loss on foreign currency transactions and translation (other than considered as finance cost)	7.13	—
Obsolete stocks written off	47.00	—
Loss on fixed assets sold/scrapped/written off	18.26	—
Provision for doubtful trade and other receivables, loans and advances (net)	294.48	54.96
Processing charges	569.59	825.52
Technical know-how fees/Royalty	46.29	74.06
Provision for contingencies	225.00	40.00
Miscellaneous expenses	806.50	1,005.87
Less: Transferred to Real estate under development (Refer Note 25)	19.67	30.12
TOTAL	<u>8,168.18</u>	<u>9,342.36</u>
Note (i):		
Payments to the auditors:		
– Statutory audit fees (including branch auditors)	11.64	11.58
– Other services	13.35	9.42
– Reimbursement of expenses	1.92	1.71
TOTAL	<u>26.91</u>	<u>22.71</u>
25. COST RELATING TO REAL ESTATE UNDER DEVELOPMENT		
Opening Stock (Real Estate under Development)	1,856.99	1,776.66
Add: Expenditure relating to Real Estate Division incurred during the year		
Payments to and provision for employees (Refer Note 22)	46.83	63.13
Contract/retainership fees (Refer Note 24)	5.49	9.01
Travelling and other expenses (Refer Note 24)	14.18	21.11
	<u>66.50</u>	<u>93.25</u>
	1,923.49	1,869.91
Closing Stock (Real Estate under Development) (Refer Note 14)	1,910.59	1,856.99
TOTAL	<u>12.90</u>	<u>12.92</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	Current Year (₹ in Lakhs)	Previous Year (₹ in Lakhs)
26. PROFIT ON SALE OF UNDERTAKINGS		
Profit on sale of BCL Springs Division [Refer Note No. (i)]	12,493.44	—
Profit on sale of Sunmica Division [Refer Note No. (ii)]	3,977.14	—
TOTAL	<u>16,470.58</u>	<u>—</u>

Notes:

(i) During the year pursuant to the approval of the Shareholders and other authorities the Corporation transferred and sold BCL Springs Division (Auto Ancillary Products) to NHK Automotive India Pvt. Ltd. on a slump sale basis with effect from close of business hours on 30th November 2011 for a lump sum consideration of ₹ 18,050.00 Lakhs.

The book value of the said undertaking as on the date of transfer was ₹ 5,512.33 Lakhs and directly attributable expenses with regards to sale/transfer aggregated to ₹ 44.23 Lakhs.

(ii) During the year pursuant to the approval of the Shareholders and other authorities the Corporation transferred and sold Sunmica Division (Building Products) to AICA India Pvt. Ltd. on a slump sale basis with effect from close of business hours on 31st October, 2011 for a lump sum consideration of ₹ 10,030.00 Lakhs.

The book value of the said undertaking as on the date of transfer was ₹ 5,752.69 Lakhs and directly attributable expenses with regards to sale/transfer aggregated to ₹ 300.17 Lakhs.

27. PROFIT FROM DISCONTINUED OPERATIONS OF DIVISIONS

The Corporation transferred and sold Sunmica Division (Building Products) and BCL Springs Division (Auto Ancillary Products) on a slump sale basis with effect from close of business hours on 31st October, 2011 and 30th November, 2011 respectively as mentioned in Note 26. The details of revenue expenditure and profits up to the date of transfer/sale are given below:

	(₹ in Lakhs)	
	BCL Springs (Auto Ancillary Products)	Sunmica (Building Products)
Revenue net of excise and other income from operations	7,975.77	4,521.97
Expenditure	7,489.89	4,613.55
Profit/(Loss) from Discontinued Operations	<u>485.88</u>	<u>(91.58)</u>
Total Profit from discontinued operations:		
BCL Springs	485.88	
Sunmica	(91.58)	
TOTAL	<u>394.30</u>	

	Current Year (₹ in Lakhs)	Previous Year (₹ in Lakhs)
28. EARNINGS PER SHARE FROM CONTINUING OPERATIONS		
(A) Net Profit for calculation of Earnings per Share (numerator)	12,948.18	7,654.20
(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 ₹)	92.79	54.85
(D) Nominal value per equity share (in ₹)	10	10

EARNINGS PER SHARE FROM TOTAL OPERATIONS:

(A) Net Profit for calculation of Earnings per Share (numerator)	13,648.97	7,654.20
(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 ₹)	97.81	54.85
(D) Nominal value per equity share (in ₹)	10	10

The Bombay Burmah Trading Corporation, Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

29. CONTINGENT LIABILITIES NOT PROVIDED FOR

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

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

	Current Year (₹ in Lakhs)	<i>Previous Year (₹ in Lakhs)</i>
South India Consolidation (Plantations Division)	1.47	1.47
BCL Springs (Auto Ancillary Division)	—	40.76
Sunnica Division (Building Products Division)	—	1.26

C. Disputed wage demands pending with the Industrial Tribunal ₹ **232.25 Lakhs** (*Previous Year ₹ 232.25 Lakhs*) and back wages relief granted by Labour Court ₹ **0.58 Lakh** (*Previous Year ₹ 0.58 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 31st March, 2012 and disputed by the Corporation ₹ **140.96 Lakhs** (*Previous Year ₹ 119.94 Lakhs*).

E. PF Demand on allowance paid to workers ₹ **98.63 Lakhs** (*Previous Year Nil*).

The Corporation has created provision against contingencies described in items nos. B to E as an abundant precaution. (Refer Note No. 45).

F. Letter of Credit in respect of erstwhile BCL Springs ₹ **329.39 Lakhs** (*Previous Year ₹ Nil*).

30. Estimated amount of contracts remaining to be executed on Capital Account and not provided for ₹ **140.25 Lakhs** (*Previous Year ₹ 20.20 Lakhs*).

31. FINANCIAL & DERIVATIVE INSTRUMENTS

(a) Outstanding Foreign exchange forward contracts **USD 27.52 Lakhs (Sold) – INR 1,404.87 Lakhs, USD 2.5 Lakhs (Bought) – INR 127.93 Lakhs, EUR 7.08 Lakhs (Sold) – INR 493.68 Lakhs** (*Previous Year EUR 3.67 Lakhs (Sold) – INR 228.08 Lakhs, AUD 0.91 Lakhs (Sold) – INR 41.68 Lakhs, JPY 305.40 Lakhs (Bought) – INR 165.90 Lakhs*).

(b) Option contract of **Euro 11.25 Million** (*Previous year Option contract of Euro 11.25 Million*) are outstanding as at the year end.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- (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 (₹ in Lakhs)
Receivable in foreign currency on account of export of Goods:		
	USD —	—
	<i>(USD 603,049)</i>	<i>(296.26)</i>
	EURO —	—
	<i>(EURO 114,591)</i>	<i>(72.64)</i>
	AUD —	—
	<i>(AUD 48,841)</i>	<i>(22.54)</i>
Amount payable in foreign currency on account of import of goods and services:		
	USD 473	0.24
	<i>(USD 445,162)</i>	<i>(198.07)</i>
	EURO 17,695	12.10
	<i>(EURO 246,170)</i>	<i>(156.06)</i>
	JPY —	—
	<i>(JPY 48,810,037)</i>	<i>(263.24)</i>
	SEK —	—
	<i>(SEK 331,404)</i>	<i>(23.53)</i>
Loans Payable	USD 10,656,827	5,451.66
	<i>(USD 16,200,732)</i>	<i>(7,233.63)</i>

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

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

	(₹ in Lakhs)	
	Amount Outstanding	Max. Amount Outstanding
I. Subsidiary Companies:		
(1) Afco Industrial and Chemicals Limited	29.39	44.72
	<i>(44.72)</i>	<i>(77.85)</i>
(2) DPI Products & Services Limited	74.25	75.66
	<i>(75.66)</i>	<i>(75.66)</i>
(3) Sea Wind Investments and Trading Company Limited	17.40	17.40
	<i>(17.14)</i>	<i>(67.14)</i>
(4) Naira Holdings Limited	259.17	269.77
	<i>(229.61)</i>	<i>(244.36)</i>
(5) Electromags Automotive Products Private Limited	3,647.34	4,090.82
	<i>(2,776.03)</i>	<i>(2,776.06)</i>
(6) Leila Lands Senderian Berhad	6,009.71	6,009.71
	<i>(5,245.20)</i>	<i>(5,245.20)</i>

The Bombay Burmah Trading Corporation, Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

		(₹ in Lakhs)	
		Amount Outstanding	Max. Amount Outstanding
II. Associate Companies:			
(1)	Lotus Viniyog Private Limited	7.27 (5.40)	7.27 (5.40)
(2)	Inor Medical Products Limited	945.37 (760.98)	945.37 (760.98)
TOTAL		10,989.90 (9,154.74)	

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

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

		(₹ in Lakhs)
(a) Value of Imports calculated on C.I.F. Basis:		
	Raw Materials	2,495.73 (3,197.85)
	Components and Spare Parts	27.71 (23.18)
	Capital Goods	58.98 (595.99)
	Traded Goods – Dental	32.17 (59.32)

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

(b) Expenditure in foreign currencies: (Excluding expenses of foreign branches)		
		(₹ in Lakhs)
	Commission on Exports	12.95 (4.42)
	On account of other matters (Travelling Expenses, Subscription, Professional Services, etc.)	20.23 (47.79)
	Technical Know-how Fees/Royalty	58.89 (70.90)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

	Value (₹ in Lakhs)	Percentage to total consumption
(i) Raw Materials		
Imported	2,124.27 <i>(3,465.44)</i>	25.96 <i>(27.17)</i>
Indigenous	5,235.01 <i>(9,291.02)</i>	74.04 <i>(72.83)</i>
TOTAL	<u>7,359.28</u> <u><i>(12,756.46)</i></u>	<u>100</u> <u><i>(100)</i></u>
(ii) Stores and Spare Parts		
Imported	29.92 <i>(38.08)</i>	2.25 <i>(2.45)</i>
Indigenous	1,303.55 <i>(1,517.65)</i>	97.75 <i>(97.55)</i>
TOTAL	<u>1,333.47</u> <u><i>(1,656.47)</i></u>	<u>100</u> <u><i>(100)</i></u>

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

	No. of non-resident Shareholders	No. of Shares held by them	Aggregate amount of dividends ₹ in Lakhs
(d) Remittances in foreign currencies on account of dividends:			
(i) Dividend for the year ended 31.3.2011	1	11,31,940	79.23
(Dividend for year ended 31.3.2010)	<i>(1)</i>	<i>(11,31,940)</i>	<i>(39.62)</i>
(ii) Except for the above Shareholders, the Corporation has not made any remittance in foreign currency on account of dividends during the year and does not have information as to the extent to which remittances in foreign currencies on account of dividends have been made by or on behalf of non-resident Shareholders.			
(iii) The particulars of non-resident Shareholders and the amount of dividends paid to them are as under:			
	No. of non-resident Shareholders including those under (a) above	No. of Shares held by them	Aggregate amount of of dividend ₹ in Lakhs
Dividend for the year ended 31.3.2011	219	12,71,504	89.00
(Dividend for the year ended 31.3.2010)	<i>(186)</i>	<i>(12,69,212)</i>	<i>(44.42)</i>

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

The Bombay Burmah Trading Corporation, Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

	(₹ in Lakhs)
(i) Export of Tea, Coffee & Others on F.O.B. basis	3,904.78 <i>(3,493.32)</i>
(ii) Export of laminates on F.O.B. basis	76.09 <i>(325.38)</i>
(iii) Export of Precision Springs on F.O.B. basis	178.60 <i>(248.50)</i>
(iv) Export of Dental Products	44.42 <i>(11.38)</i>
(v) Dividend	113.27 <i>(476.78)</i>

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

34. 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.
- Investments
Segment invests in various securities listed as well as unlisted mainly on a long term basis.
- Others
Segment manufactures/trades in Analytical and Precision Balances and Weighing Scales and represents property development.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(ii) Segment Revenues, Results and Other Information:

	Continuing Operations				Discontinued Operations		
	Plantation Products	Dental Products	Investments	Others	Building Products	Auto Ancillary Products	Total of Reportable Segments
Sales (Net of excise duty)	11,282.37 <i>(10,668.29)</i>	1,564.07 <i>(1,306.90)</i>	— <i>(—)</i>	235.10 <i>(212.95)</i>	4,376.22 <i>(7,879.78)</i>	7,929.70 <i>(10,877.5)</i>	25,387.46 <i>(30,945.42)</i>
Other Income	187.96 <i>(358.56)</i>	1.49 <i>(19.83)</i>	679.49 <i>(7,320.36)</i>	3.85 <i>(45.33)</i>	145.75 <i>(149.06)</i>	49.12 <i>(98.75)</i>	1,067.66 <i>(7,968.82)</i>
Segment Revenues	11,470.33 <i>(11,026.85)</i>	1,565.96 <i>(1,326.73)</i>	679.49 <i>(7,320.36)</i>	238.95 <i>(235.21)</i>	4,521.97 <i>(8,028.84)</i>	7,978.82 <i>(10,976.2)</i>	26,455.52 <i>(38,914.24)</i>
Segment Results	995.02 <i>(1,597.10)</i>	374.82 <i>(287.19)</i>	679.49 <i>(7,320.36)</i>	35.71 <i>(45.33)</i>	224.55 <i>(468.39)</i>	913.33 <i>(1,721.94)</i>	3,222.92 <i>(11,440.31)</i>
Segment Assets	11,177.21 <i>(10,354.34)</i>	915.46 <i>(864.72)</i>	26,113.10 <i>(1,591.18)</i>	2,252.66 <i>(2,197.71)</i>	— <i>(6,885.61)</i>	— <i>(7,201.95)</i>	40,458.43 <i>(43,423.51)</i>
Segment Liabilities	1,782.43 <i>(1,225.89)</i>	162.22 <i>(136.25)</i>	— <i>(—)</i>	41.33 <i>(31.25)</i>	— <i>(765.40)</i>	— <i>(2,116.44)</i>	1,985.98 <i>(4,275.23)</i>
Capital Expenditure (included in segment assets)	691.03 <i>(883.42)</i>	2.22 <i>(2.99)</i>	— <i>(—)</i>	6.54 <i>(—)</i>	9.29 <i>(117.01)</i>	97.26 <i>(557.15)</i>	806.34 <i>(1,560.57)</i>
Depreciation/Amortisation	338.59 <i>(284.45)</i>	10.68 <i>(20.86)</i>	— <i>(—)</i>	13.78 <i>(13.73)</i>	167.00 <i>(339.83)</i>	149.68 <i>(196.79)</i>	679.73 <i>(855.66)</i>

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

(iii) Reconciliation of Reportable Segments with the Financial Statements:

	Revenues	Results/Net Profits	Assets	Liabilities	Capital Expenditure	Depreciation/Amortisation	Non-cash Expenses other than depreciation
Total of Reportable Segments	26,455.52 <i>(38,914.24)</i>	3,222.92 <i>(11,440.31)</i>	40,458.43 <i>(43,423.51)</i>	1,985.98 <i>(4,275.23)</i>	806.34 <i>(1,560.57)</i>	679.73 <i>(855.66)</i>	— <i>(—)</i>
Corporate/Unallocated Segment	1,522.46 <i>(1,754.33)</i>	16,284.94* <i>(-20.17)*</i>	6,710.64 <i>(5,806.62)</i>	18,213.85 <i>(30,575.03)</i>	41.05 <i>(168.09)</i>	35.83 <i>(29.93)</i>	— <i>(622.46)</i>
Less: Interest		-1,852.32 <i>(-1,815.21)</i>					— <i>(—)</i>
Less: Taxes		-4,006.58 <i>(-1,950.73)</i>					— <i>(—)</i>
As per Financial Statement	27,977.56 <i>(40,668.57)</i>	13,648.97 <i>(7,654.20)</i>	47,169.07 <i>(49,230.13)</i>	20,199.83 <i>(34,850.26)</i>	847.39 <i>(1,728.66)</i>	715.56 <i>(885.59)</i>	— <i>(622.46)</i>

*Comprising Profit on sale of undertakings, fixed assets, expenses recovered, loss on exchange etc. (Figures in brackets are in respect of the Previous Year).

The Bombay Burmah Trading Corporation, Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

B. Secondary segment Reporting (by Geographical Segment)

	(₹ in Lakhs)		
	Domestic	Exports*	Total
Revenues	23,132.83 (36,114.47)	4,844.75 (4,554.10)	27,977.58 (40,668.57)
Total Assets	46,321.96 (48,383.04)	847.09 (1,416.06)	47,169.07 (49,230.13)
Capital Expenditure	842.56 (1,697.06)	4.83 (31.60)	847.39 (1,728.66)

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

*It includes revenues and assets of foreign branches.

35. RELATED PARTY DISCLOSURES

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

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

Subsidiaries:

- (i) Afco Industrial & Chemicals Limited
- (ii) DPI Products & Services Limited
- (iii) Sea Wind Investments & Trading Company Limited
- (iv) PT Indo Java Rubber Planting Company till 17th March, 2011
- (v) Leila Lands Senderian Berhad
- (vi) Electromags Automotive Products Private Limited (Refer Note 38)

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 Valley Foods Private Limited
International Bakery Products Limited

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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. Ness Wadia – Managing Director (w.e.f. 1st April, 2011)
Mr. Jeh Wadia – Deputy Managing Director (up to 31st March, 2011)

(3) Other Related parties – Associate Companies:

Lotus Viniyog Private Limited
Inor Medical Products Limited
Medical Microtechnology Ltd.

(4) The following transactions were carried out with the related parties in the ordinary course of business. Details relating to the parties referred to in items 1 to 3 above:

(₹ in Lakhs)

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

	Subsidiaries & Sub Subsidiaries	Key Management Personnel	Other Related Parties	Total
Expenses charged by them				
Afco Industrials & Chemicals Ltd.	25.62 (23.52)	— (—)	— (—)	25.62 (23.52)
DPI Products & Services Ltd.	2.43 (2.28)	— (—)	— (—)	2.43 (2.28)
Expenses charged to them				
Afco Industrials & Chemicals Ltd.	0.40 (0.26)	— (—)	— (—)	0.40 (0.26)
Inor Medical Products Ltd.	— (—)	— (—)	4.56 (14.16)	4.56 (14.16)
Sea Wind Investments & Trading Company Limited	0.13 (—)	— (—)	— (—)	0.13 (—)

The Bombay Burmah Trading Corporation, Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Lakhs)

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

	Subsidiaries & Sub Subsidiaries	Key Management Personnel	Other Related Parties	Total
Electromags Automotive Products Pvt. Ltd.	4.87 (0.81)	— (—)	— (—)	4.87 (0.81)
Naira Holdings Limited	34.12 (37.64)	— (—)	— (—)	34.12 (37.64)
Commission Received				
Inor Medical Products Ltd.	— (—)	— (—)	60.67 (60.67)	60.67 (60.67)
Interest Received				
Electromags Automotive Products Pvt. Ltd.	366.00 (279.52)	— (—)	— (—)	366.00 (279.52)
Inor Medical Products Ltd.	— (—)	— (—)	90.18 (83.11)	90.18 (83.11)
Naira Holdings Limited	— (3.46)	— (—)	— (—)	— (3.46)
Dividend Received				
P. T. Indo Java Rubber Planting Company	— (476.78)	— (—)	— (—)	— (476.78)
Inor Medical Products Ltd.	— (—)	— (—)	— (1.44)	— (1.44)
Dividend Paid				
Mr. Jeh Wadia	— (—)	0.02 (0.02)	— (—)	0.02 (0.02)
Mr. Ness Wadia	— (—)	0.07 (0.0)	— (—)	0.07 (0.00)
Management/Secondment Charges received				
Afco Industrials & Chemicals Ltd.	3.99 (6.00)	— (—)	— (—)	3.99 (6.00)
Lotus Viniyog Private Ltd.	— (—)	— (—)	1.87 (1.60)	1.87 (1.60)
Naira Holdings Limited	— (1.72)	— (—)	— (—)	— (1.72)
Electromags Automotive Products Pvt. Ltd.	468.78 (468.78)	— (—)	— (—)	468.78 (468.78)
Sea Wind Investments & Trading Company Limited	1.87 (—)	— (—)	— (—)	1.87 (—)
Expenses recovered				
Inor Medical Products Ltd.	— (—)	— (—)	65.00 (65.00)	65.00 (65.00)
Rent recovered				
Afco Industrials & Chemicals Ltd.	0.14 (0.14)	— (—)	— (—)	0.14 (0.14)
Inor Medical Products Ltd.	— (—)	— (—)	76.73 (76.73)	76.73 (76.73)
Advance/Inter Corporate Deposits Paid				
Electromags Automotive Products Pvt. Ltd.	1,054.15 (100.00)	— (—)	— (—)	1,054.15 (100.00)
Afco Industrials & Chemicals Ltd.	28.08 (—)	— (—)	— (—)	28.08 (—)
Inor Medical Products Ltd.	— (—)	— (—)	205.00 (—)	205.00 (—)
Leila Lands Senderian Berhad	— (5,245.20)	— (—)	— (—)	— (5,245.20)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Lakhs)

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

	Subsidiaries & Sub Subsidiaries	Key Management Personnel	Other Related Parties	Total
Advance/Inter Corporate Deposits given, now repaid				
Afco Industrials & Chemicals Ltd	13.00 (35.00)	— (—)	— (—)	13.00 (35.00)
Sea Wind Investments & Trading Company Ltd.	1.73 (50.00)	— (—)	— (—)	1.73 (50.00)
Electromags Automotive Products Pvt. Ltd.	939.00 (200.00)	— (—)	— (—)	939.00 (200.00)
Inor Medical Products Ltd.	— (—)	— (—)	295.00 (61.00)	295.00 (61.00)
Naira Holdings Limited	34.12 (34.34)	— (—)	— (—)	34.12 (34.34)
Managerial Remuneration				
Mr. Ashok Panjwani	— (—)	135.78 (80.78)	— (—)	135.78 (80.78)
Mr. Ness Wadia	— (—)	190.03 (—)	— (—)	190.03 (—)
Mr. Jeh Wadia	— (—)	— (68.85)	— (—)	— (68.85)
Outstanding amount payable				
Inor Medical Products Ltd.	— (—)	— (—)	— (10.75)	— (10.75)
Afco Industrials & Chemicals Ltd.	— (1.34)	— (—)	— (—)	— (1.34)
Outstanding amount receivable				
Afco Industrials & Chemicals Ltd.	29.39 (44.72)	— (—)	— (—)	29.39 (44.72)
DPI Products & Services Ltd.	74.25 (75.66)	— (—)	— (—)	74.25 (75.66)
Sea Wind Investments & Trading Company Ltd.	17.40 (17.14)	— (—)	— (—)	17.40 (17.14)
Electromags Automotive Products Pvt. Ltd.	3,647.34 (2,776.03)	— (—)	— (—)	3,647.34 (2,776.03)
Inor Medical Products Ltd.	— (—)	— (—)	945.37 (760.98)	945.37 (760.98)
Lotus Viniyog Private Ltd.	— (—)	— (—)	7.27 (5.40)	7.27 (5.40)
Naira Holdings Limited	259.17 (229.61)	— (—)	— (—)	259.17 (229.61)
Leila Lands Senderian Berhad	6,009.71 (5,245.20)	— (—)	— (—)	6,009.71 (5,245.20)

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36. EMPLOYEE'S BENEFIT – DISCLOSURE AS REQUIRED UNDER ACCOUNTING STANDARD (AS) 15 (REVISED)

DEFINED CONTRIBUTION PLAN

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

	(₹ in Lakhs)	
	2011-12	2010-11
Employer's Contribution to Government Provident Fund	243.98	240.96
Employer's Contribution to Superannuation Fund	68.43	65.06

DEFINED BENEFIT PLAN – GRATUITY

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

Liability at the beginning of the year	1,139.58	1,359.64
Interest cost	96.83	112.19
Current Service cost	66.66	82.96
Benefits paid	(314.80)	(163.68)
Actuarial (gain)/loss on Obligations	(255.29)	(251.52)
Liability at year end of the year	1,243.58	1,139.58

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	1,310.17	1,359.79
Expected Returns on Plan Assets	104.88	104.79
Contributions	227.08	33.58
Benefits Paid	(314.80)	(163.68)
Actuarial Gain/(Loss) on Plan Assets	(23.62)	(24.31)
Fair value of plan assets as at the end of the year	1,350.95	1,310.17

III. Actual Return on Plan Assets

Expected Return on Plan Assets	104.88	104.79
Actuarial Gain/(Loss) on Plan Assets	23.62	(24.31)
Actual Return on Plan Assets	128.50	80.48

IV. Amount recognized in the Balance Sheet

Liability at the end of the year	1,243.58	1,139.58
Fair value of Plan Assets at the end of the year	1,350.95	1,310.17
Difference	107.38	170.58
Asset/Liability recognised in the balance sheet	107.38	170.58

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	(₹ in Lakhs)			
	2011-12	2010-11		
V. Expense recognized in the Profit and Loss Account				
Current Service Cost	66.66	82.96		
Interest Cost	96.83	112.19		
Expected Return on Plan Assets	(104.88)	(104.79)		
Actuarial (Gain)/Loss	231.68	(234.29)		
Expense recognized in the P&L A/c	290.29	(136.85)		
VI. Investment Details				
Central Government Securities	3.50%	3.51%		
PSU Bonds	5.26%	5.28%		
State Government Securities	0.57%	1.28%		
Insurer Managed Funds	90.67%	89.93%		
Total	100%	100%		
VII. Actuarial assumptions used				
Mortality Table	1994-96 LIC Ultimate	<i>1994-96 LIC Ultimate</i>		
Discount rate	8.50%	8.50%		
Rate of return on Plan Assets	8%	8%		
Salary escalation rate	5%	5%		
VIII. Prescribed Contribution for next year				
Prescribed Contribution for next year	17.22	108.36		
IX. Experience Adjustment				
	31.03.2012	<i>31.03.2011</i>	<i>31.03.2010</i>	<i>31.03.2009</i>
Fair Value of Plan Assets	1,350.95	1,310.17	1,359.79	1,282.95
Defined Benefit Obligation	1,243.58	1,139.58	1,359.64	1,265.07
Actuarial (Gain)/Loss on Plan Assets	23.62	(24.31)	54.52	(33.36)
Actuarial (Gain)/Loss on Defined Benefit Obligation	(255.29)	(251.52)	38.89	223.24

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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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.

37. MANAGERIAL REMUNERATION PAID FOR THE YEAR 2011-2012

- (1) Remuneration paid to Mr. Ashok Panjwani : ₹ 135.78 Lakhs, as minimum remuneration in terms of approval of shareholders and Schedule XIII of the Companies Act, 1956, subject to the approval of Central Government if and to the extent necessary.

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

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

In view of inadequacy of profit the Corporation has made an application to the Central Government for approval of excess remuneration of ₹ 107.52 Lakhs paid to Mr. Ness Wadia, in excess of the limits prescribed by Schedule XIII of the Companies Act, 1956. The application has been made as Mr. Ness Wadia holds direct and indirect interest in the capital of the Corporation, although the condition of holding professional qualification is satisfied under the said circular.

38. The Corporation's wholly owned Subsidiary, Electromags Automotive Products Limited has filed a Petition before the Honourable High Court of Judicature at Chennai for its amalgamation with the Corporation w.e.f. 1st April, 2011. Pending disposal of the said petition, effect of amalgamation has not been given in the financials of the Corporation for the period under review.

39. Export benefits/Incentives are accounted on accrual basis. Accordingly, on the Balance Sheet date, in respect of Exports made, estimated benefit of ₹ **158.57 Lakhs** (*Previous Year ₹ 244.14 Lakhs*) has been taken into account for the year as incentive on accrual basis under the pass book scheme. Subsequent to that, the Corporation has utilized the said entitlement of ₹ **158.57 Lakhs** on its imports (*Previous Year ₹ 244.14 Lakhs*).

40. 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. The Corporation has during the year considered net provision of ₹ **Nil** (*Previous Year ₹ 518 Lakhs*) against the said contracts.

41. 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. 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. Accordingly during the year a sum of ₹ **Nil** (*Previous Year ₹ 104.46 Lakhs*) has been charged to the Statement of Profit & Loss.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- 42. LEASES:** The Corporation has taken various residential/commercial premises and plant and machinery under operating leases. These lease agreements are normally renewed on expiry. The lease payments recognised in Statement of Profit & Loss is ₹ **208.88 Lakhs** (*Previous Year ₹ 222.21 Lakhs*).
- 43.** On the basis of confirmation obtained from suppliers who have registered under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) and based on the information available with the Corporation the balance due to Micro & Small Enterprises as defined under the MSMED Act, 2006 is ₹ **Nil** (*Previous Year ₹ 13.89 Lakhs*). Further, no interest during the year has been paid/or is payable/accrued under the terms of the MSMED Act, 2006.
- 44.** In the earlier years the Corporation took up development of Real Estate in the vacant properties at Pune, Coimbatore and Mumbai; and converted these assets as stock in trade at cost.
- 45.** Provision for contingencies of ₹ **350 Lakhs** (*Previous Year ₹ 125 Lakhs*) represents a part amount provided for against the contingent liabilities with regards to the disputed demands for excise duties, wages and damages and interest as described in Note 29 on the basis of a fair estimate by the Corporation. The carrying amount at the beginning of the year was ₹ 125 Lakhs and the provision of ₹ 225 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.
- 46.** 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.
- 47.** Till the year ended 31 March, 2011, the Company was using pre-revised Schedule VI to the Companies Act 1956, for preparation and presentation of its financial statements. During the year ended 31 March, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the Company. The Company has reclassified previous year figures to conform to current year's classification. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it impacts presentation and disclosures made in the financial statements, particularly presentation of balance sheet.

Auditors' report to the Board of Directors of The Bombay Burmah Trading Corporation, Limited on the Consolidated Financial Statements of The Bombay Burmah Trading Corporation, Limited its subsidiaries, associates and branches

1. We have audited the attached consolidated balance sheet of The Bombay Burmah Trading Corporation, Limited ('the Company') and its subsidiaries, associates and branches (collectively called 'the BBTCL Group') as at 31 March 2012, the consolidated statement of profit and loss and the consolidated cash flow statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
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 consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements and other financial information of certain subsidiaries, associates (interests in which have been incorporated in these consolidated financial statements) and branches. These subsidiaries, associates and branches account for 16% of total assets and 8% of total revenues and other income, as shown in these consolidated financial statements. Of the above:
 - a. The financial statements and other financial information of some of the subsidiaries, associates and branches incorporated outside India as drawn up in accordance with the generally accepted accounting principles of the respective countries ('the local GAAP') have been audited by other auditors duly qualified to act as auditors in those countries and whose reports have been furnished to us. For purposes of preparation of consolidated financial statements, the aforesaid local GAAP financial statements have been restated by the management so that they conform to the generally accepted accounting principles in India. These subsidiaries, associates and branches account for 14% of total assets and 6% of total revenue and other income as shown in these consolidated financial statements. Our opinion on the consolidated financial statements, insofar as it relates to these subsidiaries, associates and branches, is based on the aforesaid audit reports of these other auditors.
 - b. The financial statements and other financial information of the remaining subsidiaries, associates and branches have not been subjected to audit either by us or by other auditors, and therefore, unaudited financial statements for the year/period ended 31 March 2012 of these subsidiaries, associates and branches have been furnished to us by the management. These subsidiaries, associates and branches account for only 2% of total assets and 2% of total revenues and other income as shown in these consolidated financial statements, and therefore are not material to the consolidated financial statements, either individually or in aggregate.

4. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standards 21, Consolidated Financial Statements, and Accounting Standard 23, Accounting for Investments in Associates in consolidated Financial Statements prescribed by the Companies (Accounting Standards) Rules, 2006.
5. Based on our audit and to the best of our information and according to the explanations given to us and on consideration of reports of other auditors on separate financial statements, in our opinion the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a. in the case of the consolidated balance sheet, of the state of affairs of the BBTCL Group as at 31 March 2012;
 - b. in the case of the consolidated statement of profit and loss, of the profit of the BBTCL Group for the year ended on that date; and
 - c. in the case of the consolidated cash flow statement, of the cash flows of the BBTCL Group for the year ended on that date.

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

Vijay Bhatt
Partner
Membership No.: 036647

Mumbai
29 May 2012

The Bombay Burmah Trading Corporation, Limited

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2012

		(₹ in Lakhs)	
		As at 31st March, 2012	As at 31st March, 2011
A	Notes		
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	1	1,396.27	1,396.27
Reserves and Surplus	2	107,729.25	88,603.66
		<u>109,125.52</u>	<u>89,999.93</u>
Minority Interest		26,823.42	21,152.07
NON-CURRENT LIABILITIES			
Long-term borrowings	3	59,196.18	104,407.58
Deferred tax liability (net)	4	1,141.09	894.35
Other long-term liabilities	5	3,909.62	8,976.37
Long-term provisions	6	12,465.40	12,725.79
		<u>76,712.29</u>	<u>127,004.09</u>
CURRENT LIABILITIES			
Short-term borrowings	7	20,696.11	23,717.87
Trade payables	8	41,406.22	23,722.44
Other current liabilities	9	65,522.16	30,841.37
Short-term provisions	10	2,595.90	4,068.46
		<u>130,220.39</u>	<u>82,350.14</u>
	TOTAL	<u>342,881.62</u>	<u>320,506.23</u>
B ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
– Tangible assets	11	63,084.12	55,426.20
– Intangible assets	11	902.17	2,060.64
– Capital work-in-progress	11	11,176.52	1,580.20
		<u>75,162.81</u>	<u>59,067.04</u>
Goodwill on consolidation		99,688.67	98,561.85
Non-current investments	12	15,568.48	24,737.29
Long-term loans and advances	13	10,407.62	14,605.67
		<u>125,664.77</u>	<u>137,904.81</u>
CURRENT ASSETS			
Current investments	14	34,634.32	31,177.58
Inventories	15	50,972.81	46,122.90
Trade receivables	16	16,582.93	16,827.17
Cash and bank balance	17	21,531.32	18,531.59
Short-term loans and advances	18	17,916.81	10,537.51
Other current assets	19	415.85	337.63
		<u>142,054.04</u>	<u>123,534.38</u>
	TOTAL	<u>342,881.62</u>	<u>320,506.23</u>
Significant accounting policies	I		

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

As per our attached report of even date.

For B S R & Co.

Chartered Accountants

Firm's Registration No. 101248W

Vijay Bhatt

Partner

Membership No. 036647

Mumbai,

Dated : 29th May, 2012

For and on behalf of the Board

NUSLI N. WADIA *Chairman*

A. K. HIRJEE *Vice Chairman*

D. E. UDWADIA *Director*

M. L. APTE *Director*

VINITA BALI *Director*

JEH WADIA *Director*

A. PANJWANI *Managing Director*

NESS WADIA *Managing Director*

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

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012
 (₹ in Lakhs)

	Notes	For the year ended 31st March, 2012	For the year ended 31st March, 2011
INCOME			
Revenue from operations (gross)	20	600,286.88	519,826.89
Less: Excise duty		7,527.37	5,064.96
Revenue from operations (net)		592,759.51	514,761.93
Other income	21	7,645.37	15,586.86
Total Revenue		600,404.88	530,348.79
EXPENDITURE			
Cost of materials consumed	22	329,588.34	289,149.77
Purchases of stock-in-trade	22	45,040.87	33,963.63
Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	(1,913.29)	(2,225.99)
Employee benefits expense	23	29,987.17	27,719.58
Finance costs	24	7,771.17	10,129.05
Depreciation and amortisation expense		7,361.76	8,303.99
Less: Transfer from Revaluation Reserve		(8.93)	(3.08)
Other expenses	25	154,790.80	134,796.97
Cost relating to Real estate under development	26	12.90	12.92
Total Expenses		572,630.77	501,846.84
Profit before exceptional items and tax		27,774.11	28,501.95
Exceptional items			
Profit on sale of Undertakings	30	16,470.58	—
Loss on Exchange (net)/Derivative Loss	46	—	622.46
Exchange difference on other loan	29(d)	—	400.74
Profit after exceptional items and before tax		44,244.69	27,478.75
Profit from continuing operations before minority interest & tax			
Current tax expense for current year		43,850.39	27,478.75
(Less): MAT credit		11,343.59	8,087.26
Current tax expense relating to prior years		(297.96)	—
Deferred tax		72.64	—
		479.33	—
Profit from continuing operations after tax & before minority interest		11,597.60	8,087.26
Minority Interest		32,252.79	19,391.49
Profit from continuing operations after minority interest and tax		(9,937.81)	(7,628.27)
Profit from discontinued operations before tax		22,314.98	11,763.22
Current tax expense for current year	31	394.30	—
Deferred tax		30.45	—
		(336.94)	—
Profit from discontinued operations after tax		700.79	—
Profit after tax		23,015.77	11,763.22
Earnings per Share of Face Value of ₹ 10/- each	33		
Basic and Diluted per share			
Continuing Operations		159.91	84.30
Total Operations		164.94	84.30
Significant accounting policies	I		

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

As per our attached report of even date.

For B S R & Co.

Chartered Accountants

Firm's Registration No. 101248W

Vijay Bhatt

Partner

Membership No. 036647

Mumbai,

Dated : 29th May, 2012

For and on behalf of the Board

NUSLI N. WADIA *Chairman*

A. K. HIRJEE *Vice Chairman*

D. E. UDWADIA *Director*

M. L. APTE *Director*

VINITA BALI *Director*

JEH WADIA *Director*

A. PANJWANI *Managing Director*

NESS WADIA *Managing Director*

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

The Bombay Burmah Trading Corporation, Limited

CONSOLIDATED CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR YEAR ENDED 31ST MARCH, 2012

	(₹ in Lakhs)	
	2011-12	2010-11
A. Cash flows from operating activities:		
Profit before Taxation	44,244.69	27,478.75
Adjustments for:		
Depreciation	7,352.83	8,300.91
Currency Alignment on Depreciation	261.27	8.17
Loss on Exchange/Derivative Loss (net)	—	622.46
Exchange Difference on Other Loan	—	400.74
Obsolete inventories written off	47.00	—
Share of Profit of Associates	—	(11.83)
Loss/(Profit) on Sale of Fixed Assets (net)	(1,595.90)	(1,880.45)
Profit on Sale of Long Term/Current Investments	(922.00)	(6,606.57)
Profit on Sale of Other Investments (net)	—	18.26
Loss/(Profit) on Sale of Undertaking	(16,470.58)	—
Assets discarded written off	—	85.86
Impairment Loss on Current Investments	—	29.96
Amortisation of Miscellaneous Expenditure	—	7.35
Advances/Doubtful Debts written off	102.03	118.18
Provision for doubtful debts	333.12	219.03
Provision for contingencies	225.00	40.00
Excess Provision in respect of previous year written back	(881.55)	(1,278.20)
Interest expense	7,771.17	10,129.05
Interest income	(3,532.16)	(2,582.89)
Dividend income	(362.34)	(224.18)
	<u>(7,672.11)</u>	<u>7,395.85</u>
Operating Profit before working capital changes	36,572.58	34,874.60
Adjustments for:		
(Decrease)/Increase in Sundry Debtors and other receivables	(7,557.18)	(3,626.76)
(Decrease) in Inventories	(9,908.01)	(5,536.35)
Increase/(Decrease) in Sundry Creditors and Provisions	21,141.64	(43.27)
	<u>3,676.45</u>	<u>(9,206.38)</u>
Cash from operations	40,249.03	25,668.22
Net Increase/(Decrease) in Reserves	—	(17,680.21)
Foreign exchange loss on consolidation	(5,351.33)	(5,605.29)
Direct taxes paid (net)	(9,023.04)	(5,896.22)
	<u>(14,374.37)</u>	<u>(29,181.72)</u>
Net cash from operating activities	25,874.66	(3,513.50)
<i>out of which discontinued operations</i>	<i>1,063.72</i>	<i>—</i>
B. Cash flows from investing activities:		
Purchase of fixed assets	(28,134.23)	(9,878.81)
Advances and Loans	(699.43)	446.90
Proceeds from sale of fixed assets	2,274.17	3,527.33
Sale Proceeds of Long Term Investments (Subsidiary)	—	6,608.66
Profit on Sale of Undertaking	27,821.73	—
Sale/(Purchase) of Investments (net)	6,634.07	(28,585.23)
Bank Deposits withdrawn during the year	1,840.41	1,325.24
Bank Deposits made during the year	—	(1,840.41)
Interest income	3,514.04	2,133.06
Dividend income	362.34	224.19
Net cash (used in)/from investing activities	13,613.10	(26,039.07)
<i>out of which discontinued operations</i>	<i>(65.42)</i>	<i>—</i>

**CONSOLIDATED CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET
FOR YEAR ENDED 31ST MARCH, 2012 (Contd.)**

	(₹ in Lakhs)	
	2011-12	2010-11
C. Cash flows from financing activities:		
(Repayment of)/Proceeds from Borrowings (net)	(12,331.41)	(6,383.96)
Proceeds from/(Repayment of) Cash Credit	(8,299.10)	7,653.67
Adjustment to Minority Interest (net of dividend paid)	(4,266.47)	(5,143.42)
Interest paid	(7,616.81)	(10,091.53)
Dividend and dividend distribution tax paid	(1,747.29)	(1,059.38)
Adjustment of dividend received/dividend proposed	—	23,673.34
Net cash from/(used) in financing activities	(34,261.08)	8,648.72
<i>out of which discontinued operations</i>	<i>(747.55)</i>	—
Net (Decrease)/Increase in cash and cash equivalents (A+B+C)	5,226.68	(20,903.85)
Cash and cash equivalents as at the commencement of the year	16,060.38	36,964.23
Cash and cash equivalents as at the end of the year in respect of continuing operations	20,717.97	16,060.38
Net increase/(decrease)	4,657.59	(20,903.85)
Cash and cash equivalents of undertakings transferred, excluded above	569.09	—
Net increase/(decrease) as disclosed above	5,226.68	(20,903.85)
Components of Cash and Cash Equivalents as at	31-03-2012	31-03-2011
Cash on hand	88.93	343.65
Balances with Banks – on Current Account	11,880.17	7,863.27
– on Unpaid Dividend Account	248.80	218.96
– on Unpaid Debenture Interest Account	76.00	55.00
– on Deposit Account	8,424.07	7,579.50
	20,717.97	16,060.38

Notes:

- (1) The above Cash Flow Statement has been prepared under the "Indirect Method" set out in Accounting standard (AS-3) "Cash Flow Statements" as notified under the Companies (Accounting Standards) Rules, 2006.
- (2) Component of Cash and Cash Equivalents exclude bank deposits with maturity of more than 3 months aggregating to ₹ **813.35 Lakhs** (Previous Year Rs. 631.31 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 B S R & Co.

Chartered Accountants

Firm's Registration No. 101248W

Vijay Bhatt

Partner

Membership No. 036647

Mumbai,

Dated : 29th May, 2012

For and on behalf of the Board

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

The Bombay Burmah Trading Corporation, Limited

I. SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE CONSOLIDATED BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

(a) Principles of Consolidation:

1. The consolidated financial statements relate to The Bombay Burmah Trading Corporation, Limited ('the Corporation', 'BBTCL') and its subsidiaries and associate companies, which together constitute the Group. The consolidated financial statements have been prepared on the following basis:
 - (i) The financial statements of the Corporation and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating all material intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with Accounting Standard (AS-21) "Consolidated Financial Statements" as notified under the Companies (Accounting Standards) Rules, 2006.
 - (ii) The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries, is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.
 - (iii) Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Corporation.
 - (iv) Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Corporation's shareholders.
 - (v) In case of associates, where the Corporation directly or indirectly through subsidiaries holds more than 20% of equity, investments are accounted for using equity method in accordance with Accounting Standard (AS-23) "Accounting for Investments in Associates in Consolidated Financial Statements" as notified under the Companies (Accounting Standards) Rules, 2006.
 - (vi) Accounting for Interest in Joint Ventures: The proportionate share of the Group's interests in joint ventures is combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances/ transactions to the extent it pertains to the Group as per AS-27 "Financial Reporting of Interest in Joint Ventures".
 - (vii) The difference between the cost of investment in the associates and the share of net assets at the time of acquisition of shares in the associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be.
 - (viii) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and appropriate adjustments are made to the financial statements of subsidiaries when they are used in preparing the consolidated financial statements that are presented in the same manner as the Corporation's separate financial statements.
 - (ix) For the year ended 31st March, 2012, the Group has reclassified the previous year's figures, presentation and disclosures in financial statement as per the requirement under Revised Schedule VI to the extent possible.
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.

- (b) 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>	Current Year Percentage Holding-Share	<i>Previous Year Percentage Holding-Share</i>
Afco Industrial & Chemicals Limited	India	100%	100%
DPI Products & Services Ltd.	India	100%	100%
Sea Wind Investments & Trading Company Limited	India	100%	100%
P.T. Indo Java Rubber Planting Company (upto 17th March, 2011) (Refer Note 50)	Indonesia	—	50.30%
Electromags Automotive Products Private Limited	India	100%	100%
* Leila Lands Senderian Berhad	Malaysia	100%	100%
<u>Sub-Subsidiaries:</u>			
<u>Subsidiary of DPI Products & Services Limited:</u>			
Subham Viniyog Private Limited	India	100%	100%
<u>Subsidiaries of Leila Lands Senderian Berhad:</u>			
* Naira Holdings Limited	The British Virgin Islands	100%	100%
* Island Horti-Tech Holdings Pte. Limited	Singapore	100%	100%
* Leila Lands Limited	Mauritius	100%	100%
* Restpoint Investments Limited	The British Virgin Islands	100%	100%
<u>Subsidiaries of Island Horti-Tech Holdings Pte. Limited:</u>			
* Island Landscape & Nursery Pte. Limited	Singapore	100%	100%
* ILN Investments Pte. Limited	Singapore	100%	100%
* Innovative Organics Inc.	USA	54.86%	54.86%
<u>Subsidiaries of Leila Lands Limited:</u>			
* Britannia Brands Limited (BBL UK)	United Kingdom	100%	100%
* ABI Holding Limited	United Kingdom	100%	100%
* Associated Biscuits International Limited (ABIL, UK)	United Kingdom	100%	100%
* Dowbiggin Enterprises Pte. Limited	Singapore	100%	100%
* Nacupa Enterprises Pte. Limited	Singapore	100%	100%
* Spargo Enterprises Pte. Limited	Singapore	100%	100%
* Valletort Enterprises Pte. Limited	Singapore	100%	100%
* Bannatyne Enterprises Pte. Limited	Singapore	100%	100%
Britannia Industries Limited (BIL)	India	50.96%	50.96%
<u>Subsidiary of Restpoint Investments Limited:</u>			
* Restpoint International Technology Corporation	The British Virgin Islands	100%	100%
* Island Telesystems Pte Limited [®]	The British Virgin Islands	—	100%
<u>Subsidiary of Island Landscape & 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%
<u>Subsidiary of Innovative Organics Inc.:</u>			
Granum Inc.	USA	52.12%	52.12%

The Bombay Burmah Trading Corporation, Limited

Name of Subsidiary	Country of Incorporation	Current Year Percentage Holding-Share	Previous Year Percentage Holding-Share
Subsidiaries of Britannia Industries Limited (BIL):			
Boribunder Finance & Investments Private Limited	India	100%	100%
Flora Investments Company Private Limited	India	100%	100%
Gilt Edge Finance & Investments Private Limited	India	100%	100%
Ganges Vally Foods Private Limited	India	51%	51%
International Bakery Products Limited	India	100%	100%
J. B. Mangharam Foods Private Limited	India	100%	100%
Manna Foods Private Limited	India	100%	100%
Sunrise Biscuit Company Private Limited	India	99.16%	98.88%
Britannia and Associates (Mauritius) Private Limited	Mauritius	100%	100%
Britannia and Associates (Dubai) Private Company Limited	Dubai, UAE	100%	100%
Al Sallan Food Industries Company SAOG	Oman	65.46%	65.46%
Strategic Food International Company LLC	Dubai, UAE	100%	100%
Strategic Brands Holding Company Limited	Dubai, UAE	100%	100%
Britannia Lanka Private Limited	Sri Lanka	—	100%
Daily Bread Gourmet Foods (India) Private Limited	India	100%	100%
Britannia Dairy Private Limited	India	100%	100%
Britannia Dairy Holdings Private Limited	Mauritius	100%	100%

* Accounts have been Consolidated for 15 months for the previous year ended March 31, 2011.

@ Island Telesystems Pte Limited has been struck off the Register of Companies, Singapore.

(c) Associates:

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

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

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

<u>Name of the Company</u>	<u>Relationship</u>	<u>Country of Incorporation</u>
<u>Associates of BIL Group</u>		
— Britannia Sports (partnership firm)	Partnership firm where control exists	India
— Vasna Agrex and Herbs Private Limited	Associate	India
— Snacko Bisc Private Limited	Associate	India

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

- (i) Britannia Employees General Welfare Association Private Limited
- (ii) Britannia Employees Employee Welfare Association Private Limited
- (iii) Britannia Employees Educational Welfare Association Private Limited

(d) **Significant Accounting Policies:**

A. Basis of Accounting:

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

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

B. 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 India 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:

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

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

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With effect from 1st April, 2010, the Management has revised the estimated useful life for computers to four years, based on a review of useful life of such assets.

Leasehold land is amortised over the period of primary lease.

Assets Costing individually upto ₹ 5,000 are fully depreciated in the year of addition.

Leasehold land is amortised over the period of primary lease.

Tangible Assets:

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

Building 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.

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

D. Intangible Assets:

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

Goodwill is amortised proportionately over the period not exceeding five 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, Intangible assets are stated at cost of acquisition less accumulated amortisation. Goodwill arising on consolidation represents the excess of cost to the Group of its investment in a subsidiary company over the Group's portion of net worth of the subsidiary, and is net of Capital Reserve.

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

Know-how: 3 years

Marketing Infrastructure: 3 years

Non-compete Rights: 2 years

Computer software: 6 years

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

E. Impairment of Assets:

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

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

F. Employee Benefits:

(i) The Corporation contributes to Government provident fund as required by the statute, which is a defined contribution plan. The same is charged to statement of profit and loss.

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 statement of profit and loss.

(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

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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 statement of profit and loss.
- (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) Other long-term Employee Benefits: The Corporation provides for encashment of leave subject to certain rules and provision for compensated leave absences is made based on actuarial valuation carried out at the end of the year.
- (vi) In case of the BIL Group,
 - I. Short term employee benefits:

All employee benefits falling due wholly within twelve months of rendering the services are classified as short term employee benefits, which include benefits like salaries, wages, short term compensated absences and performance incentives and are recognised as expenses in the period in which the employee renders the related service.
 - II. Post-Employment Benefits:
 - a. Contributions to defined contribution schemes such as Provident Fund, Pension Fund etc., are recognised as expenses in the period in which the employee renders the related service. In respect of certain employees, Provident Fund contributions are made to a Trust managed by the Company. The interest rate payable to the members of the Trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company. In respect of contributions made to government administered Provident Fund, the Company has no further obligations beyond its monthly contributions. The Company also provides for post employment defined benefit in the form of gratuity and medical benefits. The cost of providing benefit is determined using the projected unit credit method, with actuarial valuation being carried out at each balance sheet date.
 - b. The Britannia Industries Limited Covenanted Staff Pension Fund Trust (BIL-CSPF) and Britannia Industries Limited Officers' Pension Fund Trust (BILOPF) were established by the Company to administer pension schemes for its employees. These trusts are managed by the trustees. The Pension scheme is applicable to all the managers and officers of the Company who have been employed up to the date of 15th September, 2005 and any manager or officer employed after that date, if he has opted for the membership of the scheme. The Company makes a contribution of 15% of salary in respect of the members each month to the trusts. On retirement, subject to the vesting conditions as per the rules of the trust, the member becomes eligible for pension, which is paid from annuity purchased in the name of the member by the trusts.
 - c. In case of Strategic Food International Co. LLC, another subsidiary of BIL, provision for staff terminal benefits is calculated in accordance with the UAE Federal Labour Law and is based on the liability that would arise if employment of all Company's staff were terminated on the balance sheet date. This accounting policy difference from group's accounting policy as mentioned above does not have a material impact on the financial statements.
 - d. 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 1st January every year.

- e. 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.

In the case of the BIL Group:

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

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

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

H. Valuation of Inventories:

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

In the case of BIL and its Subsidiaries (the BIL Group), raw materials, packing materials and other supplies held for use in production of inventories are not written down below cost except in cases where material prices have declined, and it is estimated that the cost of the finished products will exceed their net realisable value. The provision for inventory obsolescence is assessed regularly based on estimated usage and shelf life of products.

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

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

- (iii) Tea stock is valued at cost or net realisable value whichever is lower and inclusive of cess on excise duty. Timber, coffee, pepper and cardamom in stock are valued at since realised/contracted rates or realisable value.
- (iv) Work-in-progress is valued at cost or net realisable value whichever is lower. Cost is arrived at on the basis of absorption costing.

In case of the BIL Group, materials-in-process is valued at input material cost plus conversion cost, as is applicable.

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

The BIL Group values finished goods at lower of net realisable value and prime cost, excise duty and other overheads incurred in bringing the inventories to their present location and condition.

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- (vi) Traded finished goods are valued at cost or net realisable value whichever is lower.
- (vii) Stock of shares and debentures are valued at cost or net realisable value whichever is lower.
- (viii) Nursery plants are stated at cost, which consists of plant cost, direct labour and its attributable overheads.
- (ix) Landscape projects in progress are valued at cost which consists of direct materials, labour and attributable overheads.

I. Foreign Currency Transactions:

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

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

(ii) Other Transactions:

(a) Initial recognition:

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

(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 31st 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 statement of profit and loss.

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 differences 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.

(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.

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

The Group uses foreign exchange forward contracts to cover its exposure towards movements in foreign exchange rates. The use of foreign exchange forward contracts reduces the risk of fluctuations in exchange movements for the Group. The Group does not use the foreign exchange forward contract for trading or speculative purposes.

Premium or discount arising at the inception of forward contracts against the underlying assets is amortised as expense or income over the life of contract. Exchange differences on forward contracts are recognised in the statement of profit and loss in the reporting period in which the exchange rates change.

J. Export Benefits/Incentives:

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

K. Revenue Recognition:

In the case of BBTCL:

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

In the case of the BIL Group:

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

L. Borrowing Cost:

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

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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 the segment. It does not include interest income on inter-corporate deposits, interest expense, 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 statement of profit and loss 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 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.

In the case of the BIL Group:

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

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

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

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

Q. Leases:

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

Lease rentals in respect of assets acquired under lease are charged to the statement of profit & loss.

(b) Lease transactions entered into on or after 1st April, 2002:

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

In the case of the BIL Group, assets acquired under lease where the Group has substantially all the risks and rewards of ownership are classified as finance lease. Such leases are capitalized at the inception of lease at lower of the fair value and present value of minimum lease payments. Assets taken on finance lease are depreciated over its estimated useful life or the lease term whichever is lower. Assets acquired under lease where the significant portion of risks and rewards of ownership are retained by the lessor are classified as operating lease. Lease rentals are charged to statement of profit and loss on accrual basis.

R. Investments

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

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NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	(₹ in Lakhs)	
	As at 31st March, 2012	As at 31st March, 2011
1. SHARE CAPITAL		
Authorised Capital		
1,50,00,000 (Previous Year 1,50,00,000) Equity shares of ₹ 10/- each	1,500.00	1,500.00
	1,500.00	1,500.00
Issued, Subscribed and paid-up Capital		
1,39,54,380 (Previous Year 1,39,54,380) Equity shares of ₹ 10/- each	1,395.44	1,395.44
Forfeited shares amount paid-up	0.83	0.83
TOTAL	1,396.27	1,396.27

- (a) The Corporation has only one class of equity share having par value of ₹ 10/- per share.
- (b) Each holder of equity shares is entitled to one vote per share.
- (c) The Corporation declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- (d) During the year ended 31st March, 2012, the amount of per share dividend recognised as distribution to equity shareholders was ₹ 7/- (Previous Year ₹ 7/-). The total dividend appropriation for the year ended 31st March, 2012 amounted to ₹ **1,135.27 Lakhs** (Previous Year ₹ 1,135.27 Lakhs) including corporate dividend tax of ₹ **158.46 Lakhs** (Previous Year ₹ 158.46 Lakhs).
- (e) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- (f) Reconciliation of the shares outstanding at the beginning and at the end of reporting period.

Equity shares	31st March, 2012		31st March, 2011	
	No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs
At the beginning of the period	1,39,54,380	1,395.44	1,39,54,380	1,395.44
Add: Issued during the period	—	—	—	—
Outstanding at the end of the period	1,39,54,380	1,395.44	1,39,54,380	1,395.44

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

	As at 31st March, 2012		As at 31st March, 2011	
	No. of shares	% holding	No. of shares	% holding
1. Archway Investment Co. Ltd.	26,07,720	18.69	26,07,720	18.69
2. N. W. Exports Ltd.	10,75,455	7.71	10,75,455	7.71
3. Damascus Investment & Trading Co. Ltd.	8,88,000	6.36	8,88,000	6.36
4. Naperol Investments Ltd.	8,41,680	6.03	8,41,680	6.03
5. Mr. Nusli N. Wadia	12,28,301	8.80	12,28,301	8.80
6. Wallace Bros. Trading & Industrial Ltd., U.K.	11,32,140	8.11	11,32,140	8.11
	77,73,296	55.70	77,73,296	55.70

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	(₹ in Lakhs)	
	As at 31st March, 2012	As at 31st March, 2011
2. RESERVES AND SURPLUS		
Capital reserve		
As per last Balance Sheet	1,841.19	1,841.19
Statutory Reserve Fund		
Opening balance	148.36	148.36
Add: Transferred from surplus in Statement of Profit and Loss	0.59	—
Closing balance	148.95	148.36
Capital Reserve (On Investment in Subsidiaries)		
Opening balance	599.00	602.08
Previous Year adjustment	(17.25)	—
Less: Difference between depreciation on revalued cost of Plant and Machinery and Original Cost thereof for the year transferred to Statement of Profit and Loss	(8.93)	(3.08)
Closing balance	572.82	599.00
Capital Redemption Reserve		
As per last Balance Sheet	201.96	201.96
Revaluation Reserve		
As per last Balance Sheet	0.11	0.11
Securities Premium account		
As per last Balance sheet	3,637.21	3,637.21
General reserve		
Opening balance	31,306.71	47,446.52
Less: On account of bonus debenture	—	(20,696.53)
Less: On disposal of subsidiary	—	(214.20)
Add: Dividend adjustment	—	3,230.52
Add: Transferred from surplus in Statement of Profit and Loss	2,351.93	1,540.40
Closing balance	33,658.64	31,306.71
Foreign currency translation reserve		
Opening balance	3,547.28	9,218.98
Add/(Less): On disposal of subsidiaries	—	(64.95)
Add/(Less): Effect of foreign exchange rate variations during the year	(2,729.32)	(5,606.75)
Closing balance	817.96	3,547.28
Surplus in Statement of Profit and Loss		
Opening balance	47,321.84	38,876.16
Add: Profit for the year	23,015.77	11,763.22
Less: Appropriations		
Proposed Dividend [dividend per share ₹ 7/- (Previous Year ₹ 7/- per share)]	976.81	976.81
Corporate Dividend Tax thereon	158.46	800.33
Transfer to Statutory Reserve Fund	0.59	—
Transfer to General Reserve	2,351.93	1,540.40
Closing balance	66,850.41	47,321.84
TOTAL	<u>107,729.25</u>	<u>88,603.66</u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	(₹ in Lakhs)	
	As at 31st March, 2012	As at 31st March, 2011
3. LONG-TERM BORROWINGS		
Term loans		
— From banks – Secured (Refer Note (a) to (d), (f) and (i))	55,605.42	56,837.83
— Unsecured (Refer Note (g) to (h))	3,469.00	4,550.00
— Others	—	2,238.54
8.25% Secured Redeemable Non-Convertible Bonus Debentures (Refer Note 51)	—	40,613.28
Loan against vehicles – Secured (Refer Note (e))	121.76	167.93
TOTAL	<u>59,196.18</u>	<u>104,407.58</u>

Note

- (a) Rupee loan from Axis Bank of ₹ 10,000 Lakhs : Current outstanding ₹ 9,000 Lakhs is repayable in 3 annual installments from 1st April, 2013 to 1st April, 2015 of ₹ 1,200 Lakhs, ₹ 1,500 Lakhs and ₹ 6,300 Lakhs respectively. The loan is secured by exclusive charge over Elkhill Estate. The rate of interest on the loan is ranging from 7.5% to 10% p.a.
- (b) Rupee loan from HDFC Bank of ₹ 2,000 Lakhs : Current outstanding ₹ 1,500 Lakhs is repayable in 3 equal annual installments of ₹ 500 Lakhs from 1st April, 2013 to 31st March, 2015. The loan is to be secured by extension of charge of an Equitable Mortgage by deposit of title deeds of Mudis and Singampatti estates together with buildings and structures thereon in favour of HDFC Bank. The rate of interest on the loan is ranging from 7.5% to 10% p.a.
- (c) FCNR loan from HDFC Bank of USD 15.982 Million : Current Outstanding ₹ 3,226.44 Lakhs (USD 6.307 Million) is repayable in 2 annual installments of ₹ 1,167.90 Lakhs (USD 2.283 Million) and ₹ 2,058.54 Lakhs (USD 4.024 Million) respectively from 1st April, 2013 to 31st March, 2015. The loan is secured by way of an Equitable Mortgage by deposit of title deeds of Mudis and Singampatti estates together with buildings and structures thereon in favour of HDFC Bank. The rate of interest on the loan is 12 months LIBOR + spread ranging from 2.75% to 4% p.a.
- (d) FCNR loan from HDFC Bank of USD 5.08 Million : Current Outstanding ₹ 1,299.36 Lakhs (USD 2.54 Million), is repayable in 4 semi-annual installments of ₹ 259.87 Lakhs (USD 0.508 Million), ₹ 259.87 Lakhs (USD 0.508 Million), ₹ 389.81 Lakhs (USD 0.762 Million), ₹ 389.81 Lakhs (USD 0.762 Million) respectively from 1st April, 2013 to 31st March, 2015. The loan is secured by way of an Equitable Mortgage by deposit of title deeds of Mudis and Singampatti estates together with buildings and structures thereon in favour of HDFC Bank for other Term loans/WCDL. The rate of interest on the loan is 12 months LIBOR + spread ranging from 2.75% to 4% p.a.
- (e) Loan against vehicles are secured by lien on vehicles purchased.
- (f) The interest free soft loan from Government of Oman through Oman Development Bank is repayable in 13 years which starts from 1st August, 2006 and ends on 1st August, 2018. Loan is secured by first ranking mortgage on all the tangible assets of the Al Sallan Food Industries Company (SAOC). Current outstanding is ₹ 2,774 Lakhs.
- (g) External commercial borrowings of ₹ **2,757 Lakhs** (Previous Year ₹ 2,368 Lakhs) repayable in 60 months from 19th September, 2008 being the date of origination of loan. Rate of interest being 7.1% p.a.
- (h) Loan of ₹ **712 Lakhs** (Previous Year ₹ 2,182 Lakhs) availed by Britannia and Associates (Mauritius) Private Limited to fund its acquisition and support working capital requirement of Strategic Food International Co. LLC, Strategic Brands Holding Limited and Al Sallan Food Industries Company SAOC. The term loan is repayable in 16 equal quarterly instalments commencing at the end of three years from the last drawdown which was 23rd March, 2007. Interest rate is 3 months applicable LIBOR + markup as agreed with the bank.
- (i) In October 2010, the Corporation's subsidiary (LLL, Mauritius), entered into a credit facility agreement with the Standard Chartered Bank, Singapore branch, for an amount of USD 95,000,000. The loan is secured by pledge of the shares of the Company and fellow subsidiaries viz. Bannatyne Enterprises Pte. Ltd., Dowbiggin Enterprises Pte. Ltd., Nacupa Enterprises Pte. Ltd., Spargo Enterprises Pte. Ltd. and Valletort Enterprises Pte. Ltd. and guarantees given by the subsidiaries – ABI Holdings Limited and Britannia Brands Limited and by the fellow subsidiaries – Naira Holdings Ltd. and Associated Biscuits International Ltd. The interest rate of the loan is the percentage rate per annum equal to the aggregate of the applicable margin and LIBOR. The Company shall repay the loan in full in five installments by repaying, on each repayment date, an amount equal to a relevant percentage as set out in the agreement. The value of such loans outstanding at 31st March, 2012 is USD 90,250,000; ₹ **48,176.81 Lakhs** (Previous Year: USD 95,000,000; ₹ 42,417.50 Lakhs).

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

	As at 31st March, 2012	As at 31st March, 2011
4. DEFERRED TAX LIABILITY (NET):		
Timing difference on account of:		
Deferred Tax Liability		
— Difference between book written down value and written down value under the Income-tax Act, 1961	3,900.82	3,839.90
— Difference between book written down value and written down value under the Karnataka Agricultural Income-tax Act, 1957	24.30	18.40
— Others	4.00	—
Less: Deferred Tax Asset		
— Voluntary Retirement Scheme	673.00	691.47
— Provision for Doubtful Debts, Advances, Derivative Loss, Contingencies	2,115.03	2,272.48
TOTAL	1,141.09	894.35

5. OTHER LONG-TERM LIABILITIES

Payables on purchase of Fixed Assets	123.93	—
Rental/Trade Deposit	42.08	39.34
Others	3,743.61	8,937.03
TOTAL	3,909.62	8,976.37

6. LONG-TERM PROVISIONS

Provision for Employee Benefits	459.90	450.29
Provision for Income tax (Net of Advance tax)	3,754.00	3,774.00
Fringe Benefit Taxation	1.50	1.50
Provision for:		
— Excise Duty (Refer Note 37)	2,701.00	3,205.00
— Sales Tax (Refer Note 37)	2,192.00	1,831.00
— Trade and Other issues (Refer Note 37)	3,002.00	3,464.00
— Provision for other contingencies (Refer Note 37)	350.00	—
— Others	5.00	—
TOTAL	12,465.40	12,725.79

The Bombay Burmah Trading Corporation, Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	(₹ in Lakhs)	
	As at 31st March, 2012	As at 31st March, 2011
7. SHORT-TERM BORROWINGS		
Loans repayable on demand		
Secured		
— From Banks (Refer Note 3(a), 3(c) and 3(d)) for security and Note 3(i))	8,989.11	7,612.76
Unsecured		
— From Banks*	11,702.00	16,100.11
— From Others	5.00	5.00
TOTAL	20,696.11	23,717.87

* Includes loan of ₹ **11,702 Lakhs** (Previous Year ₹ 10,256 Lakhs) availed by Britannia & Associates (Mauritius) Private Limited, to support Working Capital requirement of Strategic Food International Co., LLC, Strategic Brands Holding Limited and Al Sallan Food Industries SAOC. The Loan is secured by an irrevocable and unconditional corporate guarantee from Britannia Industries Limited and carries an interest rate of 1 Year LIBOR + Mark Up as agreed by the bank. Date of maturity of the loan is 13th July, 2012.

8. TRADE PAYABLES

Trade payables:		
— Due to Micro, Small and Medium Enterprises (Refer Note 48)	450.00	297.89
— Others	40,956.22	23,424.55
TOTAL	41,406.22	23,722.44

9. OTHER CURRENT LIABILITIES

Current maturities of long-term debt (Refer Note below)	45,305.22	10,402.75
Current maturities of finance lease obligations	101.09	91.00
Interest accrued but not due on borrowings	286.34	317.24
Unpaid mature debentures and interest accrued thereon	76.00	55.00
Unpaid dividends	248.80	218.96

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	(₹ in Lakhs)	
	As at 31st March, 2012	As at 31st March, 2011
Other payables:		
— Statutory remittances	311.32	225.75
— Creditors for capital goods	1,287.00	372.00
— Trade/security deposits received	320.30	300.00
— Advances from customers	1,469.62	4,946.30
— Book Overdraft	—	3,206.00
— Provision for other contingencies (Refer Note 37)	—	125.00
— Other liabilities	16,116.47	10,581.37
TOTAL	<u>65,522.16</u>	<u>30,841.37</u>
Note: Current maturities of long term debts are as under:		
From Banks	4,662.71	10,347.60
8.25% Secured Redeemable Non-Convertible Bonus/Debentures (Refer Note 51 for security)	40,613.28	—
Others – Loan against vehicles	29.51	55.15
TOTAL	<u>45,305.22</u>	<u>10,402.75</u>

10. SHORT-TERM PROVISIONS

Provision for employee benefits	1,058.85	1,150.40
Others:		
— Provision for Tax (net of advance tax)	401.78	5.23
— Provision for estimated loss on derivatives	—	518.00
— Provision for proposed equity dividend	976.81	976.81
— Provision for tax on proposed dividends	158.46	1,418.02
TOTAL	<u>2,595.90</u>	<u>4,068.46</u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

11. FIXED ASSETS

	Original/ Revalued Cost or Balance as at 31st April, 2011	On Acquisition of Sub-sidiaries	Cost of Additions during the year	Cost of Disposals/ Transfers/ Adj. during the year	Currency Alignment on Opening Balance	Cost/ Revalued Cost or Balance as at 31st March, 2012	Accumulated Depreciation as at 31st April, 2011	On Acquisition of Sub-sidiaries	Depreciation/ Amortisation for the year	Currency Alignment on Opening Balance	Currency Alignment for the year	Deduction during the year	Depreciation/ Amortisation/ Transfers/ Adj. during the year	Depreciation/ Amortisation upto 31st March, 2012	Net Book Value as at 31st March, 2012	Net Book Value as at 31st March, 2011	
TANGIBLE ASSETS:																	
LAND:																	
Freehold	749.16	—	461.20	—	0.22	1,210.58	—	—	—	—	—	—	—	—	1,210.58	749.16	
Leasehold	4,569.69	—	1,189.00	(412.41)	218.44	5,564.72	650.14	—	100.05	0.02	90.45	(30.10)	—	810.56	4,754.16	3,919.55	
ROADS	104.97	—	128.77	—	—	233.74	47.65	—	7.22	—	—	—	—	54.87	178.87	57.32	
DEVELOPMENT/IMMATURED – Plantations	1,924.04	—	258.86	(1,254.93)	805.75	2,183.26	27.27	—	4.33	—	—	(438.94)	—	31.60	2,151.66	1,896.77	
BUILDINGS	* 17,643.97	—	4,014.76	(1,254.93)	805.75	21,209.55	7,850.26	—	716.25	520.05	—	—	—	8,647.62	12,561.93	9,743.71	
LEASEHOLD BUILDINGS	44.71	—	44.71	—	—	44.71	26.48	—	0.91	—	—	—	—	27.39	17.32	18.23	
PLANT AND MACHINERY	80,864.73	—	11,023.47	(12,189.31)	5,840.98	85,539.87	45,011.20	—	5,338.20	3,747.54	88.34	(7,717.81)	—	46,467.47	39,072.40	35,883.53	
MOTOR VEHICLES AND TRACTORS	1,669.30	—	268.98	(215.67)	145.53	1,868.14	966.93	—	143.99	20.28	82.48	(175.70)	—	1,057.98	810.16	682.37	
FURNITURE AND FIXTURES	2,892.39	—	232.31	(228.01)	(126.20)	2,770.49	1,839.80	—	111.59	(120.06)	—	(121.29)	—	1,710.04	1,060.45	1,052.59	
OFFICE EQUIPMENTS	3,149.54	—	397.52	(108.11)	27.00	3,465.95	1,872.57	—	456.78	27.99	—	(86.98)	—	2,270.36	1,195.59	1,276.97	
LEASED ASSETS																	
Motor Vehicles	# 315.00	—	25.00	(206.00)	—	134.00	189.00	—	44.00	—	—	(170.00)	—	63.00	71.00	126.00	
INTANGIBLE ASSETS:																	
Technical know-how	1,035.48	—	—	(25.64)	0.16	1,010.00	934.50	—	101.00	0.14	—	(25.64)	—	1,010.00	—	100.98	
Trademark/Design/Marketing/ Infrastructure & Non compete rights	4,142.58	—	—	—	(0.58)	4,142.00	3,968.80	—	169.00	0.20	—	(1.00)	—	4,137.00	5.00	173.78	
Computer Software	3,799.89	—	538.01	(58.03)	(2,950.09)	1,329.78	2,045.31	—	167.84	(1,729.82)	—	(20.02)	—	463.31	866.47	1,754.58	
Tenancy Rights	36.55	—	—	—	—	36.55	5.25	—	0.60	—	—	—	—	5.85	30.70	31.30	
TOTAL	122,942.00	—	18,537.88	(14,698.11)	3,961.57	130,743.34	65,465.16	—	7,361.76	2,466.34	261.27	(8,787.48)	—	66,757.05	63,986.29	57,486.84	
PREVIOUS YEAR TOTAL	118,500.09	—	9,863.20	(5,346.71)	(74.58)	122,942.00	61,252.41	—	7,858.52	(49.96)	8.17	—	(3,613.97)	65,455.76	57,486.84	1,580.20	
CAPITAL WORK-IN-PROGRESS															TOTAL:	75,162.81	59,067.04

Note 1 Agreements in respect of leasehold land at two factories of the Company (previous year: two factories) are in the process of renewal.

Note 2 Redeemable Non-convertible bonus debentures issued on 22nd March, 2010 have been secured by way of first mortgage created on identified immovable property and first charge on Company's movable assets restricted to inventories and plant and equipment.

Note 3 Buildings include:

(i) Fully paid unquoted shares and bonds in respect of ownership of flats in 2 Co-operative Housing Societies (previous year: 3 Co-operative Housing Societies) of ₹ 50/- each, and 50 interest free loan stock bonds (previous year: 50) of ₹ 100 each.

(ii) Net book value ₹ 571 Lakhs (Previous Year ₹ 656 Lakhs) constructed on a land leased from the government (UAE) which is renewable each year in relation to Strategic Food International Co. LLC (SIFIC). The lessor (government (UAE)) would be required to give a notice of one year for termination of the lease.

(iii) Net book value ₹ 1,351 Lakhs (Previous Year ₹ 1,261 Lakhs) constructed on a land leased from the Public Establishment for Industrial Estates (Sohar Industrial Estate) for a period of 25 years from 1st January, 1994, which is renewable thereafter for a further period of 25 years in relation to Al Sallan Food Industries Co. SAOC (ASFI).

Note 4 Net book value of tangible assets included in the above schedule pertaining to ASFI amounts to ₹ 3,889 Lakhs (Previous Year ₹ 3,522 Lakhs). Substantially all the tangible assets of ASFI are mortgaged as security against the government term loan and other term loans amounting to ₹ 2,775 Lakhs (Previous Year ₹ 2,544 Lakhs).

Note 5 Goodwill on consolidation comprises goodwill ₹ 10,299 Lakhs (Previous Year ₹ 9,419 Lakhs) and capital reserve ₹ 105 Lakhs (Previous Year ₹ 105 Lakhs).

Note 6 In the previous year, due to the revision of the estimated useful for computers (part of office equipment) to four years, additional depreciation charged aggregates to ₹ 208 Lakhs.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	(₹ in Lakhs)	
	As at 31st March, 2012	As at 31st March, 2011
12. NON-CURRENT INVESTMENTS		
Long Term Investments (At Cost)		
Equity Shares of Companies		
— Quoted	10,502.81	10,522.81
— Unquoted	517.81	2.20
	11,020.62	10,525.01
Associates	406.64	401.67
Government Securities	1.03	4.07
Debentures	3,433.02	13,112.42
Units of Insurance Policies	599.00	598.88
Participating interest	106.54	93.68
Capital in a Partnership firm	1.00	1.00
Others (viz. Co-operative Societies, etc.)	0.63	0.56
TOTAL	15,568.48	24,737.29

13. LONG-TERM LOANS AND ADVANCES**Unsecured****Considered good**

Security deposits	852.15	1,240.22
Capital advances – unsecured	2,194.38	1,466.17
Loans and advances to employees	130.61	86.33
Advance income tax (net of provisions)	600.41	1,141.82
Minimum Alternate Tax credit entitlement	149.00	—
Balances with central excise, service tax, sales tax etc.	1,453.15	1,432.98
Other Loans and Advances		
— Intercorporate advances	400.00	6,400.00
— Others	4,627.95	2,838.15

Considered Doubtful

Deposit towards contingent liabilities (Refer Note 27C)	25.00	25.00
Other Loans and Advances	873.20	1,078.21
	11,305.82	15,708.88
Less: Provision for doubtful Loans and Advances	898.20	1,103.21

TOTAL	10,407.62	14,605.67
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The Bombay Burmah Trading Corporation, Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	(₹ in Lakhs)	
	As at 31st March, 2012	As at 31st March, 2011
14. CURRENT INVESTMENTS		
(At Cost or Market/Fair value whichever is lower)		
Managed Fixed Income Accounts	52.58	148.41
Specialist Equity Account	474.32	581.32
Units of Mutual Funds	8,154.00	21,141.00
Debentures	10,613.00	0.04
Structured Notes	567.13	—
Commodities	2,007.32	—
Quoted Equities	4,953.57	3,097.50
Bonds	5,324.40	2,737.33
Certificate of Deposit	2,488.00	3,473.00
	<u>34,634.32</u>	<u>31,178.60</u>
Less: Provision for diminution in value of Investments	—	1.02
TOTAL	<u><u>34,634.32</u></u>	<u><u>31,177.58</u></u>

15. INVENTORIES		
(At lower of cost & net realisable value)		
Raw materials	26,441.72	21,761.34
Work-in-progress	574.55	728.06
Finished goods (other than those acquired for trading)	14,514.90	17,850.92
Stock-in-trade (acquired for trading)	4,830.94	1,005.65
Stores and spares including Loose Tools	2,700.11	2,919.94
Others – Real Estate under development	1,910.59	1,856.99
	<u>50,972.81</u>	<u>46,122.90</u>
TOTAL	<u><u>50,972.81</u></u>	<u><u>46,122.90</u></u>

16. TRADE RECEIVABLES		
Unsecured		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
— considered good	1,694.84	976.94
— considered doubtful	1,613.83	1,233.64
	<u>3,308.67</u>	<u>2,210.58</u>
Less: Provision for doubtful trade receivables	1,613.83	1,233.64
	<u>1,694.84</u>	<u>976.94</u>
Other Trade receivables		
— considered good	14,888.09	15,850.23
	<u>14,888.09</u>	<u>15,850.23</u>
TOTAL	<u><u>16,582.93</u></u>	<u><u>16,827.17</u></u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

	As at 31st March, 2012	As at 31st March, 2011
17. CASH AND BANK BALANCE		
Cash and cash equivalents		
Cash on hand	88.93	343.65
Cheques, Drafts on hand	2,022.00	1,974.83
Balances with banks		
— In current accounts	9,044.82	5,785.05
— In deposit accounts	9,237.42	9,522.79
Other bank balances		
— Unpaid dividend accounts	248.80	218.96
— Unclaimed Debenture interest	76.00	55.00
— Balances held as margin money against guarantees and other commitments	790.00	607.68
— Bank deposits	23.35	23.63
TOTAL	<u>21,531.32</u>	<u>18,531.59</u>

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

Loans and advances to related parties	970.71	925.30
Loans and advances to Employees	181.82	111.64
Balances with Central Excise, Service Tax etc.	266.46	404.93
Minimum Alternate Tax credit entitlement	180.00	1,530.00
Employee benefit gratuity	91.00	93.00
Interest accrued but not due	427.00	433.00
Intercompany Deposits	6,000.00	—
Security deposits	485.63	247.10
Prepaid expenses	222.94	105.25
Others	9,091.25	6,687.29

Considered Doubtful

— Loans and advances	280.00	270.48
	<u>18,196.81</u>	<u>10,807.99</u>
Less: Provision for other doubtful loans and advances	280.00	270.48
TOTAL	<u>17,916.81</u>	<u>10,537.51</u>

19. OTHER CURRENT ASSETS

Earnest Money deposit	1.21	1.01
Accruals		
— Interest accrued on deposits and investments	72.21	48.09
— Export benefit receivable	336.20	266.17
— Others	6.23	22.36
TOTAL	<u>415.85</u>	<u>337.63</u>

The Bombay Burmah Trading Corporation, Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	(₹ in Lakhs)	
	For the year ended 31st March, 2012	For the year ended 31st March, 2011
20. REVENUE FROM OPERATIONS		
Sale of products (Refer Note (i) below)	596,631.77	517,300.27
Sale of services (Refer Note (ii) below)	21.83	18.68
Other operating revenues (Refer Note (iii) below)	3,633.28	2,507.94
	<u>600,286.88</u>	<u>519,826.89</u>
Less: Excise duty	7,527.37	5,064.96
	<u>592,759.51</u>	<u>514,761.93</u>
TOTAL	<u>592,759.51</u>	<u>514,761.93</u>
Note (i)		
Sale of products comprises:		
Manufactured goods		
Tea	11,620.19	12,591.94
Coffee	1,227.07	1,169.21
Rubber	—	4,662.54
Other Plantation Products	511.38	225.32
Laminates	4,376.22	7,842.96
Biscuits and dairy products	551,996.00	461,968.89
Precision Springs and Auto Electric	19,584.43	21,847.68
Weighing Products	209.73	201.45
Horticulture and Landscaping services	4,212.03	4,621.12
Dental Products	1,398.63	1,115.94
Others	60.02	67.42
	<u>595,195.70</u>	<u>516,314.47</u>
SUB-TOTAL	<u>595,195.70</u>	<u>516,314.47</u>
Traded goods		
Tea	60.40	80.26
Coffee	1,210.11	667.38
Laminates	—	36.82
Weighing Products	21.22	10.38
Dental Products	144.34	190.96
	<u>1,436.07</u>	<u>985.80</u>
SUB-TOTAL	<u>1,436.07</u>	<u>985.80</u>
TOTAL	<u>596,631.77</u>	<u>517,300.27</u>
Note (ii)		
Sale of services comprises:		
Weighing Products	21.83	18.68
	<u>21.83</u>	<u>18.68</u>
TOTAL	<u>21.83</u>	<u>18.68</u>
Note (iii)		
Other operating revenues comprises:		
Sale of scrap	1,604.25	1,570.00
Royalty income	225.00	239.00
Duty drawback and other export incentives	331.31	244.14
Expenses recovered from various companies	496.12	65.00
Agency Commission	55.00	134.95
Rent (including machinery etc. Hire charges/Lease Rent)	82.26	99.85
Provisions and liabilities no longer required written back	582.00	56.00
Others	257.34	99.00
	<u>3,633.28</u>	<u>2,507.94</u>
TOTAL	<u>3,633.28</u>	<u>2,507.94</u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
21. OTHER INCOME		
Interest income	3,532.16	2,582.89
Dividend income from:		
— Long Term investments	36.00	74.51
— Related Parties	114.71	1.44
— Others	211.63	148.23
Net gain on sale of long-term investments/Current investments	922.00	6,606.57
Net gain on foreign currency transactions and translation (other than considered as finance cost)	209.62	1,536.47
Other non-operating income (Refer Note below)	2,619.25	4,636.75
TOTAL	<u>7,645.37</u>	<u>15,586.86</u>

Note

Other non-operating income:

— Rental income from investment properties	30.56	—
— Profit on sale of fixed assets	1,614.16	1,949.13
— Liabilities/Provisions no longer required written back	299.55	1,222.20
— Profit on sale of Raw Materials	—	0.31
— Miscellaneous income (includes compensation from surrender of tenancy rights)	674.98	1,465.11
TOTAL	<u>2,619.25</u>	<u>4,636.75</u>

22. COST OF MATERIALS CONSUMED

Material consumed comprises:

Paper Prints	1,258.05	2,234.62
Chemicals	1,081.36	1,873.91
Bought Leaf	1,343.00	1,316.61
Miscellaneous Raw Materials	980.51	713.57
Steel Wires	4,978.28	6,568.35
Electronic and Mechanical Components	54.11	49.40
Biscuit and Dairy Products	310,913.00	271,096.49
Auto Electric Components	5,782.09	4,915.13
Others	3,197.92	381.69
TOTAL	<u>329,588.32</u>	<u>289,149.77</u>

22. PURCHASE OF STOCK-IN-TRADE

Tea	50.65	60.28
Coffee	1,101.72	828.22
Laminates	10.15	67.65
Weighing Products	15.74	7.96
Dental Products	94.61	108.79
Biscuit and Dairy Products	43,768.00	32,890.73
TOTAL	<u>45,040.87</u>	<u>33,963.63</u>

The Bombay Burmah Trading Corporation, Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	(₹ in Lakhs)	
	For the year ended 31st March, 2012	For the year ended 31st March, 2011
22. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Inventories at the end of the year:		
Finished goods (including stock in trade of traded goods)	18,074.31	19,044.32
Work-in-progress	266.57	716.01
Stock in Trade	996.76	0.05
	<u>19,337.64</u>	<u>19,760.38</u>
Inventories at the beginning of the year:		
Finished goods(including stock in trade of traded goods)	19,044.32	16,891.40
Work-in-progress	716.01	642.94
Stock in Trade	0.05	0.05
	<u>19,760.38</u>	<u>17,534.39</u>
Less: Transferred on sale of undertakings	2,336.03	—
	<u>17,424.35</u>	<u>17,534.39</u>
NET INCREASE	<u>(1,913.29)</u>	<u>(2,225.99)</u>

23. EMPLOYEE BENEFITS EXPENSE

Salaries and wages (Refer Note below)	25,268.75	24,652.67
Contributions to provident and other funds (Refer Note 38)	1,726.11	1,679.85
Staff welfare expenses	3,039.14	1,450.19
Less: Transferred to Real Estate under development (Refer Note 26)	46.83	63.13
TOTAL	<u>29,987.17</u>	<u>27,719.58</u>

Note: Pursuant to the consent order in the writ petition 2659/2005, before the Honourable High Court, BIL has accepted the application for Voluntary Retirement Scheme (VRS) offered to all workmen at the Reay Road, Mumbai factory. Consequently, all the legal cases related to the closure of the factory have been disposed off and an amount of ₹ 1,505 Lakhs has been paid towards the VRS.

24. FINANCE COSTS

Interest expense on:		
— Bank Borrowings and Others	4,411.17	6,778.45
— Redeemable Non-Convertible Bonus Debentures	3,360.00	3,350.60
TOTAL	<u>7,771.17</u>	<u>10,129.05</u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
25. OTHER EXPENSES		
Consumption of stores and spare parts	2,593.04	2,787.34
Increase of excise duty on inventory	42.02	59.98
Processing charge	37,354.66	34,548.84
Power and fuel	8,750.81	7,394.75
Rent including lease rentals (Refer Note 32)	1,165.01	1,228.26
Repairs and maintenance – Buildings	1,410.97	388.33
Repairs and maintenance – Machinery	521.52	1,689.92
Repairs and maintenance – Others	1,557.59	—
Insurance	268.81	305.26
Rates and taxes	2,722.26	2,101.01
Communication	145.25	165.59
Travelling and conveyance	529.47	389.26
Printing and stationery	71.42	—
Freight and forwarding	34,227.54	31,308.45
Selling agents' commission and discount	1,068.12	1,779.56
Advertisement and Business Promotion expenses	42,117.14	33,867.53
Legal and professional	447.99	476.77
Payments to auditors	179.67	117.35
Bad trade and other receivables, loans and advances written off	102.03	118.18
Directors' sitting fees	10.61	10.42
Obsolete stocks written off	47.00	—
Loss on fixed assets sold/scrapped/written off	18.26	154.54
Loss on sale of Investments	—	18.26
Provision for doubtful trade and other receivables, loans and advances (net)	333.12	219.03
Impairment loss on Investments	—	29.96
Technical know-how fees/Royalty	46.29	95.59
Provision for contingencies	225.00	40.00
Miscellaneous expenses	18,854.87	15,532.90
Less: Transferred to Real estate under development (Refer Note 26)	19.67	30.11
TOTAL	<u>154,790.80</u>	<u>134,796.97</u>

26. COST RELATING TO REAL ESTATE UNDER DEVELOPMENT

Opening Stock (Real Estate under Development)	1,856.99	1,776.66
Add: Expenditure relating to Real Estate Division incurred during the year		
Payments to and provision for employees (Refer Note 23)	46.83	63.13
Contract/retainership fees (Refer Note 25)	5.49	9.01
Travelling and other expenses (Refer Note 25)	14.18	21.11
	<u>66.50</u>	<u>93.25</u>
	1,923.49	1,869.91
Closing Stock (Real Estate under Development)	1,910.59	1,856.99
TOTAL	<u>12.90</u>	<u>12.92</u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

27. Contingent Liabilities not provided for:

I. BBTCL:

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

	Current Year ₹ in Lakhs	Previous Year ₹ in Lakhs
South India Consolidation Division	1.47	1.47
BCL Springs (Auto Ancillary Division)	—	40.96
Summica Division (Building Products Division)	—	1.26

- C. Damages and Interest on alleged unauthorised occupation of residential premises determined by the Estate Officer L.I.C. up to 31st March, 2012 and disputed by the Corporation ₹ **140.96 Lakhs** (Previous Year ₹ 119.94 Lakhs).
- D. Disputed wage demands pending with Industrial Tribunal ₹ **232.25 Lakhs** (Previous Year ₹ 232.25 Lakhs) and back wages relief granted by Labour Court ₹ **0.58 Lakhs** (Previous Year ₹ 0.58 Lakhs) in respect of South India Branches.
- E. PF Demand on allowance paid to workers ₹ **98.63 Lakhs** (Previous Year ₹ Nil).
The Corporation has created provision for contingencies as an abundant precaution. (Refer Note 37).
- F. Letter of Credit in respect of erstwhile BCL Springs ₹ **329.39 Lakhs** (Previous Year ₹ Nil).
- G. BIL Group:
- (a) In respect of Bank Guarantees, Letter of Credit, Letter of Comfort, etc., ₹ **1,067 Lakhs** (Previous Year ₹ 867.94 Lakhs).
- (b) Disputed Claims/Demands against the BIL Group not acknowledged as debt including disputed demands in respect of Excise Duty/Sales Tax/Income Tax/Trade and other demands of ₹ **3,004 Lakhs** (Previous Year ₹ 6,038.32 Lakhs).
- (c) Discounted cheques ₹ **316 Lakhs** (Previous Year ₹ 4,755 Lakhs).

Note:

- Contingent liabilities disclosed above represent possible obligations where possibility of cash outflow to settle the obligations is not remote.
- These do not include non-quantifiable industrial disputes, other legal disputes pending before various judicial authorities.

28. Estimated amount of contracts remaining to be executed on Capital Account and not provided for ₹ **4,621.25 Lakhs** (Previous Year ₹ 5,874.87 Lakhs).

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

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

<u>Name of Subsidiary/Associate</u>	<u>Gross Value of Fixed Assets</u> ₹ in Lakhs
Afco Industrial and Chemicals Limited	110.33 <i>(109.93)</i>
DPI Products & Services Limited	57.91 <i>(57.51)</i>
Inor Medical Products Limited	839.51 <i>(672.10)</i>

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(b) In respect of assets held by J. B. Mangharam Foods Private Limited and Ganges Vally Foods Private Limited, depreciation is provided on a written-down-value basis over its expected useful life. The written down value of assets as on 31st March, 2012 amounts to ₹ 406 Lakhs and ₹ 313 Lakhs (Previous Year ₹ 416.37 Lakhs and ₹ 362.45 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 is as given below:

	₹ in Lakhs	
	31st March, 2012	31st March, 2011
J. B. Mangharam Foods Private Limited	—	57.60
Sunrise Biscuit Company Private Limited	—	544.59
Britannia Dairy Private Limited	1,948.00	989.67

During the current year J. B. Mangharam Foods Private Limited and Sunrise Biscuit Company Private Limited have changed the method of inventory valuation from first-in-first-out method to weighted average cost method.

(d) In respect of LLL, subsidiary of the LLSB Group, exchange difference on translation of Foreign Currency loans is charged to Statement of profit & loss. The value of such loans outstanding at 31st March, 2012 is ₹ 48,176.81 Lakhs (Previous Year ended 31st March, 2011 ₹ 42,417.50 Lakhs).

30. Profit on Sale of Undertakings:

	Current Year (₹ in Lakhs)	Previous Year (₹ in Lakhs)
Profit on sale of BCL Springs Division [Refer Note (i)]	12,493.44	—
Profit on sale of Sunmica Division [Refer Note (ii)]	3,977.14	—
TOTAL	<u>16,470.58</u>	<u>—</u>

Note:

(i) During the year pursuant to the approval of the Shareholders and other authorities the Corporation transferred and sold BCL Springs Division (Auto Ancillary Products) to NHK Automotive India Pvt. Ltd. on a slump sale basis with effect from close of business hours on 30th November, 2011 for a lump sum consideration of ₹ 18,050.00 Lakhs.

The book value of the said undertaking as on the date of transfer was ₹ 5,512.33 Lakhs and directly attributable expenses with regards to sale/transfer aggregated to ₹ 44.23 Lakhs.

(ii) During the year pursuant to the approval of the Shareholders and other authorities the Corporation transferred and sold Sunmica Division (Building Products) to AICA India Pvt. Ltd. on a slump sale basis with effect from close of business hours on 31st October, 2011 for a lump sum consideration of ₹ 10,030.00 Lakhs.

The book value of the said undertaking as on the date of transfer was ₹ 5,752.69 Lakhs and directly attributable expenses with regards to sale/transfer aggregated to ₹ 300.17 Lakhs.

31. Profit from Discontinued Operations of Divisions:

The Corporation transferred and sold Sunmica Division (Building Products) and BCL Springs Division (Auto Ancillary Products) on a slump sale basis with effect from close of business hours on 31st October, 2011 and 30th November, 2011 respectively as mentioned in Note 30. The details of Revenue Expenditure and Profits up to the date of transfer/sale are given below:

	(₹ in Lakhs)	
	BCL Springs (Auto Ancillary Products)	Sunmica (Building Products)
Revenue (net of excise) and other income from operations	7,975.77	4,521.97
Expenditure	<u>7,489.89</u>	<u>4,613.55</u>
Profit/(Loss) from Discontinued Operations	485.88	(91.58)
Total Profit from discontinued operations:		
BCL Springs	485.88	
Sunmica	(91.58)	
TOTAL	<u>394.30</u>	

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

32. Leases:

A. Operating Lease:

The Corporation has taken various residential/commercial premises and plant and machinery under operating leases. These lease agreements are normally renewed on expiry. The lease payments recognised in the Statement of profit and loss is ₹ **208.88 Lakhs** (*Previous Year ₹ 222.21 Lakhs*).

Leila Lands Sendirian Berhad Group (LLSB):

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

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

	Current Year ₹ in Lakhs	<i>Previous Year</i> ₹ in Lakhs
Within 1 year	163.55	144.47
Later than 1 year and not later than 5 years	429.68	538.66
Total Present value of Minimum Installments	593.23	683.13

BIL Group:

The BIL Group has certain operating leases for land, office facilities and residential premises (cancellable as well as non-cancellable leases). Such leases are generally with the option of renewal against increased rent and premature termination of agreement (except non-cancellable leases). Rental expenses of ₹ **660 Lakhs** (*Previous Year ₹ 653.49 Lakhs*) and ₹ **23 Lakhs** (*Previous Year ₹ 17.31 Lakhs*) in respect of obligation under cancellable and non-cancellable operating leases respectively, have been recognised in the Statement of Profit and Loss. With respect to Al Sallan Food Industries Company (SAOC), the Company has taken on lease a plot of land for factory premises at Sohar from the Public Establishment for Industrial Estates ("PEIE") for a period of 25 years from 1st January, 1994 which is renewable thereafter for a further period of 25 years.

Future obligations of lease rentals applicable to above leased assets aggregate to ₹ **139 Lakhs** (*Previous Year ₹ 133.28 Lakhs*) and are due:

	Current Year ₹ in Lakhs	<i>Previous Year</i> ₹ in Lakhs
Within 1 year	22.84	17.20
Later than 1 year and not later than 5 years	81.54	69.23
Later than 5 years	34.39	47.29
	138.77	133.72

B. Finance Lease:

BIL Group:

The Group has taken motor vehicles under finance leases. The total minimum lease payments and present value of minimum lease payments as at 31st March, 2012 are as follows:

	₹ in Lakhs			
	31 March, 2012		<i>31 March, 2011</i>	
	Minimum lease payments	Present value of minimum lease payments	<i>Minimum lease payments</i>	<i>Present value of minimum lease payments</i>
Not later than 1 year	33.73	24.56	107.79	90.53
Later than 1 year and not later than 5 years	63.67	59.27	99.62	82.69
	97.50	83.83	207.41	173.22

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

33. Earnings per Share:

Earnings per Share from Continuing Operations:

	Current Year	<i>Previous Year</i>
	₹ in Lakhs	<i>₹ in Lakhs</i>
(A) Net Profit for calculation of Earnings per Share (numerator)	22,314.98	<i>11,763.22</i>
(B) Weighted Average number of equity shares (denominator) (Nos.)	1,39,54,380	<i>1,39,54,380</i>
(C) Basic and Diluted Earnings per share (A / B) (in ₹)	159.91	<i>84.30</i>
(D) Nominal value per equity share (in ₹)	10	<i>10</i>

Earnings per Share from Total Operations:

	Current Year	<i>Previous Year</i>
	₹ in Lakhs	<i>₹ in Lakhs</i>
(A) Net Profit for calculation of Earnings per Share (numerator)	23,015.77	<i>11,763.22</i>
(B) Weighted Average number of equity shares (denominator) (Nos.)	1,39,54,380	<i>1,39,54,380</i>
(C) Basic and Diluted Earnings per share (A / B) (in ₹)	164.94	<i>84.30</i>
(D) Nominal value per equity share (in ₹)	10	<i>10</i>

34. 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 and other components 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.

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NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(ii) Segment Revenues, Results and Other Information

	(₹ in Lakhs)										
	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)	14,924.52 (19,396.66)	4,376.22 (7,879.78)	18,204.12 (20,066.83)	235.10 (212.95)	1.57 (—)	1,564.07 (1,306.90)	— (—)	4,214.18 (4,623.27)	548,537.00 (460,516.42)	592,056.78 (514,002.81)	
Other Income	74.84 (374.46)	145.75 (149.06)	214.66 (376.61)	3.85 (22.26)	722.84 (9,166.93)	1.49 (19.83)	— (—)	52.77 (72.28)	5,914.00 (6,488.45)	7,130.21 (16,669.87)	
Segment Revenues	14,999.36 (19,771.12)	4,521.97 (8,028.84)	18,418.78 (20,443.44)	238.95 (235.21)	724.42 (9,166.92)	1,565.56 (1,326.73)	— (—)	4,266.95 (4,695.55)	554,451.00 (467,004.87)	599,186.97 (530,672.66)	
Segment Results	1,287.72 (4,453.16)	224.55 (468.39)	2,193.64 (2,341.59)	48.91 (58.58)	16,697.88 (7,824.39)	374.82 (287.19)	-13.20 (-13.25)	510.42 (435.52)	14,329.07 (23,488.21)	35,653.81 (39,343.78)	
Segment Assets	14,590.20 (13,242.34)	— (6,885.61)	7,304.58 (14,356.54)	341.43 (339.61)	122,140.34 (117,037.30)	915.46 (864.72)	1,911.23 (1,858.10)	6,205.18 (5,386.20)	186,009.00 (163,546.97)	339,417.42 (323,517.39)	
Segment Liabilities	3,758.34 (3,019.74)	— (765.40)	5,865.44 (8,258.85)	41.33 (31.25)	83,388.66 (52,111.73)	162.22 (136.25)	— (—)	1,120.92 (1,057.90)	133,074.00 (121,711.52)	227,410.92 (187,092.64)	
Capital Expenditure (included in segment assets)	1,447.79 (924.55)	— (117.01)	139.43 (790.37)	6.54 (—)	0.40 (0.40)	2.22 (2.99)	— (—)	488.17 (240.82)	25,624.18 (7,462.60)	27,708.73 (9,538.74)	
Depreciation/Amortisation	399.68 (411.53)	194.64 (339.83)	362.01 (824.01)	13.48 (13.40)	367.38 (663.99)	10.68 (20.86)	0.30 (0.33)	168.06 (171.76)	5,823.18 (5,823.18)	7,339.41 (8,268.89)	

* Discontinued Segment w.e.f. 31 October, 2011 (Refer Note 31).

** Includes revenue ₹ 7,978.82 Lakhs (Previous Year ₹ 10,976.21 Lakhs) and results ₹ 913.33 Lakhs (Previous Year 1,721.94 Lakhs) pertaining to BCL Springs division which was discontinued w.e.f. 30 November, 2011 (Refer Note 31).

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

(iii) Reconciliation of Reportable Segments with the Financial Statements

	(₹ in Lakhs)					
	Revenues	Results/Net Profit/Loss	Assets	Liabilities	Capital Expenditure	Depreciation/Amortisation
Total of Reportable Segments	599,186.97 (530,672.66)	35,653.81 (39,343.78)	339,417.42 (323,517.39)	227,410.92 (187,092.64)	27,708.73 (9,538.74)	7,339.41 (8,268.89)
Corporate/Unallocated Segment	2,058.66 (1,822.32)	16,868.53* (-22.51)*	14,312.02 (6,200.86)	16,466.63 (30,661.28)	425.47 (169.30)	13.42 (32.01)
Less: Interest		-7771.17 (-10,129.05)				
Less: Taxes		-11,291.11 (-8,087.27)				
Less: Net Intra/Inter segment transactions	-840.77 (-2,146.18)	-506.48 (-1,713.46)	-10,847.82 (-9,206.34)	-10,121.45 (-8,394.02)		
As per Financial Statement	600,404.86 (530,348.79)	32,953.58 (19,391.49)	342,881.62 (320,511.91)	233,756.10 (209,359.90)	28,134.20 (9,708.04)	7,352.83 (8,300.90)

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

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

B. Secondary Segment Reporting (by Geographical Segment)

	(₹ in Lakhs)		
	Domestic	Exports*	Total
Revenues	590,901.62 (514,505.42)	9,503.24 (15,843.37)	600,404.86 (530,348.79)
Total Assets	231,972.05 (213,505.47)	110,908.67 (107,006.44)	342,881.62 (320,511.91)
Capital Expenditure	27,641.20 (9,435.61)	493.00 (272.42)	28,134.20 (9,708.03)

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

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

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35. Related Party Disclosures

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

(1) **Key management personnel:**

Mr. Ashok Panjwani – Managing Director, BBTCL
 Mr. Ness Wadia – Managing Director, BBTCL (w.e.f. 1st April, 2011)
 Mr. Jeh Wadia – Deputy Managing Director, BBTCL (upto 31st March, 2011)
 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
 Medical Microtechnology Limited
 Klassik Foods Private Limited
 Nalanda Biscuits Company Limited
 Vasna Agrex Private Limited
 Snacko Bisc Private Limited
 Appear Dream Limited, U.K.
 Ink (Clothing) Limited, U.K.
 ABI Holding Limited, U.K.

(3) **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 and 2 above:**

Details	Relationship	₹ in Lakhs	
		Year ended 31st March, 2012	Year ended 31st March, 2011
Purchase of finished goods/ consumables and ingredients			
Nalanda Biscuits Company Limited	Associates	6,707.00	8,046.91
Conversion charges paid			
Klassik Foods Private Limited	Associates	498.00	478.64
Rent Received			
Inor Medical Products	Associates	76.73	76.73
Shared Expenses			
Inor Medical Products	Associates	65.00	65.00
Expenses charged by them			
Inor Medical Products	Associates	35.54	—
Expenses Charged to them			
Inor Medical Products	Associates	4.56	14.16
Interest and dividend income			
Klassik Foods Private Limited	Associates	—	6.52
Ms. Vinita Bali	KMP	—	0.03
Inor Medical Products	Associates	90.18	84.55
Total		90.18	89.66

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Details	Relationship	₹ in Lakhs	
		Year ended 31st March, 2012	Year ended 31st March, 2011
Dividend Paid			
Mr. Jeh Wadia	KMP	0.02	0.02
Mr. Ness Wadia	KMP	0.07	0.07
Total		0.09	0.09
Dividend Received			
Inor Medical Products	Associates	1.44	1.44
Commission Received			
Inor Medical Products	Associates	60.67	60.67
Management contracts including secondment of employees, net			
Klassik Foods Private Limited	Associates	—	1.80
Nalanda Biscuits Company Limited	Associates	—	47.06
Lotus Viniyog	Associates	1.87	1.60
Total		1.87	50.46
Remuneration			
Mr. Ashok Panjwani	KMP	135.78	80.77
Mr. Ness Wadia		190.03	—
Mr. Jeh Wadia	KMP	—	68.85
Ms. Vinita Bali	KMP	582.00	527.50
Mr. Jayant Gadgil, Mr. Albert Geow Chwee Hiam, Dr. Chua Sian Eng, Mr. Patrick Kennedy Cassels, Ms. Tai Yit Chan, Ms. Irene Liew, Mr Michael Lim Hee Kiang, Mr. Rabindra Santhanasegira	KMP	163.77	95.42
Total		1,071.58	772.54

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Details	Relationship	₹ in Lakhs	
		Year ended 31st March, 2012	Year ended 31st March, 2011
Loan repaid by			
Ms. Vinita Bali	KMP	—	6.87
Share of Current Year Profit/(Loss)			
Klassik Foods Private Limited	Associates	(2.00)	19.27
Nalanda Biscuits Company Limited	Associates	(6.00)	10.52
Roshnara Investments & Trading Company Private Limited	Associates	(0.03)	(0.04)
Cincinnati Investment & Trading Company Private Limited	Associates	(0.03)	(0.03)
Lima Investment & Trading Company Private Limited	Associates	(0.03)	(0.03)
Shadhak Investment & Trading Private Limited	Associates	(0.03)	(0.03)
Lotus Viniyog Private Limited	Associates	(0.53)	(1.28)
MSIL Investments Private Limited	Associates	(0.05)	(0.05)
Inor Medical Products Limited	Associates	4.30	5.83
Medical Microtechnology Limited	Associates	0.02	0.03
Total		(4.38)	34.19
Sale of Goods/consumables and ingredients			
Nalanda Biscuits Company Limited	Associates	34.00	35.81
Advance/Inter Corporate Deposits Given, Now Repaid			
Inor Medical Products	Associates	295.00	61.00
Advance/Inter-Corporate Deposits Paid			
Inor Medical Products	Associates	205.00	—
Outstanding as at year end Net receivables/(payables)			
Klassik Foods Private Limited	Associates	4.00	3.75
Nalanda Biscuits Company Limited	Associates	141.00	156.57
Inor Medical Products	Associates	945.37	760.98
Lotus Viniyog	Associates	7.27	5.40
Total		1,097.64	926.70

The Bombay Burmah Trading Corporation, Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Details	Relationship	₹ in Lakhs	
		Year ended 31st March, 2012	Year ended 31st March, 2011
Investments (Including Goodwill)			
Klassik Foods Private Limited	Associates	104.00	106.22
Nalanda Biscuits Company Limited	Associates	40.00	45.54
Vasna Agrex and Herbs Private Limited	Associates	1.00	1.00
Roshnara Investments & Trading Company Private Limited	Associates	4.73	4.76
Cincinnati Investment & Trading Company Private Limited	Associates	4.74	4.77
Lima Investment & Trading Company Private Limited	Associates	4.75	4.78
Shadhak Investment & Trading Private Limited	Associates	4.74	4.77
Lotus Viniyog Private Limited	Associates	33.85	34.38
MSIL Investments Private Limited	Associates	4.73	4.78
Inor Medical Products Limited	Associates	109.06	104.76
Medical Microtechnology Limited	Associates	4.24	4.22
Ink (Clothing) Limited, U.K.	Associates	81.84	81.84
Total		397.68	401.82
Provision for Investment			
Vasna Agrex and Herbs Private Limited	Associates	1.00	1.00

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

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

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

(a) Disclosed by the BIL Group as under:

	₹ in Lakhs				
	<i>31st March, 2011</i>	Additions*	Utilisation*	Reversals/ adjustments*	31st March, 2012
(i) Excise related issues	3,204.88	1,001.13	—	(1,505.07)	2,700.94
(ii) Sales tax and other issues	1,831.03	400.41	—	(39.13)	2,191.81
(iii) Trade and other issues	3,339.37	273.08	(1,779.39)	1,169.20	3,002.26

* Included under various heads in Profit and Loss Account.

(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 ₹ 350 Lakhs (*Previous Year ₹ 125 Lakhs*) represents a part amount provided for against the contingent liabilities with regards to the disputed demands for excise duties, wages and damages and interest as described in Note 27 on the basis of a fair estimate by the Corporation. The carrying amount at the beginning of the year was ₹ 125 Lakhs and the provision of ₹ 225 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.

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

A. BBTCL: DEFINED CONTRIBUTION PLAN (₹ in Lakhs)

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

	2011-12	2010-11
Employer's Contribution to Government Provident Fund*	294.83	284.58
Employer's Contribution to Superannuation Fund	68.43	65.06

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

DEFINED BENEFIT PLAN – GRATUITY

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

	(₹ in Lakhs)	
	Current Year	Previous Year
Liability at the beginning of the year	1,139.58	1,359.64
Interest cost	96.83	112.19
Current Service cost	66.66	82.96
Liability transfer out	—	—
Benefits paid	(314.80)	(163.68)
Actuarial (Gain)/Loss on Obligations	(255.29)	(251.52)
Liability at the end of the year	1,243.58	1,139.58

The Bombay Burmah Trading Corporation, Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

	Current Year	Previous Year
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	1,310.17	1,359.79
Expected Returns on Plan Assets	104.88	104.79
Contributions	227.08	33.58
Benefits Paid	(314.80)	(163.68)
Actuarial Gain/(Loss) on Plan Assets	(23.62)	(24.31)
Fair value of plan assets as at the end of the year	1,350.95	1,310.17
III. Actual Return on Plan Assets		
Expected Return on Plan Assets	104.88	104.79
Actuarial Gain/(Loss) on Plan Assets	23.62	(24.31)
Actual Return on Plan Assets	128.50	80.48
IV. Amount recognized in the Balance Sheet		
Liability at the end of the year	1,243.58	1,139.58
Fair value of Plan Assets at the end of the year	1,350.95	1,310.17
Difference	107.38	170.58
Asset/Liability recognised in the balance sheet	107.38	170.58
V. Expense recognized in the Profit and Loss Account		
Current Service Cost	66.66	82.96
Interest Cost	96.83	112.19
Expected Return on Plan Assets	(104.88)	(104.79)
Actuarial (Gain)/Loss	231.68	(234.29)
Expense recognized in the P&L A/c	290.29	(136.85)
VI. Investment Details		
Central Government Securities	3.50%	3.51%
PSU Bonds	5.26%	5.28%
State Government Securities	0.57%	1.28%
Insurer Managed Funds	90.67%	89.93%
Total	100%	100%
VII. Actuarial assumptions used		
Mortality Table	1994-96 LIC Ultimate	1994-96 LIC Ultimate
Discount rate	8.50%	8.50%
Rate of return on Plan Assets	8%	8%
Salary escalation rate	5%	5%
VIII. Prescribed Contribution for next year		
Prescribed Contribution for next year	17.22	108.36

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

IX. Experience Adjustment

	31.03.2012	31.03.2011	31.03.2010	31.03.2009	31.03.2008
Fair Value of Plan Assets	1,350.95	1,310.17	1,359.79	1,282.95	1,060.62
Defined Benefit Obligation	1,243.58	1,139.58	1,359.64	1,265.07	1,055.04
Actuarial (Gain)/Loss on Plan Assets	23.62	(24.31)	54.52	(33.36)	24.39
Actuarial (Gain)/Loss on Defined Benefit Obligation	(255.29)	(251.52)	38.89	223.24	72.21

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

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

B. BIL : POST-RETIREMENT EMPLOYEE BENEFITS (₹ in Lakhs)

I. DEFINED CONTRIBUTION PLAN

The Company has recognised an amount of ₹ 701.90 (Previous Year ₹ 698.73) as expenses under the defined contribution plans in the Profit and Loss Account for the year:

	31st March, 2012	31st March, 2011
Benefit (Contribution to)		
Provident Fund *	374.64	365.29
Family Pension Scheme	124.37	125.26
Pension Fund	148.42	155.01
Labour Welfare Fund	0.07	0.04
ESI	55.40	53.13
Total	701.90	698.73

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

II. DEFINED BENEFIT PLAN

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

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

1. Reconciliation of Opening and Closing balances of the present value of the defined benefit obligation:

	(₹ in Lakhs)				
	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008
Obligations at 1st April	2,034.95	2,009.48	1,872.49	2,024.55	2,120.12
Service Cost	127.54	130.94	121.77	134.36	98.86
Interest Cost	167.89	160.76	147.88	167.68	169.61
Benefits Settled	(372.99)	(279.37)	(112.83)	(551.84)	(411.08)
Actuarial (gain)/loss	3.40	13.14	4.16	97.74	47.04
On acquisition	—	—	(23.99)	—	—
Obligations at the year end 31st March	1,960.79	2,034.95	2,009.48	1,872.49	2,024.55
			31st March, 2012	31st March, 2011	
2. Change in Plan Assets					
Plan assets at 1st April at fair value-On Acquisition			2,128.41	2,018.88	
Expected return on plan assets			175.59	161.52	
Actuarial gain/(loss)			(16.01)	7.41	
Contributions			137.10	219.97	
Benefit Settled			(372.99)	(279.37)	
Plan assets at 31st March at fair value			2,052.10	2,128.41	
3. Reconciliation of present value of the obligation and the fair value of the plan assets					
Present value of obligation as at 31st March			1,960.79	2,034.95	
Plan assets at 31st March at fair value			2,052.10	2,128.41	
Amount recognised in Balance Sheet (Asset)/Liability			91.31	93.46	
4. Expenses recognised in the Profit and Loss Account					
Current Service Cost			127.54	130.94	
Interest Cost			167.89	160.76	
Expected Return on Plan Assets			(175.59)	(161.52)	
Actuarial (Gain)/Loss			19.41	5.73	
Net Cost			139.25	135.91	
5. Amount recognised in the Balance Sheet					
Opening net liability-On Acquisition			(93.46)	(9.40)	
Expense as above			139.25	135.91	
Employers Contribution paid			(137.10)	(219.97)	
Closing net liability			(91.31)	(93.46)	
			% Invested	% Invested	
6. Investment Details					
Government of India securities			27.08	25.45	
State Government securities			20.00	15.91	
Public sector securities			43.82	50.35	
Mutual funds			0.78	0.63	
Special deposit scheme			8.32	7.66	
			100.00	100.00	

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	% Invested	% Invested
7. Principal Actuarial Assumptions		
Discount Factor	8.50%	8.25%
Estimated Rate of Return on Plan Assets	8.50%	8.25%
Attrition rate		
➤ Age Related	2.00%	1.00%
➤ Service Related	14.00%	14.00%
Salary escalation rate	5.00%	5.00%
Retirement age (in years)	58	58
8. Experience Adjustment		
Fair Value of Plan Assets	2,052.10	2,128.41
Defined Benefit Obligation	1,960.79	2,034.95
Actuarial (Gain)/Loss on Plan Assets	(16.01)	7.41
Actuarial (Gain)/Loss on Defined Benefit Obligation	3.40	13.14

Notes:

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

C. The charge for retirement benefits of Al Sallan Food Industries Company SAOC, Strategic Food International Co. LLC and Britannia Lanka Private Limited has been calculated in accordance with the laws applicable in their countries of incorporation which amounts to ₹ 114 Lakhs (Previous Year ₹ 77.13 Lakhs).

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

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

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Basis”, and gave the Funds two months’ time for complying with the order. In an appeal filed against this Order in the Honourable Karnataka High Court, the Honourable Karnataka High Court in April 2010 modified the Trial Court’s order so as to extend the time limit from two months to three months and in July 2010, further modified the Trial Court’s order directing inter alia that the pension shall be paid as per Rule 11(a) from the date of filing of the suit by the Association in the Honourable Bangalore City Civil Court, i.e. with effect from 17th June, 2008. The Company filed Special Leave Petitions (SLPs) in the Honourable Supreme Court against the above order of the Honourable Karnataka High Court. The Honourable Supreme Court passed an order in January 2011 disposing of the SLPs and directing inter alia that the interim order passed by it in September 2010 directing that the Pension Funds should continue to pay pension as per the interim order passed by the Bangalore City Civil Court on 1st January, 2009 would continue till disposal of the suit by the Trial Court. The proceedings in the main suit are currently in progress in the Honourable Bangalore City Civil Court.

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.

41. With respect to Al Sallan Food Industries Company SAOC, the Company’s income tax assessments for the year 2003 to 2010 have not been agreed with the Secretariat General for Taxation at the Ministry of Finance, Oman. Management believes that additional taxes, if any, that may become payable on finalisation of the assessments in respect of these open years would not be material to the Company’s financial position as at 31st March, 2012. No tax has been recognised due to carried forward accumulated losses of prior years.
42. Pursuant to the Labour Commissioner’s Order under Section 25 O (1) of the Industrial Disputes Act, 1947, production at BIL’s owned facility was closed effective 24th March, 2004. As per the Order of the Honourable Bombay High Court, the Company as on the date of the balance sheet has paid an amount of ₹ **583.17 Lakhs** (*Previous Year ₹ 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 Honourable Bombay High Court, the Company has paid ₹ **125.79 Lakhs** (*Previous Year ₹ 147.03 Lakhs*) as compensation equivalent to 70% of the last drawn amount for the year ended 31st March, 2011. The Company has made the above payments as compensation under the Industrial Disputes Act, 1947. The case is currently pending in the Honourable Bombay High Court.
43. Managerial Remuneration paid for the year 2011-2012:
Remuneration paid to Mr. Ashok Panjwani: ₹ 135.78 Lakhs, as minimum remuneration in terms of approval of shareholders and Schedule XIII of the Companies Act, 1956, subject to the approval of Central Government if and to the extent necessary.
By virtue of Gen Circular 46/2011 dated 14.07.2011 of the Ministry of Corporate Affairs, the remuneration paid to Mr. Ashok Panjwani, although in excess of Central Government approval/limits prescribed under Schedule XIII of the Companies Act, 1956, due to inadequacy of profit, does not require any further approval from Central Government since he satisfies both conditions of exemption viz. being a qualified professional director and not having any direct/indirect interest in the capital of the Corporation under the said circular.
Remuneration paid to Mr. Ness Wadia: ₹ 190.03 Lakhs, as minimum remuneration in terms of approval of shareholders and Schedule XIII of the Companies Act, 1956, subject to the approval of Central Government if and to the extent necessary.
In view of inadequacy of profit the Corporation has made an application to the Central Government for approval of excess remuneration of ₹ 107.52 Lakhs paid to Mr. Ness Wadia, in excess of the limits prescribed by Schedule XIII of the Companies Act, 1956. The application has been made as Mr. Ness Wadia holds direct and indirect interest in the capital of the Corporation, although the condition of holding professional qualification is satisfied under the said circular.
44. The Corporation’s wholly owned subsidiary, Electromags Automotive Products Limited (EAPL) has filed a Petition before the Honourable Madras High Court of Judicature at Chennai for its amalgamation with the Corporation w.e.f. 1st April, 2011. Pending disposal of the said petition, effect of amalgamation has not been given in the financials of the Corporation for the period under review.
45. Export benefits/Incentives are accounted on accrual basis. Accordingly, on the Balance Sheet date, in respect of Exports made, estimated benefit of ₹ **158.57 Lakhs** (*Previous Year ₹ 244.14 Lakhs*) has been taken into account for the year as incentive on accrual basis under the pass book scheme. Subsequent to that, the Corporation has utilized the said entitlement of ₹ **158.57 Lakhs** on its imports (*Previous Year ₹ 244.14 Lakhs*).
46. 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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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. The Corporation has during the year considered net provision of ₹ Nil (Previous Year ₹ 518 Lakhs) against the said contracts. BIL (the Company) has entered into the following derivative contracts for hedging its borrowings and interest costs in foreign currencies:

Foreign currency forward contracts

The Company has entered into foreign exchange forward contracts for hedging the foreign exchange fluctuation risks on foreign currency payables/loans, which has been accounted for in line with AS-11 "The effects of changes in foreign exchange rates". Accordingly, the amount receivable of ₹ 2,757 Lakhs (Previous Year ₹ 2,368.39 Lakhs) and loan payable of ₹ 2,007.72 Lakhs (Previous Year ₹ 2,007.72 Lakhs), relating to foreign exchange forward contracts for hedging have been netted off and disclosed under 'Loans and advances'.

The Company has designated certain Foreign Exchange Forward Contracts (relating to foreign currency receivables) outstanding as on 31st March, 2012 as Hedge of committed transaction. On that date, the Company had forward contracts amounting to USD 2,158,505 and EUR 66,000 (Previous Year USD 1,448,372). As at the year end the unrealised exchange loss of ₹ 19 Lakhs (Previous Year ₹ Nil) has been accounted for in line with the ICAI notification issued in March 2008.

47. 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. 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. Accordingly during the year a sum of ₹ Nil (Previous Year ₹ 104.46 Lakhs) has been charged to the Statement of profit & loss.
48. 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 ₹ 450.00 Lakhs (Previous Year ₹ 297.89 Lakhs). Further, no interest during the year has been paid/ or is payable/accrued under the terms of the MSMED Act, 2006.
49. During the previous year, as per the approval by the Honourable Karnataka High Court, vide order no. 8771/11, for reduction of equity share capital of Daily Bread Gourmet Foods (India) Private Limited, face value of ₹ 10 each, has been restated to ₹ 4 each and equivalent value has been incorporated in investments.
50. The Corporation had during the previous year, sold and transferred all of the 503 shares held by it, representing 50.03% shareholding on P. T. Indo Java Rubber Planting Company, a subsidiary of the Corporation to a fellow shareholder, at USD 15 million for sale of shares and value of current assets estimated at USD 0.7 million. As a result, P. T. Indo Java Rubber Planting Company has ceased to be a subsidiary of the Corporation.
51. The Committee of the Board of Directors ('the Board') of BIL, at its meeting held on 22 March 2010, pursuant to the scheme of arrangement ('the Scheme') sanctioned by the Honourable Calcutta 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 ₹ 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 has been treated as 'deemed dividend' under the provisions of the Income tax Act, 1961.
52. 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.
53. Figures in respect of current financial year have been rounded off to the nearest thousand and are expressed in terms of decimals of Lakhs.
54. Till the year ended 31st March, 2011, the Company was using pre-revised Schedule VI to the Companies Act 1956, for preparation and presentation of its financial statements. During the year ended 31st March, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the Company. The Company has reclassified previous year figures to conform to current year's classification. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it impacts presentation and disclosures made in the financial statements, particularly in the presentation of the Balance Sheet.

The Bombay Burmah Trading Corporation, Limited

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

(₹ in Lakhs)

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.	Subham 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	217.10	28.43
2.	Reserves	1,409.44	(17.38)	235.64	152.79	(9.02)	49,615.22	(175.74)	146.63
3.	Total Assets	7,264.53	116.92	330.73	178.03	45.08	167,233.44	43.12	179.91
4.	Total Liabilities	5,825.39	58.25	75.09	19.26	14.10	115,229.20	1.76	4.85
5.	Investments (except in subsidiaries):								
	(a) Government Securities	—	—	—	—	—	—	—	—
	(b) Quoted Equity Shares	—	34.31	—	0.05	—	646.00	—	—
	(c) Unquoted Equity Shares	—	0.95	—	56.19	—	78.00	3.16	—
	(d) Debentures	—	—	—	—	—	2,500.00	—	—
	(e) Others	—	—	—	—	—	599.00	—	0.26
	Total Investments	—	35.26	—	56.24	—	3,823.00	3.16	0.26
6.	Turnover	10,274.42	61.49	2.04	5.94	—	4,97,419.28	7.31	4.59
7.	Profit Before Tax	736.70	(0.33)	(1.09)	2.96	(1.26)	25,236.79	4.43	3.70
8.	Provision for Tax (including deferred tax)	(260.84)	—	—	(0.40)	—	(6,562.94)	(0.44)	(0.74)
9.	Profit After Tax *	475.86	(0.33)	(1.09)	2.56	(1.26)	18,673.85	3.99	2.96
10.	Proposed Dividend ** (excluding Tax on Dividend)	—	—	—	—	—	10,153.32	—	—
11.	Original Currency	INR	INR	INR	INR	INR	INR	INR	INR
12.	Exchange rate as on: 31st March, 2012 (in INR)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

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

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

(₹ in Lakhs)

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
24.98	60.00	50.00	45.02	37.50	1,419.95	1,178.00	2,067.26	17.50	17.52	18.00
154.48	344.04	70.04	350.44	(32.10)	92.98	(72.07)	(1,593.99)	8.83	10.10	6.83
184.20	647.62	1,017.45	776.17	5,725.95	3,507.12	3,916.53	1,260.96	26.99	28.11	25.26
4.74	243.58	897.41	380.71	5,720.55	1,994.19	2,810.60	787.69	0.66	0.49	0.43
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—
0.25	—	0.40	0.54	17.29	—	250.00	—	—	—	0.40
0.25	—	0.40	0.54	17.29	—	250.00	—	—	—	0.40
2.36	1,557.82	1,556.33	2,343.25	1,022.60	9,369.21	29,347.05	2,408.89	1.32	1.40	1.15
1.46	30.42	12.21	275.67	8.08	(11.62)	1,551.32	(146.05)	1.05	1.13	0.88
(0.33)	(10.60)	4.05	(113.73)	(2.38)	2.30	—	—	(0.32)	(0.35)	(0.27)
1.13	19.82	16.26	161.94	5.70	(9.32)	1,551.32	(146.05)	0.73	0.78	0.61
—	—	—	—	—	—	—	—	—	—	—
INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR
1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

The Bombay Burmah Trading Corporation, Limited

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

(₹ in Lakhs)

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.	Peninsula Landscape & Nursery Snd. Bhd.	Saikjaya Holdings Snd. Bhd.
1.	Capital	1,771.19	809.55	0.10	511.57	890.51	49.82	83.04
2.	Reserves	7,935.31	1,787.51	25,784.44	25,337.33	2,920.42	(17.51)	115.26
3.	Total Assets	15,700.80	4,129.96	110,763.72	36,918.97	5,151.97	48.00	199.68
4.	Total Liabilities	5,994.30	1,532.90	84,979.18	11,070.07	1,341.04	15.69	1.38
5.	Investments (except in subsidiaries):							
	(a) Government Securities	—	—	—	—	—	—	—
	(b) Quoted Equity Shares	—	—	—	—	—	—	—
	(c) Unquoted Equity Shares	—	—	—	—	—	—	—
	(d) Debentures	—	—	—	—	—	—	—
	(e) Others	—	—	—	—	—	—	—
	Total Investments	—	—	—	—	—	—	—
6.	Turnover	52.13	92.38	3,870.88	382.83	4,424.44	—	—
7.	Profit Before Tax	(44.08)	29.80	2,332.81	350.30	501.32	(2.95)	(2.36)
8.	Provision for Tax (including deferred tax)	(0.80)	(0.76)	—	—	(118.97)	—	(0.01)
9.	Profit After Tax *	(44.88)	29.05	2,332.81	350.30	382.35	(2.95)	(2.37)
10.	Proposed Dividend ** (excluding Tax on Dividend)	—	—	—	—	—	—	—
11.	Original Currency	RM	S \$	US \$	US \$	S \$	RM	RM
12.	Exchange rate as on: 31st March, 2012 (in INR)	16.61	40.48	51.16	51.16	40.48	16.61	16.61

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

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

(₹ in Lakhs)

Rest-point Investments Ltd.	Restpoint International Technology Corpn.	Innova-tive 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
0.67	0.05	737.72	613.31	4,086.51	1,308.79	—	198.99	198.99	199.04	199.05
3,294.33	(356.67)	(485.47)	1,668.17	15,784.71	704.83	6,369.57	9,354.00	9,345.79	9,337.65	9,341.99
3,295.69	12.88	3,027.64	3,237.08	21,821.99	5,727.24	7,236.76	9,575.98	9,570.04	9,562.38	9,543.69
0.69	369.50	2,775.39	955.60	1,950.77	3,713.62	867.19	22.99	25.26	25.69	2.65
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—
29.97	—	—	3,997.16	3,809.28	3,922.08	1,890.00	98.54	98.54	98.54	98.54
27.57	(0.64)	(80.19)	506.99	3,753.24	3,867.25	1,881.64	94.49	94.44	94.47	94.82
—	—	(28.46)	(185.99)	—	(77.59)	—	—	—	—	—
27.57	(0.64)	(51.73)	321.00	3,753.24	3,789.66	1,881.64	94.49	94.44	94.47	94.82
—	—	—	—	3,780.00	3,809.28	1,897.48	—	—	—	—
US \$	US \$	US \$	US \$	GBP	GBP	GBP	S \$	S \$	S \$	S \$
51.16	51.16	51.16	51.16	81.80	81.80	81.80	40.48	40.48	40.48	40.48

The Bombay Burmah Trading Corporation, Limited

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

(₹ in Lakhs)

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 Dairy Holdings Private Limited
1.	Capital	192.52	2,642.40	2,700.75	1,868.73	9,880.74	0.14	0.14	3,771.73
2.	Reserves	9,226.61	(6,791.18)	(3,319.02)	(1,950.85)	(189.70)	(963.41)	(27.37)	(1,369.60)
3.	Total Assets	9,463.74	7,183.79	12,354.75	25.91	24,072.89	23,046.74	0.31	2,528.02
4.	Total Liabilities	44.61	11,332.57	12,973.02	108.03	14,381.85	24,010.01	27.54	125.89
5.	Investments (except in subsidiaries):								
	(a) Government Securities	—	—	—	—	—	—	—	—
	(b) Quoted Equity Shares	—	—	—	—	—	—	—	—
	(c) Unquoted Equity Shares	—	—	—	—	—	—	—	—
	(d) Debentures	—	—	—	—	—	—	—	—
	(e) Others	—	—	—	—	—	—	—	—
	Total Investments	—	—	—	—	—	—	—	—
6.	Turnover	98.47	10,732.20	18,836.83	—	394.62	240.26	—	—
7.	Profit Before Tax	94.47	(163.34)	(433.60)	—	30.28	(140.33)	(8.42)	(184.09)
8.	Provision for Tax (including deferred tax)	—	—	—	—	—	—	—	—
9.	Profit After Tax *	94.47	(163.34)	(433.60)	—	30.28	(140.33)	(8.42)	(184.09)
10.	Proposed Dividend ** (excluding Tax on Dividend)	—	—	—	—	—	—	—	—
11.	Original Currency	S \$	OMR	AED	LKR	U \$	U \$	US \$	US \$
12.	Exchange rate as on: 31st March, 2012 (in INR)	40.48	132.12	13.85	0.40	51.16	51.16	51.16	51.16

* 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 SEVENTH ANNUAL GENERAL MEETING of the Corporation at Y. B. Chavan Auditorium, Gen. Jagannath Bhosle Marg, Mumbai 400 021, at 3.45 p.m. on Wednesday, 8th August, 2012.

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

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

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

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

The Bombay Burmah Trading Corporation, Limited

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

PROXY FORM

I/We _____

of _____

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

of _____

or failing him _____

of _____

as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Corporation to be held at Y. B. Chavan Auditorium, Gen. Jagannath Bhosle Marg, Mumbai 400 021, at 3.45 p.m. on Wednesday, 8th August, 2012 and at any adjournment thereof.

Signed this _____ day of _____ 2012

15 Paise
Revenue
Stamp

Shareholder

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9, Wallace Street,
Fort, Mumbai 400 001.