



**A Tradition of Trust**



**THE BOMBAY BURMAH  
TRADING CORPORATION, LIMITED**  
**A Wadia Enterprise**

**154<sup>th</sup> Annual Report  
2018-2019**



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154<sup>th</sup> Annual General Meeting  
Monday, 12 August 2019 at 3.45 p.m. at Y B Chavan Auditorium,  
General Jagannath Bhosale Marg, Mumbai - 400 021.

# The Bombay Burmah Trading Corporation, Limited

## ANNUAL REPORT 2018-2019

### Directors

Mr. Nusli N. Wadia, Chairman  
Mr. A. K. Hirjee, Vice Chairman  
Mr. M. L. Apte  
Mr. D. E. Udhwadia  
Mr. Jehangir N. Wadia  
Mr. Rajesh Batra  
Dr. (Mrs.) Minnie Bodhanwala  
Dr. Y. S. P. Thorat  
Mr. Vinesh Kumar Jairath  
Mrs. Gauri Kirloskar  
Mr. Ness N. Wadia, Managing Director

} (w.e.f. 4 February 2019)

### Chief Executive Officer

Mr. Dibakar Chatterjee (w.e.f. 5 September 2018)

### Chief Financial Officer

Mr. N. H. Datanwala (w.e.f. 14 November 2018)

### Company Secretary

Mr. Hoshi D. Bhagwagar (upto 31 March 2019)

### Registered Office

9, Wallace Street, Fort, Mumbai 400 001.

### Principal Bankers/Lenders

HDFC Bank Limited  
Axis Bank Limited  
Kotak Mahindra Bank Limited  
The Hongkong & Shanghai Banking  
Corporation Limited  
Federal Bank Limited  
BNP Paribas  
ICICI Prudential Mutual Fund

### Auditors

B S R & Co., LLP  
Lodha Excelus  
5<sup>th</sup> Floor, Apollo Mills Compound,  
N. M. Joshi Marg, Mahalakshmi,  
Mumbai 400 011 India

### Solicitors

Crawford Bayley & Co.  
State Bank Building, 4<sup>th</sup> Floor,  
Hutatma Chowk, Fountain,  
Mumbai 400 001.

Udwadia & Co.  
Elphinstone House, 1<sup>st</sup> Floor,  
17, Murzban Road, Fort,  
Mumbai 400 001.

# The Bombay Burmah Trading Corporation, Limited

## LOCATION OF CORPORATION'S ESTATES AND FACTORIES

Tea and Coffee Estates	:	(1) Mudis Group of Estates, Mudis P.O., Coimbatore Dist., Tamil Nadu 642 117.
		(2) Singampatti Group of Estates, Manjolai P.O., Tirunelveli Dist., Tamil Nadu 627 420.
		(3) Dunsandle Estate, Dunsandle P.O., Ootacamund, Nilgiri Dist., Tamil Nadu 643 005.
		(4) Elkhill Group of Estates, P.O. Box No. 12, Sidapur P & T.O., South Coorg, Karnataka 571 253.
		(5) Usambara Group, Marvera & Herkulu Estate, P.O. Box 22, Soni, Tanzania.
Healthcare Division	:	Plot No. 161-B, Village Danpur, Rudrapur Kashipur Road, Paragana-Rudrapur, Tehsil Kichha, Udhamsingh Nagar, Uttarakhand 263 153.
Auto Electric Components Division (Electromags)	:	Plot no. 128-133, 3 <sup>rd</sup> Cross Street, Nehru Nagar, Kottivakkam, Chennai, Tamil Nadu 600 041.
Malaysian Branch	:	Suite 628, 6 <sup>th</sup> Floor, Pan Global Plaza, Jalan Wong Ah Fook 80000, Johor Bahru, Malaysia.

## **NOTICE**

NOTICE is hereby given that the One Hundred and Fifty-Fourth Annual General Meeting of the Members of The Bombay Burmah Trading Corporation, Limited will be held on Monday, 12<sup>th</sup> day of August, 2019 at 3.45 p.m. at Y B Chavan Auditorium, General Jagannath Bhosale Marg, Mumbai - 400 021, to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt:
  - a) the audited Financial Statements of the Corporation for the Financial Year ended 31 March 2019 together with the reports of the Board of Directors and Auditors thereon; and
  - b) the audited Consolidated Financial Statements of the Corporation for the Financial Year ended 31 March 2019 together with the Report of the Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in place of Dr.(Mrs.) Minnie Bodhanwala [DIN: 00422067], who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, offers herself for re-appointment.
4. To consider and if thought fit, to convey assent or dissent to the following Ordinary Resolution:
 

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, Messrs B S R & Co. LLP, Chartered Accountants (Registration No. 101248W/W-100022) appointed as the Statutory Auditors of the Corporation, to hold office from the conclusion of the Annual General Meeting (AGM) held on 13 August 2014 until the conclusion of the sixth consecutive AGM of the Corporation to be held in the year 2019 and were appointed as the Statutory Auditors consecutively from the years 2010 to 2013, be and are hereby re-appointed as the Statutory Auditors for a term of one year from the conclusion of this AGM until the conclusion of next AGM to be held in the year 2020, pursuant to the recommendation of the Audit Committee and the Board of Directors of the Corporation, at a remuneration as shall be fixed by the Board of Directors in consultation with the Auditors.”
5. To consider and if thought fit, to convey assent or dissent to the following Ordinary Resolution:
 

“RESOLVED THAT the Board of Directors be and are hereby authorised to appoint for the current financial year, in consultation with the Corporation's Auditors namely Messrs B S R & Co. LLP, in respect of the audit of the accounts of the Corporation's branch offices outside India, a person who is either qualified for appointment as auditor of the Corporation under Section 141 and other applicable provisions, if any, of the Companies Act, 2013 or an accountant duly qualified to act as an auditor of the accounts of such branch offices in accordance with the applicable laws of the concerned countries; and to determine the remuneration and other terms and conditions of their appointment as Branch Auditors as recommended by the Audit Committee.”

### **SPECIAL BUSINESS:**

6. To consider and if thought fit, to convey assent or dissent to the following Ordinary Resolution:
 

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification or re-enactment thereof, for the time being in force), M/s. GLS & Associates, Cost Accountants, Coimbatore, [ICWA Registration No. 4482], the Cost Auditors appointed by the Board of Directors to conduct the audit of the cost records of the Corporation for the financial year ending 31 March 2020, be paid remuneration of ₹ 200,000 (Rupees Two lakh only) plus such taxes as applicable and reimbursement of actual out-of-pocket expenses.

RESOLVED FURTHER THAT any one of the Directors, Chief Executive Officer, Chief Financial Officer and the Company Secretary of the Corporation, be and are hereby severally authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

7. To consider and if thought fit, to convey assent or dissent to the following Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 197 and other applicable provisions of the Companies Act, 2013 ('the Act') and Companies (Amendment) Act, 2017 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof) read with Section II of Part II of Schedule V of the Act and in furtherance to the Special Resolution passed by the Members of the Corporation at their Annual General Meeting (AGM) held on 5 August 2016 with regard to the appointment and remuneration payable to Mr. Ness Wadia [DIN:00036049], as the Managing Director of the Corporation for a period of 5 years with effect from 1 April 2016, the consent of the Corporation be and is hereby accorded for remuneration paid to Mr. Ness Wadia as approved by the Board of Directors on the recommendation of the Nomination and Remuneration Committee and as set out in the Explanatory Statement annexed to this Notice, for each of the financial years i.e. 2016-2017, 2017-2018 and 2018-2019, which is in excess of the limits specified in Schedule V of the Act, but is within the limits approved by the Members at the AGM held on 5 August 2016.”

8. To consider and if thought fit, to convey assent or dissent to the following Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 197 and other applicable provisions of the Companies Act, 2013 ('the Act') and Companies (Amendment) Act, 2017 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof) read with Section II of Part II of Schedule V of the Act, the consent of the Corporation be and is hereby accorded for payment of remuneration to Mr. Ness Wadia as may be approved by the Board of Directors on the recommendation of the Nomination and Remuneration Committee, for the remaining period of his tenure, i.e. with effect from 1 April 2019 upto 31 March 2021, provided that the said remuneration is within the overall limits as approved by the Members at their Annual General Meeting (AGM) held on 5 August 2016.

RESOLVED FURTHER THAT 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, Mr. Ness Wadia's remuneration within the overall ceiling as approved by the Members subject to the provisions of the said Schedule V and other applicable provisions of the Act for the time being in force and other approvals, sanctions or permissions, if and to the extent required.

RESOLVED FURTHER THAT where in any financial year during the currency of remaining tenure of Mr. Ness Wadia as Managing Director, i.e. with effect from 1 April 2019 upto 31 March 2021, the Corporation has no profits or its profits are inadequate, the Corporation shall pay Mr. Ness Wadia, remuneration as determined by the Board pursuant to the authority vested in it in terms of the this Resolution, subject to the provisions of Schedule V and other applicable provisions of the Act, and such approvals as may be required AND THAT such remuneration shall be treated as the minimum remuneration payable to Mr. Ness Wadia.

RESOLVED FURTHER THAT save as aforesaid, all other terms and conditions of Mr. Ness Wadia's appointment as the Managing Director of the Corporation as approved by the Members at their AGM held on 5 August 2016, shall continue unchanged.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, proper or expedient to give effect to this Resolution.”

9. To consider and if thought fit, to convey assent or dissent to the following Ordinary Resolution:

“RESOLVED THAT pursuant to Sections 149, 150 and 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (‘the Act’) and Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Dr. Y.S.P Thorat (DIN: 00135258) who was appointed as an Additional Director in the category of Non-Executive Independent Director of the Corporation by the Board with effect from 4 February 2019, pursuant to Section 161 of the Act and holds office upto the date of this Annual General Meeting and is eligible for appointment as a Director and in respect of whom the Corporation has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Corporation, he not being liable to retire by rotation.

RESOLVED FURTHER THAT Dr. Y.S.P Thorat, who has submitted a declaration that he meets the criteria for independence and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Corporation in terms of Section 149 of the Act, for a term of five consecutive years commencing from 4 February 2019 upto 3 February 2024, he not being liable to retire by rotation.”

10. To consider and if thought fit, to convey assent or dissent to the following Ordinary Resolution:

“RESOLVED THAT pursuant to Sections 149, 150 and 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (‘the Act’) and Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Vinesh Kumar Jairath (DIN: 00391684) who was appointed as an Additional Director in the category of Non-Executive Independent Director of the Corporation by the Board with effect from 4 February 2019, pursuant to Section 161 of the Act and holds office upto the date of this Annual General Meeting and is eligible for appointment as a Director and in respect of whom the Corporation has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Corporation, he not being liable to retire by rotation.

RESOLVED FURTHER THAT Mr. Vinesh Kumar Jairath, who has submitted a declaration that he meets the criteria for independence and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Corporation in terms of Section 149 of the Act, for a term of five consecutive years commencing from 4 February 2019 upto 3 February 2024, he not being liable to retire by rotation.”

11. To consider and if thought fit, to convey assent or dissent to the following Ordinary Resolution:

“RESOLVED THAT pursuant to Sections 149, 150 and 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (‘the Act’) and Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and Regulation 17(1) and other relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mrs. Gauri Kirloskar (DIN: 03366274) who was appointed as an Additional Director in the category of Non-Executive Independent Director of the Corporation by the Board with effect from 4 February 2019, pursuant to Section 161 of the Act and holds office upto the date of this Annual General Meeting and is eligible for appointment as a Director and in respect of whom the Corporation has received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Corporation, she not being liable to retire by rotation.

RESOLVED FURTHER THAT Mrs. Gauri Kirloskar, who has submitted a declaration that she meets the criteria for independence and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Corporation in terms of Section 149 of the Act, for a term of five consecutive years commencing from 4 February 2019 upto 3 February 2024, she not being liable to retire by rotation."

By Order of the Board

N. H. Datanwala  
Chief Financial Officer

Registered Office:

9, Wallace Street,  
Fort, Mumbai - 400 001

CIN : L99999MH1863PLC000002

Email : investorservices@bbtcl.com

Website : www.bbtcl.com

Tel No. : +91 22 22197101

Mumbai, 2 July 2019

**NOTES:**

1. The Statement of Material Facts as required under section 102 of the Companies Act, 2013 ('the Act') with respect to Item No. 4 and Item Nos. 6 to 11 is attached hereto as Annexure I.
2. Details of the Directors retiring by rotation and seeking appointment/ re-appointment at the Annual General Meeting is annexed to the Notice as Annexure II as required by the Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India.
3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
4. The instrument of proxy in order to be effective, should be deposited at the Registered Office of the Corporation, duly completed and signed, not less than forty-eight hours before the commencement of the meeting.
5. A person can act as a proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Corporation carrying voting rights. A Member holding more than ten percent of the total share capital of the Corporation carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other Member. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution/authority as applicable. The Proxy-holder shall prove his identity at the time of attending the Meeting.
6. Corporate members intending to send their authorised representatives to attend the Annual General Meeting are requested to send a certified copy of the Board Resolution to the Corporation, authorising their representative to attend and vote on their behalf at the Meeting.
7. Attendance slip, proxy form and the route map of the venue of the Meeting are annexed hereto. The prominent land mark for the venue is 'next to Sachivalay Gymkhana'.
8. The Corporation's Registrar and Transfer Agents for its Share Registry Work (Physical and Electronic) are Karvy Fintech Private Limited (Karvy) having their office at Karvy Selenium Tower



B, Plot number 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana – 500032.

9. The Register of Members and the Share Transfer Books of the Corporation will remain closed from Saturday, 3 August 2019 to Monday, 12 August 2019 (both days inclusive).
10. Dividend, if declared at the Annual General Meeting, shall be paid to the Members on or after Tuesday, 13 August 2019 to those members whose names appear on the Register of Members of the Corporation on Friday, 2 August 2019 in respect of shares held in physical form. In respect of shares held in electronic form, dividend will be paid to the beneficial owners of shares as at the closing hours of 2 August 2019 as per details furnished by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) for this purpose.

Members are requested to provide Bank details to facilitate payment of dividend, etc., either in electronic mode or for printing on the payment instruments.

11. Members are requested to:
  - a) intimate to the Corporation's Registrar and Transfer Agents, Karvy Fintech Private Limited, at Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500032, Email- [einward.ris@karvy.com](mailto:einward.ris@karvy.com), changes, if any, in their registered addresses at an early date, in case of Shares held in physical form;
  - b) intimate to the respective Depository Participant, changes, if any, in their registered addresses at an early date, in case of Shares held in dematerialised form;
  - c) quote their folio numbers/Client ID/DP ID in all correspondence; and
  - d) register their Permanent Account Number (PAN) with their Depository Participants, in case of Shares held in dematerialised form and Karvy/ Corporation, in case of Shares held in physical form, as directed by Securities and Exchange Board of India ('SEBI').
12. SEBI has made it mandatory for all companies to use the bank account details furnished by the Depositories and the bank account details maintained by the Registrar and Transfer Agents for payment of dividend through Electronic Clearing Service (ECS) to investors wherever ECS and bank details are available. In the absence of ECS facilities, the Corporation will print the bank account details, if available, on the payment instrument for distribution of dividend. The Corporation will not entertain any direct request from Members holding shares in electronic mode for deletion of/ change in such bank details. Further, instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in the electronic mode. Members who wish to change such bank account details are therefore requested to advise their Depository Participants about such change, with complete details of bank account.
13. SEBI has directed that securities of listed companies can be transferred only in dematerialised form with effect from 1 April 2019. Any investor who is desirous of transferring shares (which are held in physical form) after 1 April 2019 can do so only after the shares are dematerialised. In view of the above and to avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form
14. Pursuant to the provisions of Section 124 of the Companies Act, 2013 read with the Rules made thereunder, dividends that are unclaimed/unpaid for a period of seven years are required to be transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government.

An amount of ₹ 14,81,229 being unclaimed/unpaid dividend of the Corporation for the financial year ended 31 March 2011 was transferred in September 2018 to IEPF.

Last date for claiming unclaimed and unpaid dividends declared by the Corporation for the FY 2011-12 and thereafter is as under:

<b>Financial Year</b>	<b>Date of Declaration of Dividend</b>	<b>Due date for transfer to IEPF</b>
2011-2012	08.08.2012	13.09.2019
2012-2013	07.08.2013	12.09.2020
2013-2014	13.08.2014	18.09.2021
2014-2015	05.08.2015	10.09.2022
2015-2016	05.08.2016	10.09.2023
2016-2017	03.08.2017	08.09.2024
2017-2018	08.08.2018	13.09.2025

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

15. In terms of the provisions of Section 124(6) of the Companies Act, 2013 ('Act') read with Investor Education and Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time, ('the Rules') the Corporation is required to transfer all shares in respect of which dividend has not been paid or claimed for a period of seven consecutive years or more to the Demat Account of the IEPF Authority.

In accordance with the Rules, the Corporation had, during FY 2018-19, transferred to the IEPF Authority 28,715 equity shares in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more, in November 2018.

Further, in compliance with the Rules, the Corporation has sent notice to the concerned shareholders whose shares are liable to be transferred/credited to the Demat Account of the IEPF Authority. The Corporation has uploaded on its website: [www.bbtcl.com](http://www.bbtcl.com) under Investor Relations the details of such shareholders whose shares are to be transferred/credited to the Demat Account of the IEPF Authority.

Members may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed back from them. Concerned members/investors are advised to visit the weblink: <http://www.iepf.gov.in/IEPF/refund.html> or contact Karvy for lodging claim for refund of shares and / or dividend from the IEPF Authority.

16. Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Companies Act, 2013. Members desiring to avail of this facility may send their nomination in the prescribed Form No. SH-13 duly filled in to Karvy at the above mentioned address. Members holding shares in electronic form may contact their respective Depository Participants for availing this facility.
17. Pursuant to Sections 101 and 136 of the Companies Act, 2013 read with the Rules framed thereunder, the Notice calling the Annual General Meeting along with the Annual Report 2018-19 can be sent by electronic mode to those Members whose e-mail addresses are registered with the Depository Participants or the Corporation/Karvy, unless the Members have requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies would be sent by the permitted mode.

Members are requested to support this Green Initiative by registering/updating their e-mail addresses with the Depository Participant (in case of Shares held in dematerialised form) or with Karvy (in case of Shares held in physical form). 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 <http://bbtcl.com/investor-relations/annual-reports/>

18. Members intending to require information about the Financial Statements, to be explained at the Meeting are requested to inform the Corporation at least a week in advance of their intention to do so, so that the papers relating thereto may be made available.

19. Members/Proxies/Representatives are requested to bring the Attendance Slip enclosed in the Annual Report for attending the meeting.

20. Members are requested to bring their copy of the Annual Report to the Annual General Meeting

**21. Voting through electronic means:**

- i. In compliance with provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, and the provisions of Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ['SEBI (LODR) Regulations, 2015'] and Secretarial Standards on General Meetings ('SS-2') issued by the Institute of Company Secretaries of India, the Corporation is pleased to provide to its Members a facility to exercise their right to vote on resolutions proposed to be passed at the 154<sup>th</sup> Annual General Meeting ('AGM') by electronic means ('e-voting') and the business may be transacted through e-voting services provided by Karvy Fintech Private Limited ('Karvy'). The Members may cast their vote(s) using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting').
- ii. The facility for voting by way of ballot paper shall also be made available at the AGM and the Members attending the AGM shall be able to exercise their right to vote at the AGM in case they have not cast their votes by remote e-voting.
- iii. The members who have cast their vote(s) by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote(s) again.
- iv. A Member can opt for only single mode of voting, i.e. through remote e-voting or voting at the Meeting. If a member casts vote(s) by both modes, then voting done through remote e-voting shall prevail and vote(s) cast at the Meeting shall be treated as "INVALID".
- v. The Board of Directors of the Corporation have appointed Mr. Tushar Shridharani, Practicing Company Secretary, (Membership No. FCS 2690) as Scrutinizer to scrutinise the e-voting process in a fair and transparent manner.
- vi. The results shall be declared not later than forty-eight hours from conclusion of the Meeting. The results declared along with the Scrutinizer's Report will be placed on the website of the Corporation at [www.bbtcl.com](http://www.bbtcl.com) and the website of Karvy: <https://evoting.karvy.com> immediately after the results are declared and will simultaneously be forwarded to BSE Limited and National Stock Exchange of India Limited, where Equity Shares of the Corporation are listed and shall be displayed at the Registered Office of the Corporation.

**The instructions for Members voting electronically are as under:**

A. In case a Member receives an e-mail from Karvy [for members whose e-mail IDs are registered with the Corporation/Depository Participant(s)] which includes details of E-Voting Event Number (EVEN), User ID and Password:

- a) Launch internet browser by typing the URL: <https://evoting.karvy.com>.
- b) Enter the login credentials (i.e. User ID and Password). In case of physical folio, User ID will be EVEN followed by Folio Number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
- c) After entering these details appropriately, click on "LOGIN".
- d) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a

special character (@,#,\$,etc.). The system will prompt you to change your password and update your contact details like mobile number, e-mail ID, etc., on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

- e) You need to login again with the new credentials.
- f) On successful login, the system will prompt you to select the “EVENT” i.e. The Bombay Burmah Trading Corporation, Limited.
- g) On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date under “FOR / AGAINST” or alternatively, you may partially enter any number in “FOR” and partially “AGAINST”, but the total number in “FOR/ AGAINST” taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option “ABSTAIN”. If the Member does not indicate either “FOR” or “AGAINST” it will be treated as “ABSTAIN” and the shares held will not be counted under either head.
- h) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as “ABSTAINED”.
- i) Members holding shares under multiple folios/demat accounts shall choose the voting process separately for each of the folios/demat accounts.
- j) You may then cast your vote by selecting an appropriate option and click on “SUBMIT”.
- k) A confirmation box will be displayed. Click “OK” to confirm, else “CANCEL” to modify. Once you have voted on the Resolution(s), you will not be allowed to modify your vote.
- l) Corporate / Institutional Members (i.e. other than Individuals, HUFs, NRIs, etc.) are also required to send legible scanned certified true copy (in PDF Format) of the Board Resolution / Power of Attorney /Authority Letter, etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at e-mail ID: tushar@tusharshri.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format “Corporate Name\_EVENT”.

If the authorised representative intends to vote through remote e-voting, the certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s) should reach the Scrutinizer not later than Sunday, 11 August 2019 (by 5:00 p.m. IST). In case if the authorised representative attends the meeting in person, the above mentioned documents shall be submitted before the commencement of AGM.

- B. In case a member receives physical copy of the Notice of AGM [for Members whose e-mail IDs are not registered with the Corporation /Depository Participant(s)]:
  - a) EVEN, User ID and Initial Password is provided in the Attendance Slip
  - b) Please follow all steps from Sr. No. (a) to (l) as mentioned in (A) above, to cast your vote by electronic means.

#### **OTHER INSTRUCTIONS:**

- a. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download Section of <https://evoting.karvy.com> (Karvy Website) or contact at [investorservices@bbtcl.com](mailto:investorservices@bbtcl.com), or Mr. Ananda H Moolya, Deputy Manager, Karvy at Karvy Selenium, Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana – 500 032 or at the email ID [evoting@karvy.com](mailto:evoting@karvy.com) or on phone No.: 040- 6716 1627 or call Karvy’s toll free No.: 1800-3454-001 for any further clarifications.

- b. You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending future communication(s).
- c. The remote e-voting period commences on **Friday, 9 August 2019** (at 9:00 a.m. IST) and ends on **Sunday, 11 August 2019** (at 5:00 p.m. IST). During this period, Members of the Corporation, holding shares either in physical form or in dematerialised form, as on the cut-off date **Monday, 5 August 2019** may cast their votes electronically. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.
- d. The voting rights of Members shall be in proportion to their share in the paid-up equity share capital of the Corporation as on Monday, 5 August 2019, being the cut-off date. Members are eligible to cast vote only if they are holding shares as on that date.
- e. In case a person has become a Member of the Corporation after dispatch of AGM Notice but on or before the cut-off date for E-Voting, i.e., Monday, 5 August 2019, he/she/it may obtain the User ID and Password in the manner as mentioned below:
  - i. If the mobile number of the Member is registered against Folio No./DP ID Client ID, the Member may send SMS: MYEPWD <space> Folio No. or DP ID Client ID to +91 9212993399. In case of physical holding, prefix Folio No. with EVEN.  
 Example for NSDL:  
 MYEPWD <SPACE> IN12345612345678  
 Example for CDSL:  
 MYEPWD <SPACE> 1402345612345678  
 Example for Physical:  
 MYEPWD <SPACE> XXXX1234567890  
 (XXXX being EVEN)
  - ii. If e-mail address or mobile number of the Member is registered against Folio No./DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the Member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
  - iii. Member may call Karvy's toll free number 1800-3454-001.
  - iv. Member may send an e-mail request to [evoting@karvy.com](mailto:evoting@karvy.com). However, Karvy shall endeavor to send User ID and Password to those new Members whose e-mail IDs are available.

#### **PROCEDURE AND INSTRUCTIONS FOR WEB CHECK-IN / ATTENDANCE REGISTRATION:**

Members are requested to tender their attendance slips at the registration counters at the venue of the AGM and seek registration before entering the meeting hall. Alternatively, to facilitate hassle free and quick registration/entry at the venue of the AGM, the Corporation has provided a Web Checkin facility through Karvy's website. Web Check-in on the Karvy's website enables the Members to register attendance online in advance and generate Attendance Slip without going through the registration formalities at the registration counters.

#### **Procedure of Web Check-in is as under:**

- a. Log on to <https://karisma.karvy.com> and click on "Web Check-in for General Meetings (AGM/EGM/CCM)".
- b. Select the name of the Company: The Bombay Burmah Trading Corporation, Limited.
- c. Pass through the security credentials viz., DP ID/Client ID/Folio No. entry, PAN & "CAPTCHA" as directed by the system and click on the submission button.

- d. The system will validate the credentials. Then click on the “Generate my attendance slip” button that appears on the screen.
- e. The attendance slip in PDF format will appear on the screen. Select the “PRINT” option for direct printing or download and save for the printing.
- f. A separate counter will be available for the online registered Members at the AGM Venue for faster and hassle free entry and to avoid standing in the queue.
- g. After registration, a copy will be returned to the Member.
- h. The Web Check-in (Online Registration facility) is available for AGM during remote e-voting period only i.e. from Friday, 9 August 2019 (9:00 a.m. IST) to Sunday, 11 August 2019 (5:00 p.m. IST). The Members are requested to carry their valid photo identity along with the above attendance slip for verification purpose.

## **ANNEXURE I TO THE NOTICE**

### **STATEMENT OF MATERIAL FACTS IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

#### **Item No. 4**

Messrs B S R & Co. LLP, Chartered Accountants, ('BSR') was appointed as the Statutory Auditors of the Corporation for a period of one (1) year at the Annual General Meeting ('AGM') held on 10 August 2010 till the next AGM and thereafter, BSR was consecutively appointed as the Statutory Auditors till the F Y 2013-2014 (i.e. 4 years).

Further, BSR was appointed as Statutory Auditors of the Corporation at the 149<sup>th</sup> Annual General Meeting held on 13 August 2014 for a period of five (5) years until the conclusion of the 154<sup>th</sup> AGM of the Corporation to be held in the year 2019. As such, BSR has completed a period of nine (9) years being the Statutory Auditors of the Corporation and is eligible for being appointed as the Statutory Auditor for a further period of one (1) year from the conclusion of this AGM until the conclusion of the next AGM to be held in the year 2020, pursuant to the provisions of Section 139 of the Companies Act, 2013.

The approval of the Members is required to be obtained for appointment of Messrs B S R & Co. LLP, Chartered Accountants, as the Statutory Auditors for a period of one (1) year from the conclusion of this AGM until the conclusion of the next AGM to be held in the year 2020 at a remuneration to be fixed by the Board in consultation with the Auditors. Hence, the Resolution at Item No. 4 of the Notice.

None of the Directors, Key Managerial Personnel of the Corporation and their relatives is, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 4 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the Members.

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

The Board of Directors on the recommendation of the Audit Committee has approved the appointment of M/s. GLS & Associates, Cost Accountants, Coimbatore, (ICWA Registration No. 4482) as Cost Auditors at a remuneration of ₹ 200,000 (Rupees Two Lakh only) plus such taxes as applicable and reimbursement of actual out of pocket expenses incurred by them for the conduct of audit of the cost records of the Corporation for the financial year ending 31 March 2020. A Certificate issued by the above firm regarding their eligibility for appointment as Cost Auditors will be available for inspection at the Registered Office of the Corporation during 11.00 a.m. to 1.00 p.m. on all working days.

The approval of the Members is required to be obtained for payment of remuneration to the Cost Auditors for the financial year ending 31 March 2020. Hence, the Resolution at Item No. 6 of the Notice.

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

The Board recommends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the Members

#### **Item Nos. 7 and 8**

Mr. Ness Wadia (hereinafter referred to as Mr. Wadia) was re-appointed as the Managing Director ('MD') of the Corporation for a period of 5 years with effect from 1 April 2016 to 31 March 2021 at the remuneration and upon the terms approved by the Members at the Annual General Meeting ('AGM') held on 5 August 2016 pursuant to provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ('the Act').

A. The Members, vide the said Resolution, approved the following remuneration to be paid to Mr. Wadia during his tenure as the Managing Director:

- Basic Salary upto a maximum of ₹ 35,00,000/- per month with increments each year, as may be determined by the Board, based on the recommendations of the Nomination & Remuneration Committee;
- Benefits, perquisites and allowances as may be recommended by the Nomination & Remuneration Committee and determined by the Board, from time to time, or as may be applicable in accordance with the rules and policies of the Corporation, upto a maximum of ₹ 17,50,000/- per month.
- Reimbursement of actual medical expenses incurred on self and family.
- Bonus as may be determined by the Board, based on the recommendations of the Nomination & Remuneration Committee on the performance criteria;
- Contribution to Provident Fund, Superannuation Fund or Gratuity Fund as per the Rules of the Corporation.

The Members, vide the said resolution, authorised the Board to fix the actual remuneration of Mr. Wadia and revise the same from time to time, within the maximum limits specified above. The Members also approved that in any financial year during the tenure of Mr. Wadia, the Corporation has no profits or its profits are inadequate, the Corporation shall pay such remuneration as determined by the Board for a period not exceeding three (3) years commencing from 1 April 2016 and that such remuneration shall be treated as minimum remuneration payable to Mr. Wadia.

Pursuant to the aforesaid, the Corporation during FY 2016-17 and FY 2017-18 paid remuneration to Mr. Wadia aggregating to ₹ 289.98 lakh (excluding retinals of ₹ 59.96 lakh) as approved by the Board for each of the financial years which was in excess of the limits specified in Schedule V of the Act, in view of the losses incurred during the FY 2016-17 and FY 2017-18. Applications were made to the Central Government (CG) for approval of the remuneration for these years as Mr. Wadia holds direct and indirect interest in the capital of the Corporation.

Pursuant to the amendments made to the Companies Act, 2013 vide MCA Notification No. S.O. 4823 (E) dated 12 September 2018, no Central Government approval is required for payment of remuneration in excess of the limits set out in Schedule V of the Act and any application made to the Central Government under Section 197 shall abate and the Company shall, within one

year of commencement of the Companies (Amendment) Act, 2017, obtain the approval of the shareholders in accordance with the amended provisions.

In view of the above amendments to the Companies Act, 2013, the Central Government has informed the Corporation that the applications made to them for the financial years 2016-17 and 2017-18 shall abate and are closed & filed; and that Corporation should comply with the amended provisions.

As per the amended provisions, the Corporation is required to obtain the approval of its shareholders by way of a special resolution for payment of remuneration to Mr. Wadia amounting to ₹ 349.94 lakh (including retiral) for each of the F.Y.s 2016-17 and 2017-18 within one year of the date of notification, i.e. by 11 September 2019. It may be noted that there has been no increase in the remuneration paid to the Mr. Wadia in from the F.Y.s 2014-15 to 2017-18.

The Board of Directors at its Meeting held on 21 May 2018 had approved increase in the salary payable for FY 2018-19 to Mr. Wadia with effect from 1 April 2018 within the overall limits approved by the Members as aforesaid. Accordingly, the Corporation has during the year 2018-19 paid remuneration of ₹ 318.26 lakh (excluding retiral of ₹ 65.95 lakh) to Mr. Wadia which is in excess of the limits specified in Schedule V of the Act.

Pursuant to amendment in the Act read with the notification dated 12 September 2018 as referred herein the approval of Members is sought by way of Special Resolution for payment of remuneration for FY 2016-17 to FY 2018-19.

It may be noted that the Corporation has not committed any default in payment of dues to any bank or public financial institution or non-convertible debenture holders or any other secured creditor for the financial year ended 31 March 2019.

- B. As stated above, the Members had approved the remuneration payable to Mr. Wadia for a period not exceeding 3 years commencing from 1 April 2016 upto 31 March 2019 in case of no profits or inadequate profits.

In view of the aforesaid, the approval of Members is being sought for payment of remuneration for the remaining period of his tenure, i.e. from 1 April 2019 upto 31 March 2021 as may be determined by the Board, provided that such remuneration is within the overall limits as approved by the Members at their AGM held on 5 August 2016.

It may be noted that the Board at its Meeting held on 2 July 19 has approved payment of ₹ 318.26 lakh (excluding retiral of ₹ 65.95 lakh) for FY 2019-20 subject to the approval of the Members as stated hereinabove, being the same remuneration paid to Mr. Wadia for FY 2018-19.

In view of the above, the remuneration payable to Mr. Ness Wadia for remaining period of his tenure, i.e. 1 April 2019 to 31 March 2021 is now being placed before the Members for their approval by way of Special Resolution.

**Additional Information as required under Section II of Part II of Schedule V of the Companies Act, 2013 is given below:**

**I. General Information:**

- (i) Nature of Industry: The Corporation is a multi-product and multi divisional organisation with diverse business interests viz. Plantations (Tea and Coffee), Auto Electric Components, Healthcare and Real Estate.
- (ii) Date or expected date of commencement of commercial production: The Corporation was incorporated on 4 September 1863 and commercial production has commenced about 150 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 31 March 2019 -

<b>Particulars</b>	<b>Standalone (₹ in Lakh)</b>
Turnover & Other Income	27,678
Profit /(Loss) after tax	(1,970)
Net Worth (share capital + reserves other than revaluation reserve)	25,702

- (v) Foreign investments or collaborations, if any: The Corporation has substantial interests outside India in the form of investments in/by its foreign subsidiaries and 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 specialty tea.

## **II. Information about the appointee:**

- (i) Background details:

Mr. Ness Wadia, 47, is M.Sc in Engineering Business Management (Warwick University, UK). He had received extensive training in management at the Warwick University, UK. Mr. Wadia has more than 25 years of experience in the fields of overall general management to run business units. He holds directorships in various leading companies in India such as The Bombay Dyeing and Manufacturing Company Ltd., Britannia Industries Ltd. and National Peroxide Ltd.

- (ii) Past Remuneration:

<b>Financial Year</b>	<b>Amount (₹ in lakh)</b>
2016-17	349.94
2017-18	349.94
2018-19	384.21

- (iii) Recognition or Awards:

Mr. Wadia was awarded Rotary Medal of Honour for Bravery (1980-81).

- (iv) Job Profile and suitability:

Mr. Ness Wadia is a part of the Senior Management responsible for the operations and affairs of the Corporation. He has been actively involved with the various businesses of the Wadia group in general and in particular, with the day to day business affairs of the Corporation for the past eight years .

Mr. Wadia has played an important role in restructuring and consolidating the operations of the Corporation and is now leading the Corporation's expansion project spanning its core area of business viz. Plantations and the Corporation's diversification into real estate projects, retail and hospitality industries.

- (v) Remuneration proposed: As detailed in Explanatory Statement with respect to Item Nos.7 and 8 forming part of this Notice.

- (vi) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):

Taking into consideration the size of the Corporation, the profile of the appointee, the responsibilities shouldered by him and the industry benchmarks, the remuneration paid/proposed to be paid to Mr. Wadia is commensurate with the remuneration package paid to similar senior level appointees in other comparable companies and has been recommended by the Nomination & Remuneration Committee at its meeting held on 2 July 2019 and approved by the Board.

- (vii) Pecuniary relationship directly or indirectly with the Corporation or relationship with the managerial personnel, if any:

Mr. Wadia does not, directly or indirectly have any other material pecuniary relationship with the Corporation, except to the extent of his remuneration and his shareholding in the Corporation.

- (viii) Mr. Wadia holds 18,600 shares in the Corporation.

### **III. Other Information:**

- (i) Reasons of loss or inadequate profits:

The tea business continued to underperform due to adverse weather conditions, increase in wages and rising input costs and unremunerative price for tea as commodity. Electromags division was under pressure due to resistance by customers, particularly OEMs and price increase of main raw materials as also slowdown in the auto industry. The working of Healthcare Division was impacted due to lower offtake of its alloy products in the wake of health concerns in the dental fraternity regarding the usage of alloys. The unlocking value of land parcels could not be achieved due to sluggish market conditions in the real estate sector and politico-economic conditions. All the adversities of underperformance resulted in losses for the year. However, the overall performance of the Corporation has shown improvement resulting in reduction in losses as compared to previous year.

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

Various measures are being undertaken for cost reduction and improvement in yield and productivity of Tea businesses. The efforts are also made to move up the value chain to improve margins by introduction of packet tea. Electromags Division expects major contribution from new product development and also from organic growth of current products in coming year. The diversification plans are under consideration for increase in business potentials. The Corporation is actively pursuing unlocking the value of land parcels. These initiatives have started showing results and expected to result in substantial improvement in performance of the Corporation.

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

Barring unforeseen circumstances and subject to unlocking the value of the non-core assets, the Corporation is expected to be profitable during the year.

Mr. Ness Wadia is interested in the resolution set out at Item Nos. 7 and 8 since it relates to remuneration payable to him. Besides Mr. Nusli N. Wadia and Mr. Jehangir Wadia, Directors of Corporation, who are related to each other and their relatives to the extent of their shareholding, none of the Directors/Key Managerial Personnel of the Corporation and their relatives are concerned or interested, financially or otherwise, in the Special Resolution at Item Nos.7 and 8.

The Board recommends the Special Resolution set out at Item Nos. 7 and 8 of the Notice for approval by the Members.

**Item No. 9**

Dr. Y.S.P Thorat (DIN: 00135258) was appointed as an Additional Director in the category of Non-Executive Independent Director on the Board of the Corporation w.e.f. 4 February 2019 on the recommendation of the Nomination and Remuneration Committee of the Board. As such, he holds office upto the date of this Annual General Meeting. The Corporation has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing the candidature of Dr. Thorat for the office of Director of the Corporation.

The attention of the shareholders is invited to Annexure II of the Notice wherein the required details pertaining to Dr. Thorat are set out.

Dr. Thorat is not disqualified from being appointed as a Director in terms of section 164 of the Companies Act, 2013 and has given his consent to act as a Director. The Corporation has received a declaration from Dr. Thorat stating that he meets with the criteria of independence as prescribed under sub-section (6) of section 149 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board has pursuant to Sections 149 and 152 of the Companies Act, 2013 appointed Dr. Thorat as a Director not liable to retire by rotation. He has also been appointed by the Board as an Independent Director, he being eligible to be so appointed, for a term of five consecutive years commencing from 4 February 2019 to 3 February 2024, he not being liable to retire by rotation.

A copy of the draft letter of appointment of Dr. Thorat is available for inspection at the Registered office of the Corporation and will also be available for inspection at the Annual General Meeting of the Corporation.

The Board is of the view that Dr. Thorat's knowledge and experience will be of immense benefit and value to the Corporation and, therefore, recommends his appointment to the Members.

Dr. Thorat is interested in the resolution at Item No. 9 of the Notice, as it relates to his appointment as a Director and Independent Director not liable to retire by rotation.

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

The Board recommends the Ordinary Resolution set out at Item No. 9 of the Notice for approval by the Members.

**Item No. 10**

Mr. Vinesh Kumar Jairath (DIN: 00391684) was appointed as an Additional Director in the category of Non-Executive Independent Director on the Board of the Corporation w.e.f. 4 February 2019 on the recommendation of the Nomination and Remuneration Committee of the Board. As such, he holds office upto the date of this Annual General Meeting. The Corporation has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Jairath for the office of Director of the Corporation.

The attention of the shareholders is invited to Annexure II of the Notice wherein the required details pertaining to Mr. Jairath are set out.

Mr. Jairath is not disqualified from being appointed as a Director in terms of section 164 of the Companies Act, 2013 and has given his consent to act as a Director. The Corporation has received a declaration from Mr. Jairath stating that he meets with the criteria of independence as prescribed under sub-section (6) of section 149 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board has pursuant to Sections 149 and 152 of the Act appointed Mr. Jairath as a Director not liable to retire by rotation. He has also been appointed by the Board as an Independent Director,

he being eligible to be so appointed, for a term of five consecutive years commencing from 4 February 2019 to 3 February 2024, he not being liable to retire by rotation.

A copy of the draft letter of appointment of Mr. Jairath is available for inspection at the Registered office of the Corporation and will also be available for inspection at the Annual General Meeting of the Corporation.

The Board is of the view that Mr. Jairath's knowledge and experience will be of immense benefit and value to the Corporation and, therefore, recommends his appointment to the Members.

Mr. Jairath is interested in the resolution at Item No. 10 of the Notice, as it relates to his appointment as a Director and Independent Director not liable to retire by rotation.

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

The Board recommends the Ordinary Resolution set out at Item No. 10 of the Notice for approval by the Members.

#### **Item No. 11**

Mrs. Gauri Kirloskar (DIN: 03366274) was appointed as an Additional Director in the category of Non-Executive Independent Director on the Board of the Corporation w.e.f. 4 February 2019 on the recommendation of the Nomination and Remuneration Committee of the Board. As such, she holds office upto the date of this Annual General Meeting. The Corporation has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing the candidature of Mrs. Kirloskar for the office of Director of the Corporation.

The attention of the shareholders is invited to Annexure II of the Notice wherein the required details pertaining to Mrs. Kirloskar are set out.

Mrs. Kirloskar is not disqualified from being appointed as a Director in terms of section 164 of the Companies Act, 2013 and has given her consent to act as a Director. The Corporation has received a declaration from Mrs. Kirloskar stating that she meets with the criteria of independence as prescribed under sub-section (6) of section 149 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board has pursuant to Sections 149 and 152 of the Act appointed Mrs. Kirloskar as a Director not liable to retire by rotation. She has also been appointed by the Board as an Independent Director, she being eligible to be so appointed, for a term of five consecutive years commencing from 4 February 2019 to 3 February 2024, she not being liable to retire by rotation.

A copy of the draft letter of appointment of Mrs. Kirloskar is available for inspection at the Registered office of the Corporation and will also be available for inspection at the Annual General Meeting of the Corporation.

The Board is of the view that Mrs. Kirloskar's knowledge and experience will be of immense benefit and value to the Corporation and, therefore, recommends her appointment to the Members.

Mrs. Kirloskar is interested in the resolution at Item No. 11 of the Notice, as it relates to her appointment as a Director and Independent Director not liable to retire by rotation.

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

The Board recommends the Ordinary Resolution set out at Item No. 11 of the Notice for approval by the Members.

**ANNEXURE II TO THE NOTICE****Brief resume of Director(s) proposed to be appointed/ re-appointed as Director****Dr.(Mrs.) Minnie Bodhanwala (Item No. 3)**

Dr.(Mrs.) Minnie Bodhanwala, Non-Executive Director, is presently working as Chief Executive Officer at Nowrosjee Wadia Maternity Hospital and Bai Jerbai Wadia Hospital for Children, Parel, Mumbai. Under her stewardship, the Wadia Hospitals have won 21 prestigious awards in a span of one year. Dr. Bodhanwala was honoured with more than 40 awards, which include various prestigious awards like the “International Award in Healthcare” by the Thai Chamber of Commerce, Bangkok; “Global Award for Sustainable Healthcare Models with Revenue Turnover”, Dubai; “Leading Business Women of the Year” by iiGlobal, Mumbai; Life Time Achievement Award in Healthcare by National Excellence Awards 2015. She is highly-motivated, pro-active, passionate individual holding a rich and enormous experience of 30 years with exceptional liaison, teamwork, leadership, & organizational abilities to thrive in a fast-paced, results-oriented business environment.

Other details as required under the Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India are:

Age	56 years
Qualifications	BDS, MBA, MHA, TQM, FCR, PGQMAHO; FISQUA Green Belt – Six Sigma; Principal Assessor, NABH ISO Auditor 9001, 14001, DPE(USA).
Experience (including expertise in specific functional area) / Brief Resume	Experience of 30 years with exceptional liaison, teamwork, leadership, & organizational abilities to thrive in a fast-paced, results-oriented business environment.
Terms and Conditions of re-appointment	In terms of Section 152(6) of the Companies Act, 2013 (the Act), Dr.(Mrs.) Minnie Bodhanwala who was appointed as a Director at the Annual General Meeting held on 3 August 2017 is liable to retire by rotation at this Meeting.
Remuneration last drawn (including sitting fees, if any)	Sitting fees paid for the Financial Year 2018-2019 was ₹80,000
Remuneration proposed to be paid	Entitled to such commission as approved by the Members of the Corporation for the Non-Executive Directors of the Corporation.
Date of first appointment on the Board	30 <sup>th</sup> March, 2017
Shareholding in the Corporation as on 31 March 2019	Nil
Relationship with other Directors/ Key Managerial Personnel	Not related to any Director/Key Managerial Personnel of the Corporation
Number of meetings of the Board attended during the financial year (2018-2019)	2 (Two)
Directorships of other Boards as on 31 March 2019 (excluding The Bombay Burmah Trading Corporation, Limited)	The Bombay Dyeing and Manufacturing Company Limited National Peroxide Limited Axel Polymers Limited

## The Bombay Burmah Trading Corporation, Limited

Membership/ Chairmanship of Committee of other Boards as on 31 March 2019	<ul style="list-style-type: none"> <li>• The Bombay Dyeing and Manufacturing Company Limited – Stakeholders’ Relationship Committee – Member</li> <li>• The Bombay Dyeing and Manufacturing Company Limited – Corporate Social Responsibility Committee – Member</li> <li>• Axel Polymers Limited – Stakeholders’ Relationship Committee – Member</li> <li>• Axel Polymers Limited – Nomination and Remuneration Committee – Member</li> </ul>
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### Dr. Y. S. P. Thorat (Item No.9)

Dr. Y.S.P. Thorat who retired as Chairman, NABARD in November 2007, was till recently Executive Chairman of the Dry land Farming Commission and Chairman of the Agriculture Universities Recruitment Board, Government of Maharashtra. Earlier Dr. Thorat was associated with the Planning Commission, Government of India (GOI) for the 10<sup>th</sup> and 11<sup>th</sup> Five Year Plans. He was Chief Executive of the Rajiv Gandhi Trust and Foundation, New Delhi and served on the Board of the National Institute of Bank Management, Pune. On the academic side he was Chairman of the Indian Society of Agriculture Economics and Member, Senate and Academic Council of the Shivaji University, Kolhapur. Dr. Thorat is a University ranker having received the prestigious Gopal Krishna Gokhale Award for being adjudged the best student of Political Science amongst all universities in Maharashtra. Dr. Thorat started his career in the Reserve Bank of India (RBI) in 1972 and was appointed as its Executive Director in 2003. His main contribution has been in the field of policy support for agriculture finance, urban cooperative banks, cooperative policy and credit. In 2004, he was appointed by GOI as Managing Director and then Chairman of National Bank for Agriculture and Rural Development (NABARD).

Other details as required under the Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India are:

Age	71 years
Qualifications	Dr. Thorat holds a distinction in Law, a doctorate in Economics and D.Lit.
Experience (including expertise in specific functional area) / Brief Resume	Industrialist having rich business experience
Terms and Conditions of appointment	Dr. Thorat is proposed to be appointed as the Independent Director of the Corporation as per Resolution at Item No.9 of the Notice convening this Meeting read with explanatory statement thereto.
Remuneration last drawn (including sitting fees, if any)	Sitting fees paid for the Financial Year 2018-2019 was Nil as no Meetings of the Board were held post his appointment on 4 February 2019 upto 31 March 2019.
Remuneration proposed to be paid	Entitled to such commission as may be approved by the Members of the Corporation for the Non-Executive Directors of the Corporation.
Date of first appointment on the Board	4 February 2019
Shareholding in the Corporation as on 31 March 2019	Nil
Relationship with other Directors/ Key Managerial Personnel	Not related to any Director/Key Managerial Personnel of the Corporation

Number of meetings of the Board attended during the financial year (2018-2019)	Nil
Directorships of other Boards as on 31 March 2019 (excluding The Bombay Burmah Trading Corporation, Limited)	Britannia Industries Ltd Tata Chemicals Limited Rallis India Limited
Membership/ Chairmanship of Committee of other Boards as on 31 March 2019	<ul style="list-style-type: none"> <li>• Tata Chemicals Limited - Audit Committee – Member</li> <li>• Tata Chemicals Limited – Nomination and Remuneration Committee - Chairman</li> <li>• Rallis India Limited – Stakeholders’ Relationship Committee – Member</li> <li>• Rallis India Limited – Corporate Social Responsibility Committee – Member</li> <li>• Britannia Industries Limited - Corporate Social Responsibility Committee – Member</li> </ul>

#### Mr. Vinesh Kumar Jairath (Item No.10)

Mr. Vinesh Kumar Jairath joined the Indian Administrative Service in 1982 and worked in various positions in the Government of Maharashtra and Government of India. Some of the positions he held during his career in the IAS are Secretary to the Governor of Maharashtra, MD SICOM and Principal Secretary Industries Maharashtra. He took voluntary retirement in March 2008 and since then has been working as an independent consultant in areas of infrastructure, industry and real estate development. He is an independent director on the Boards of Tata Motors Limited, Bombay Dyeing & Manufacturing Company Ltd, Go Airlines (India) Ltd. and Wockhardt Ltd.

Other details as required under the Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India are:

Age	60 years
Qualifications	Mr. Jairath has a Masters in Development Economics from the University of Manchester, U.K. and holds Bachelor of Arts Degree in Public Administration and Bachelor of Laws Degree, both, from Punjab University
Experience (including expertise in specific functional area) / Brief Resume	He has over 35 years of experience in public administration, infrastructure planning and development and infrastructure financing, finance, industry, urban development, environmental management, while occupying various important positions in the Government and post voluntary retirement on boards of various companies.
Terms and Conditions of appointment	Mr. Jairath is proposed to be appointed as the Independent Director of the Corporation as per Resolution at Item No.10 of the Notice convening this Meeting read with explanatory statement thereto.
Remuneration last drawn (including sitting fees, if any)	Sitting fees paid for the Financial Year 2018-2019 was Nil as no Meetings of the Board were held post his appointment on 4 February 2019 upto 31 March 2019.

## The Bombay Burmah Trading Corporation, Limited

Remuneration proposed to be paid	Entitled to such commission as may be approved by the Members of the Corporation for the Non-Executive Directors of the Corporation.
Date of first appointment on the Board	4 February 2019
Shareholding in the Corporation as on 31 March 2019	Nil
Relationship with other Directors/ Key Managerial Personnel	Not related to any Director/Key Managerial Personnel of the Corporation
Number of meetings of the Board attended during the financial year (2018-2019)	Nil
Directorships of other Boards as on 31 March 2019 (excluding The Bombay Burmah Trading Corporation, Limited)	The Bombay Dyeing and Manufacturing Company Limited Wockhardt Limited Tata Motors Limited Kirloskar Industries Limited Kirloskar Oil Engines Limited Concorde Motors (India) Limited TML Distribution Company Limited Tata Motors Finance Solutions Limited Go Airlines (India) Limited
Membership/ Chairmanship of Committee of other Boards as on 31 March 2019	<ul style="list-style-type: none"> <li>• Kirloskar Industries Limited - Audit Committee – Member</li> <li>• Kirloskar Oil Engines Limited - Audit Committee – Member</li> <li>• Tata Motors Limited - Audit Committee – Member</li> <li>• TML Distribution Company Limited - Audit Committee – Chairman</li> <li>• TML Distribution Company Limited - Nomination and Remuneration Committee – Chairman</li> <li>• Wockhardt Limited - Audit Committee – Member</li> <li>• Wockhardt Limited – Stakeholders’ Relationship Committee – Member</li> <li>• Go Airlines (India) Limited - Audit Committee – Member</li> <li>• Go Airlines (India) Limited – Nomination and Remuneration Committee – Chairman</li> <li>• The Bombay Dyeing and Manufacturing Company Limited - Audit Committee – Member</li> <li>• The Bombay Dyeing and Manufacturing Company Limited - Nomination and Remuneration Committee – Chairman</li> </ul>



	<ul style="list-style-type: none"> <li>• The Bombay Dyeing and Manufacturing Company Limited - Corporate Social Responsibility Committee – Member</li> <li>• Concorde Motors (India) Limited - Nomination and Remuneration Committee – Member</li> <li>• Tata Motors Finance Solutions Limited – Audit Committee – Chairman</li> <li>• Tata Motors Finance Solutions Limited – Nomination and Remuneration Committee – Chairman</li> </ul>
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### **Mrs. Gauri Kirloskar (Item No.11)**

Mrs. Gauri Kirloskar attended Carnegie Mellon's Tepper School of Business, where she received a BSc. in Business Administration with a concentration in Finance. Previously she attended Phillips Academy, Andover, near Boston.

After graduation, she worked as an investment banking analyst at Merrill Lynch in their Mergers and Acquisitions group where she analyzed the impact of proposed mergers, acquisitions, spin-offs and various restructuring alternatives on earnings, credit profile and value creation of various clients across the technology, real estate and retail industries. She then moved on to Pearson's Corporate Finance and Strategy group where she looked at bolt on acquisitions for their education business.

Since moving back to India in 2010, she has been focusing her efforts on strategic initiatives for the Kirloskar Group into infrastructure and investments as well as functioning as a director and observer at several Kirloskar Group companies.

Her primary role is establishment of the Group's real estate business in Pune. This involves strategic alternatives analysis of value creation opportunities around the sale and development of the group's land banks. She has been involved in title clearance and land approvals, building up of the design brief and working closely with the IPCs.

She is also strategically involved in the team hiring and overall business plan of Kirloskar Capital, the Group's foray into the financial services business. She was an active participant in the process of filing for the RBI license for this business.

She leads the Group's efforts on branding, corporate communications and shared services.

As a board member on Kirloskar Oil Engines since 2014, she is involved in regular compliance and performance reviews. She is also an active member of the committee that looks at new investments initiatives in the energy space.

Other details as required under the Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India are:

Age	35 years
Qualifications	BSc. in Business Administration with a concentration in Finance from Carnegie Mellon's Tepper School of Business.
Experience (including expertise in specific functional area) / Brief Resume	Vast experience in the fields of mergers, acquisitions, spin-offs and other related areas and also infrastructure, investments, real estate, branding, corporate communications, shared services, financial services, etc.

## The Bombay Burmah Trading Corporation, Limited

Terms and Conditions of appointment	Mrs. Kirloskar is proposed to be appointed as the Independent Director of the Corporation as per Resolution at Item No.11 of the Notice convening this Meeting read with explanatory statement thereto.
Remuneration last drawn (including sitting fees, if any)	Sitting fees paid for the Financial Year 2018-2019 was Nil as no Meetings of the Board were held post his appointment on 4 February 2019 upto 31 March 2019.
Remuneration proposed to be paid	Entitled to such commission as may be approved by the Members of the Corporation for the Non-Executive Directors of the Corporation.
Date of first appointment on the Board	4 February 2019
Shareholding in the Corporation as on 31 March 2019	Nil
Relationship with other Directors/ Key Managerial Personnel	Not related to any Director/Key Managerial Personnel of the Corporation
Number of meetings of the Board attended during the financial year (2018-2019)	Nil
Directorships of other Boards as on 31 March 2019 (excluding The Bombay Burmah Trading Corporation, Limited)	Kirloskar Oil Engines Limited The Bombay Dyeing and Manufacturing Company Limited Green Tek Systems (India) Pvt. Ltd. Kirloskar Integrated Technologies Pvt. Ltd. Navsai Investments Pvt. Ltd. Indo Global Hinjewadi Software Park Private Ltd. Kairi Investments LLC, USA Beluga Whale Capital Management Pte Ltd.
Membership/ Chairmanship of Committee of other Boards as on 31 March 2019	Kirloskar Oil Engines Limited – Stakeholders' Relationship Committee – Member

By Order of the Board

N. H. Datanwala  
Chief Financial Officer

Registered Office:

9, Wallace Street,  
Fort, Mumbai - 400 001

CIN : L99999MH1863PLC000002

Email : investorservices@bbtcl.com

Website : www.bbtcl.com

Tel No. : +91 22 22197101

Mumbai, 2 July 2019

## **BOARDS' REPORT**

Your Directors hereby present their 154<sup>th</sup> Annual Report together with Audited Financial Statements for the year ended 31 March 2019:

### **I. FINANCIAL PERFORMANCE:**

#### **a) Standalone Financial Results**

(₹ in Lakh)

<b>Particulars</b>	<b>31.03.2019</b>	<b>31.03.2018</b>
Total Revenue	<b>27,678</b>	24,725
Profit/(Loss) Before Tax	<b>(1,867)</b>	(3,092)
Profit/(Loss) After Tax	<b>(1,970)</b>	(2,583)
Retained Earnings	<b>6,341</b>	9,744
Dividend (including tax thereon)	<b>841</b>	841

#### **b) Overview of Performance**

During the FY 2018-19 the Corporation achieved a total revenue of ₹ 27,678 lakh compared to ₹ 24,725 lakh in FY 2017-18. This includes income of ₹ 137 lakh on account of profit on the sale of property compared to similar income of ₹ 1,317 lakh in the previous year and dividend of ₹ 1,409 lakh from overseas subsidiary as compared to nil in the previous year. Thus, the total revenue of ₹ 26,132 lakh at operating level was higher compared to ₹ 23,408 lakh for the previous year.

Loss for the year excluding profit on sale of property and dividend from overseas subsidiary, at ₹ 3,433 lakh was lower compared to ₹ 4,428 lakh for the previous year.

No material changes and commitments have occurred after the closure of year under review till the date of this report, which would affect the financial position of the Corporation.

#### **Division wise performance:**

##### **i. Tea:**

Overall tea production including bought leaf was higher at 57.32 lakh kg as compared to 52.32 lakh kg for the previous year. Total tea sales were at 62.46 lakh kg as compared to 52.65 lakh kg for previous year. The

average selling price of tea was at ₹ 129 per kg against ₹ 124 per kg for the previous year.

Production of tea at Tanzania estates was 8.7 lakh kg as against 7.49 lakh kg for the previous year. However, the turnover of ₹ 615 lakh for the year was at the same level as the turnover of ₹ 620 lakh of previous year.

##### **ii. Coffee:**

The Corporation's coffee production for the year was 731 MT as compared to 273 MT for the previous year. The Corporation has resumed bought coffee fruit operations during the year and produced 1,028 MT of clean coffee as against 150 MT in the previous year. However, the coffee prices were under pressure and the average price realized per ton was ₹ 1.79 lakh compared to ₹ 1.96 lakh in the previous year.

##### **iii. Auto Electric Components Business (Electromags):**

Turnover for the year was higher at ₹ 11,138 lakh as compared to ₹ 9,807 lakh in the previous year. However, the margins were under pressure due to resistance by the customers, particularly OEMs for price hike and increase of main raw material prices i.e. Copper, Brass and Steel.

**iv. Health Care:**

Dental products reported lower turnover at ₹ 2,203 lakh compared to ₹ 2,451 lakh in the previous year due to lower offtake of its alloy products in the wake of health concerns in the dental fraternity regarding the usage of alloys.

**c) Subsidiaries and Associate Companies**

A report on the financial performance of each of the Subsidiaries and Associates included in the Consolidated Financial Statements is provided in Form AOC-1 and forms part of this Annual Report.

The Corporation has only one material listed Indian subsidiary, viz. Britannia Industries Limited.

**d) Consolidated Financial Results**

The Corporation has prepared Consolidated Financial Statements in accordance with the applicable Accounting Standards as prescribed under the Companies (Accounts) Rules, 2014 of the Companies Act, 2013. The Consolidated Financial Statements reflect the results of the Corporation and those of its subsidiaries and associates. As required under Regulation 33 of the Listing Regulations the Audited Consolidated Financial Statements together with the Independent Auditors' Report thereon are annexed and form part of this Annual Report.

Consolidated sale of products and services of the Corporation for the year ended 31 March 2019 was ₹1,142,320 lakh compared to ₹ 1,031,581 lakh in FY 2017-18, registering a growth of 11%. Consolidated Net Profit for the year ended 31 March 2019 has been at ₹ 145,719 lakh compared to ₹ 77,265 lakh for the previous year.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements of the Corporation including the consolidated financial statements, and the audited accounts of all the subsidiaries, are available on the Corporation's website [www.bbtcl.com](http://www.bbtcl.com).

**e) Share Capital**

The issued, subscribed and paid-up Share Capital of the Corporation stood at ₹ 1,395.44 lakh as at 31 March 2019 comprising of 6,97,71,900 Equity Shares of ₹ 2 each fully paid-up. There was no change in share capital during the year under review.

**f) Dividend**

Your Directors are pleased to recommend a dividend of ₹1 per share of the face value of ₹ 2 each (previous year ₹1 per share). The dividend, if approved by the shareholders at the ensuing Annual General Meeting, will be paid to those shareholders whose names appear in the Register of Members of the Corporation as on the Book Closure Date. The total dividend payout amounts to ₹ 841 lakh including dividend distribution tax of ₹ 143 lakh.

**g) Secretarial Standards**

The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly complied with.

**II. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Information pertaining to conservation of energy, technology absorption, and foreign exchange earnings and outgo in accordance with the provisions of clause (m) of sub-section (3) of Section 134 of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is appended as **Annexure A** to this Report.

**III. DIRECTORS**

**a) Appointment/Re-appointment**

**Non- Executive Director**

In accordance with the applicable provisions of the Companies Act, 2013 ('the Act') and the Articles of Association of the Corporation, Dr.(Mrs.) Minnie Bodhanwala, Non-Executive Director,

retires by rotation at the ensuing Annual General Meeting ('AGM') and being eligible, offers herself for re-appointment. Your Directors recommend the re-appointment of Dr. (Mrs.) Minnie Bodhanwala as a Director of the Corporation.

### **Independent Directors**

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors appointed Dr. Y.S.P. Thorat, Mr. Vinesh Kumar Jairath and Mrs. Gauri Kirloskar as Additional Directors in the category of Non- Executive, Independent Director at the Board Meeting held on 4 February 2019. These appointments are subject to approval of the Members at the ensuing Annual General Meeting, as Non- Executive, Independent Directors for a period of 5 years with effect from 4 February 2019.

Mr. Anil Kumar Hirjee, Independent Director and Vice Chairman, Mr. D.E. Udwadia and Mr. M.L. Apte, other Independent Directors of the Corporation who hold office up to 12 August 2019 and are eligible for re-appointment, have conveyed their desire not to seek appointment for a further term.

The Board places on record its deep appreciation of the invaluable services and guidance rendered by Mr. Hirjee, Mr. Udwadia and Mr. Apte to the Corporation during their tenure as a Director of the Corporation.

### **b) Declaration by Independent Directors**

The Corporation has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed both under the Act, and the SEBI (LODR) Regulations, 2015.

### **c) Board Evaluation**

Pursuant to the applicable provisions of the Act, and Regulation 19 of the SEBI (LODR) Regulations, 2015, the Board undertook an annual performance evaluation of its performance and that of its Committees viz. Audit Committee,

Stakeholders' Relationship Committee, Nomination and Remuneration Committee, CSR Committee, Finance Committee and of the individual Directors. The manner in which the evaluation was carried out has been explained in the Corporate Governance Report.

### **d) Nomination and Remuneration Policy**

The Board, on the recommendation of the Nomination & Remuneration Committee, has formulated a Policy for the remuneration of Directors and Senior Management. Brief details of the Policy are provided in the Corporate Governance Report and also posted on the website of the Corporation at [www.bbtcl.com](http://www.bbtcl.com).

### **e) Directors' Responsibility Statement**

Pursuant to Section 134(5) of the Companies Act, 2013 ('the Act'), the Directors, to the best of their knowledge and ability, confirm that:

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Corporation at 31 March 2019 and of the loss of the Corporation for the year ended on that date;
- iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Corporation and for preventing and detecting fraud and other irregularities;
- iv) they have prepared the annual accounts on a going concern basis;
- v) they have laid down internal financial controls to be followed by the

Corporation and that such internal financial controls are adequate and were operating effectively; and

- vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Corporation, reports of the internal, statutory, cost, and secretarial auditors duly reviewed by the management and the Board including the Audit Committee, the Board is of the opinion that the Corporation's internal financial controls were adequate and operating effectively during the FY 2018-19.

#### IV. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Board has constituted a Corporate Social Responsibility ('CSR') Committee comprising of three Directors of which two are Independent Directors. The CSR Policy of the Corporation and initiatives taken by the Corporation with respect to Corporate Social Responsibility during the year under review are in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The requisite details are appended to this Report as **Annexure B**.

#### V. EMPLOYEES

##### a) Key Managerial Personnel

Pursuant to Section 203 of the Act, the Key Managerial Personnel of the Corporation are Mr. Ness Wadia, Managing Director, Mr. Dibakar Chatterjee, Chief Executive Officer and Mr. N. H. Datanwala, Chief Financial Officer.

During the year, Mr. N. H. Datanwala relinquished his position as the Company Secretary from the close of business hours on 12 August 2018 and Mr. Hoshi D. Bhagwagar, was appointed as the Company Secretary with effect from 13 August 2018. Mr. Dibakar Chatterjee was appointed as the Chief Executive Officer

with effect from 5 September 2018 and Mr. N. H. Datanwala as the Chief Financial Officer of the Corporation with effect from 14 November 2018. Mr. Bhagwagar resigned from the services of the Corporation and ceased to be the Company Secretary and Key Managerial Personnel of the Corporation with effect from close of business hours on 31 March 2019.

##### b) Particulars of Employees

The information as per Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended to this Report as **Annexure C**.

Having regard to the provisions of the first proviso to Section 136(1) of the Act, the Annual Report is being sent to the members and others entitled thereto, excluding the information on employees' particulars as required under Rule 5(2) of the aforesaid Rules. The said information is available for inspection by the members at the Registered Office of the Corporation during business hours on working days up to the date of the ensuing Annual General Meeting. If any member is interested in obtaining a copy thereof, such member may write to the Corporation and the same will be furnished on request.

#### VI. MANAGEMENT DISCUSSION & ANALYSIS

In terms of the provisions of Regulation 34 of the SEBI (LODR) Regulations, 2015, the Management Discussion & Analysis forms part of the Annual Report.

#### VII. GOVERNANCE / SECRETARIAL

##### a) Corporate Governance Report

In accordance with the provisions of the SEBI (LODR) Regulations, 2015, a separate report on Corporate Governance along with the Auditors' Certificate on compliance of the conditions of Corporate Governance is appended to this Report as **Annexure D**.

**b) Business Responsibility Report**

Pursuant to Regulation 34(2)(f) of SEBI (LODR) Regulations, 2015, the Business Responsibility Report of the Corporation for the FY 2018-19 forms part of this Annual Report.

**c) Extract of Annual Return**

The details forming part of the extract of the Annual Return in Form MGT 9 pursuant to the provisions of section 92 of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is posted on the website of the Corporation at [www.bbtcl.com](http://www.bbtcl.com).

**d) Board Meetings:**

During the year, four Board Meetings were duly convened and held. The details of Board and its Committees meetings are given in the Corporate Governance Report that forms part of this Annual Report.

**e) Whistle Blower Policy**

The details of the Whistle Blower Policy are given in the Corporate Governance Report.

**f) Related Party Transactions**

The Corporation has formulated a Policy on Related Party Transactions which is disclosed on its website [www.bbtcl.com](http://www.bbtcl.com).

All transactions entered into with related parties as defined under the Act, Indian Accounting Standards (Ind AS 24) and Regulations 2(1)(zc) and 23 of the SEBI (LODR) Regulations, 2015 during the year under review, were in the ordinary course of business and on an arms' length basis and did not attract the provisions of Section 188 of the Act. With regard to transactions with Related parties under the provisions of Regulation 23 of the SEBI (LODR) Regulations, 2015, prior approval of the Audit Committee was obtained wherever required.

During the year under review, the

Corporation had not entered into any contract/ arrangement/transactions with related parties which could be considered as material in nature. Accordingly, there are no material related party transactions to be reported in Form AOC-2.

Disclosures pertaining to transactions with related parties are given in Note no. 48 of the Notes forming part of the Standalone Financial Statements for the FY 2018-19.

**g) Risk Management**

Your Corporation has a well-defined risk management framework and organizational structure in place for managing and reporting risks periodically to the Audit Committee and the Board. The details of the Risk Management functions are covered in the Corporate Governance Report.

**h) Insurance**

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

**i) Particulars of Loans, Guarantees and Investments**

The details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Act are given in Note No.46 forming part of the Standalone Financial Statements.

**j) Significant & Material Orders Passed by the Regulators****Singampatti Land matter**

Members are aware that the Corporation has been cultivating tea and carrying on all its plantation activities at Singampatti tea estate Tamil Nadu under a valid lease since 1929.

This lease land was classified as forest land by Tamil Nadu government in February 2018. Further, the said land has been classified as Tiger reserve under the Wildlife Protection Act, despite the fact that the Corporation has a bustling township on the said land. The Tamil

Nadu government, however, upheld the lease rights and allowed the Corporation to continue its plantation activities. The Corporation is contesting these matters before the Madras High Court.

During the year under review, the Commissioner of Land Administration in Tamil Nadu passed an order cancelling the lease for violation of conditions with regard to the clearing of certain areas. The Corporation has challenged the said order before the Madras High Court by way of Writ. The said writ has been admitted and interim relief restraining the Government from interfering with lawful operations and ingress and egress by the Corporation.

Also, in February 2018, the Government authorities in Tamil Nadu demanded increased lease rental in respect of the lease land retrospectively from 1958 to 2018 amounting to ₹ 22,396 lakh. During the year in January 2019, a further demand of ₹ 796 lakh as increased rental for the year 2019 was also raised. The Corporation has challenged both these demands by way of Writ Petition before Madras High Court. The said Writs have been admitted and stay has been granted.

There are no other significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and the Corporation's operations in future.

## **VIII. AUDITORS**

### **a) Statutory Auditors**

At the 149<sup>th</sup> Annual General Meeting (AGM) held on 13 August 2014, Members had appointed M/s. BSR & CO. LLP (BSR), Chartered Accountants (ICAI Firm Registration Number 101248W/W-100022) as Statutory Auditors of the Corporation to hold office for a period of 5 years until the conclusion of the 154<sup>th</sup> AGM of your Corporation to be held in the year 2019, subject to ratification of the appointment by the Members at every AGM held thereafter. BSR have already completed 9 years as the

Statutory Auditors of the Corporation. In view of Section 139 of the Companies Act, 2013, an audit firm can act as the auditor for two terms of five consecutive years. Since BSR has completed 9 years, they are eligible for one more term of one year and therefore an approval of shareholders is sought at the 154<sup>th</sup> AGM.

### **b) Cost Audit**

Pursuant to the provisions of Section 148 of the Act read with the relevant Rules, the Board of Directors, on the recommendation of Audit Committee, appointed M/s GLS & Associates (GLS) as Cost Auditors of the Plantations and Electromags Division of the Corporation for FY 2019-20 at a remuneration of ₹ 2,00,000 plus taxes as applicable and reimbursement of actual out of pocket expenses. The remuneration payable to them is required to be ratified by the shareholders at the ensuing Annual General Meeting.

### **c) Secretarial Audit**

Pursuant to the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Corporation appointed Mr. Tushar Shridharani, Practicing Company Secretary as Secretarial Auditor for FY 2018-19. The Secretarial Audit Report does not contain any qualification, reservation, or adverse remark. The Report of the Secretarial Auditor is appended as **Annexure E**.

### **d) Reporting of Frauds by Auditors**

During the year under review, the Statutory Auditors, Cost Auditors and Secretarial Auditor have not reported any instances of frauds committed in the Corporation by its Officers or Employees to the Audit Committee under section 143(12) of the Companies Act, 2013, details of which needs to be mentioned in this Report.

### **e) Auditors' Qualifications**

There were no qualifications, reservations, adverse remarks or



disclaimers made by the Statutory or the Secretarial Auditors in their respective reports on Standalone Financial Statements and Consolidated Financial Statements.

## IX. DEPOSITS

Your Corporation has not accepted during the year any deposits from the public or its employees within the meaning of section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014.

## X. INTERNAL FINANCIAL CONTROLS

Your Corporation maintains adequate and effective internal control systems which are commensurate with the nature, size, and complexity of its business and ensures orderly and efficient conduct of the Corporation's business. The internal control systems in all Divisions of the Corporation including the Corporate office are routinely tested and verified by independent Internal Auditors and significant audit observations and follow-up actions are reported to the Audit Committee. The Audit Committee reviews the adequacy and effectiveness of the Corporation's internal control requirement and monitors the implementation of audit recommendations.

Your Corporation has in place adequate Internal Financial Controls with reference to Financial Reporting which ensure adherence to the Corporation's policies, safeguarding of its assets, maintaining proper accounting records, and providing reliable financial information. During the year, such controls were tested and no reportable material weaknesses in design or operation were observed.

## XI. OTHERS

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions pertaining to these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of Shares (including Sweat Equity Shares) to employees of the Company under any Scheme.
4. Voting rights which are not directly exercised by the employees in respect of shares for the subscription/ purchase of which loan was given by the Corporation (as there is no scheme pursuant to which such persons can beneficially hold shares as envisaged under section 67(3)(c) of the Companies Act, 2013).
5. The Corporation does not have any scheme of provision for the purchase of its own shares by employees or by trustees for the benefit of employees.

## XII. ACKNOWLEDGMENTS

Your Directors thank all Customers, Shareholders, Suppliers, Bankers, Employees and other business associates for their continued support.

On behalf of the Board

**Nusli N Wadia**  
Chairman  
(DIN: 00015731)

Mumbai, 2 July 2019

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION,  
FOREIGN EXCHANGE EARNINGS & OUTGO**

**(A) CONSERVATION OF ENERGY:**

**1) Steps taken or impact on conservation of energy:**

At Plantation Division

- a) Replacement of a single conventional heater at Anaimudi factory with a more thermal efficient hot air generator. This would reduce the firewood consumption for drying tea.
- b) Maintained Power Factor above 0.95 to reduce power consumption.
- c) Limited energy audit conducted in respect of axial and centrifugal fans (for the withering and drying process) to improve operational efficiency and reduce energy consumption of motors.

At Auto Electric Components Business (Electromags)

- a) Environment Management Programme – Replacement of existing light fittings with LED light fittings.
- b) Modification of auto crimping machine - Saving of 60% from current level.

**2) Steps taken by the company for utilising alternate sources of energy:**

The Bio Methanisation plant which generates Biogas from coffee waste is currently operating at minimum sustenance levels at Elkhill group. We are exploring more efficient methods to facilitate high-yield methane gas production. This plant, along with the water treatment plant, apart from generating energy from waste, also addresses the treatment of effluent generated during the processing of coffee.

**(B) TECHNOLOGY ABSORPTION:**

**i. Efforts made towards technology absorption:**

At Plantation Division

Several trials were initiated during the financial year:

- a) New laboratory to increase culture growth of the predator of tea mosquito bug.
- b) Use of effective micro organism technology to boost health and immunity of plants.
- c) Tea nursery established to propagate 2.5 lakh plants of known and accepted cultivars for planting in FY 21
- d) Addition of state of the art hot air generator in Anaimudi factory to improve fuel efficiency and obviate any anthraquinone taint in the teas during the drying process.

**ii. Benefits derived like product improvement, cost reduction, product development or import substitution:**

**Product improvement:**

- a) Introduction of black orthodox and green teas as an initiative for product diversification to improve sales realization.
- b) Conveyor belt set up at Thaymudi Factory to reduce manual intervention for handling of teas and improve hygiene
- c) Use of Chinese style panner in green tea to reduce microbiological contamination and improve end product

**iii. No import of technology in the last 3 years**

**iv. The expenditure incurred on Research and Development: Nil**

**(C) FOREIGN EXCHANGE EARNING AND OUTGO:**

- a) Foreign Exchange earned in terms of actual inflows during the year: ₹ 4,771 lakh.
- b) Foreign Exchange outgo during the year in terms of actual outflows: ₹ 1,273 lakh.

**Annexure B****REPORT ON CSR ACTIVITIES – FINANCIAL YEAR 2018-2019**

1. A brief outline of the Corporation's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs: Weblink: <http://bbtcl.com/corporate-social-responsibility/>
2. The Composition of the CSR Committee:  
The Committee comprises of Dr. (Mrs.) Minnie Bodhanwala (Non-Executive Director), Mr. Rajesh Batra (Independent Director) and Mr. Ness Wadia (Managing Director).
3. Average net profit of the company for last three financial years: ₹ NIL.
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹ NIL.
5. Details of CSR spent during the financial year:
  - (a) Total amount to be spent for the financial year: ₹ NIL.  
However, the Corporation continued to pursue its CSR activities by maintenance of public roads through its estates and building for community welfare and schools.
  - (b) Amount unspent, if any: NIL
  - (c) Manner in which the amount spent during the financial year is detailed below.

(₹ in lakh)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No	CSR Project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other; (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on project or programs (2) Overheads	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency
1.	Public Roads through the Estates	Transportation Infrastructure	Mudis, Singampatti and Dunsandle Estates (Tamil Nadu)	11.00	10.67	10.67	Direct
2.	Maintenance of buildings for community benefits including water supply thereto	Housing	Mudis, Singampatti and Dunsandle Estates (Tamil Nadu)	4.00	3.30	3.30	Direct
	TOTAL			15.00	13.97	13.97	

- Give details of implementing agency: Direct

The CSR Committee confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Corporation.

For The Bombay Burmah Trading Corporation, Limited

For and on behalf of the Committee of  
The Bombay Burmah Trading Corporation, Limited

Nusli N. Wadia  
Chairman  
Mumbai : 2 JULY 2019

Minnie Bodhanwala  
Chairperson, CSR Committee

**Statement of Disclosure of Remuneration under Section 197 of Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

- i. Ratio of the remuneration of each Director to the median remuneration of the employees of the Corporation for the FY 2018-19, the percentage increase in remuneration of each Director and Key Managerial Personnel during the FY 2018-19.

Sr. No.	Name of Director/KMP	Designation	Remuneration of Director/ KMP (₹ in lakh)	Ratio of remuneration of each Director to median remuneration of employees	Percentage increase in Remuneration
1.	Mr. Ness N. Wadia	Managing Director	384.21	282.51	10
2.	Mr. Nusli N. Wadia	Promoter Non- Executive Director	1.20	0.90	Nil
3.	Mr. A.K. Hirjee	Independent Director	5.35	3.99	36.45
4.	Mr. M.L. Apte	Independent Director	4.75	3.54	28.42
5.	Mr. D.E. Udawadia	Independent Director	4.40	3.28	54.55
6.	Mr. Jehangir N. Wadia	Promoter Non- Executive Director	1	0.75	(20)
7.	Dr. (Mrs.) Minnie Bodhanwala	Non- Executive Director	0.80	0.59	(25)
8.	Mr. Rajesh Batra	Independent Director	1.60	1.19	25
9.	Dr. Y.S.P Thorat (w.e.f. 4 February 2019)	Independent Director	Nil	NA	Refer Note c
10.	Mr. Vinesh Kumar Jairath (w.e.f. 4 February 2019)	Independent Director	Nil	NA	
11.	Mrs. Gauri Kirloskar (w.e.f. 4 February 2019)	Independent Director	Nil	NA	
12.	Mr. N. H. Datanwala	Chief Financial Officer	84.05	62.72	(6.73)

Sr. No.	Name of Director/KMP	Designation	Remuneration of Director/ KMP (₹ in lakh)	Ratio of remuneration of each Director to median remuneration of employees	Percentage increase in Remuneration
13.	Mr. Amit Chhabra (upto 30 April 2018)	Chief Financial Officer	9.16	NA	Refer Note d
14.	Mr. Hoshi D. Bhagwagar (upto 31 March 2019)	Company Secretary	20.96	15.64	
15.	Mr. Dibakar Chatterjee (w.e.f. 5 September 2018)	Chief Executive Officer	101.69	75.89	

Note :

- a) Non-Executive Directors of the Corporation were paid only sitting fees during the year under review.
  - b) Employees for the purpose above includes all employees at all divisions of the Corporation.
  - c) Dr. Y.S.P. Thorat, Mr. Vinesh Kumar Jairath and Mrs. Gauri Kirloskar were appointed as Additional Independent Directors w.e.f. 4 February 2019 and post their appointment no meeting of the Board of Directors was convened till 31 March 2019.
  - d) Mr. Dibakar Chatterjee, Chief Executive Officer, Mr. Amit Chhabra, Chief Financial Officer and Mr. Hoshi D. Bhagwagar, Company Secretary were employed for part of the year, therefore their remuneration is not comparable.
- ii. The percentage increase in the median remuneration of employees for the financial year 2018-2019 was 6.45%.
  - iii. There were 5087 permanent employees on the pay roll of the Corporation as on 31 March 2019.
  - iv. Average percentage increase made in the salaries of employees other than the Managerial Personnel in the Financial Year 2018-19 on comparable basis was 7% over previous year.
  - v. The remuneration paid during the year 2018-2019 is as per the Remuneration Policy of the Corporation.

## **CORPORATE GOVERNANCE REPORT**

### **1. Corporation's Philosophy on Corporate Governance:**

The Corporation believes that good Corporate Governance is a pre-requisite for achieving sustainable corporate growth and enhancing value for all stakeholders in the business. Good Corporate Governance emerges from transparency in business dealings and having in place robust systems and processes defining accountability, integrity, fairness and ethics in business practices, thereby fulfilling the responsibilities of corporate citizenship.

A Report on compliance with the Corporate Governance provisions as prescribed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 ('Listing Regulations' or 'SEBI (LODR) Regulations, 2015') is given herein below:

### **2. Board of Directors:**

The Board sets the tone for inclusion and diversity across the Board in order to develop businesses and incubate new ideas for continuous business growth and value creation for the Stakeholders. In the opinion of the Board, a diverse and inclusive culture is essential to the long-term success of the Corporation and therefore it is crucial to have a mix of diverse experience, skills and competence in the Board.

#### **Matrix highlighting core skills/expertise/competencies of the Board of Directors:**

The Board of Directors have identified the following skills required for the Corporation and the availability of such skills with the Board:

<b>Sr. No</b>	<b>Essential Skills and description</b>	<b>Whether available with the Board (Yes/ No)</b>
1	Leadership experience of running large enterprise	Yes
2	Experience in formulating Corporate Strategies	Yes
3	Financial Expertise	Yes
4	Governance, Compliance and Regulatory	Yes
5	Knowledge and expertise of Trade and Economic Policies	Yes

#### **Composition of Board:**

Mr. Nusli N. Wadia, Chairman of the Board of Directors, is a Non-Executive Promoter Director. As on 31 March 2019, the Board comprised of eleven Directors of which seven are Independent Directors, one Non-Executive Woman Director, two Non-Executive Directors and one Managing Director.

During the year under review, four Board Meetings were held on 21 May 2018, 8 August 2018, 13 November 2018 and 4 February 2019. The gap between two Meetings did not exceed one hundred and twenty days.

Details of number of Directors, their attendance at Board Meetings and Annual General Meetings and other Directorship/ Committee Membership are as follows:

Name of the Director	DIN	No. of Board Meetings attended (out of 4)	Whether attended last AGM held on 8.8.2018	No. of Directorships in other public companies +		No. of Committee positions held in other public companies#	
				Chairman	Member	Chairman	Member
Promoter and Non-Executive Director							
Mr. Nusli N. Wadia, Chairman	00015731	3	Yes	3	-	-	-
Mr. Jehangir N. Wadia	00088831	3	Yes	-	3	-	2
Non- Executive Director							
Dr.(Mrs.) Minnie Bodhanwala	00422067	2	Yes	-	3	-	2
Independent Directors							
Mr. A. K. Hirjee, Vice Chairman	00044765	4	Yes	1	2	2	2
Mr. M. L. Apte	00003656	3	No	-	6	-	9
Mr. D. E. Udhwadia	00009755	3	Yes	-	4	1	4
Mr. Rajesh Batra	00020764	3	No	3	5	-	4
Dr. Y.S.P. Thorat @	00135258	-	NA	-	3	-	2
Mr. Vinesh Kumar Jairath @	00391684	-	NA	-	9	2	7
Mrs. Gauri Kirloskar @	03366274	-	NA	-	2	-	1
Promoter, Managing Director							
Mr. Ness N. Wadia	00036049	4	Yes	1	3	-	2

+ Excludes directorship in the Corporation, alternate directorship and directorship in foreign companies and private companies which are neither subsidiaries nor holding companies of public companies.

# Includes only Audit Committee and Stakeholders Relationship Committee in public limited companies.

**Notes:** Other than Mr. Nusli N. Wadia, Mr. Jehangir N. Wadia and Mr. Ness N. Wadia, who are related to each other, none of the other Directors of your Corporation are inter-se related to each other.

Mr. A. K. Hirjee, Mr. M. L. Apte and Mr. D. E. Udhwadia were appointed as Independent Directors at the 149<sup>th</sup> Annual General Meeting of the Corporation held on 13 August 2014 for a period of five years up to 12 August 2019.

In accordance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members of the Corporation at their Annual General Meeting held on 8 August 2018, approved by way of Special Resolutions the continuation of Mr. Nusli N. Wadia, Mr. A. K. Hirjee, Mr. M. L. Apte and Mr. D. E. Udhwadia as Director upon attaining/ exceeding the age of 75 years as on 1 April 2019 for their respective terms.

@ Dr. Y.S.P. Thorat, Mr. Vinesh Kumar Jairath and Mrs. Gauri Kirloskar were appointed as Additional Directors in the category of Non- Executive, Independent Director in the Board Meeting held on 4 February 2019 up to the ensuing Annual General Meeting and thereafter, subject to approval of the Members at the said ensuing AGM, as Non-Executive, Independent Directors for a period of 5 years from 4 February 2019 to 3 February 2024.

**List of other listed companies where Directors of the Corporation are Directors and the category of Directorship:**

<b>Name of Director</b>	<b>Directorship in other listed entity (Category of Directorship)</b>
Mr. Nusli N. Wadia	The Bombay Dyeing and Manufacturing Company Limited (Non-Executive - Promoter Director-Chairman) Britannia Industries Limited (Non-Executive - Promoter Director-Chairman)
Mr. Jehangir N. Wadia	The Bombay Dyeing and Manufacturing Company Limited (Promoter/Managing Director) Britannia Industries Limited (Non-Executive Promoter Director)
Dr.(Mrs.) Minnie Bodhanwala	National Peroxide Limited (Non-Executive - Non Independent Director) The Bombay Dyeing and Manufacturing Company Limited (Non-Executive - Non Independent Director) Axel Polymers Limited (Non-Executive Director)
Mr. A. K. Hirjee	The Bombay Dyeing and Manufacturing Company Limited (Non-Executive - Independent Director) Britannia Industries Limited (Non-Executive Promoter Director)
Mr. M. L. Apte	Bajaj Hindusthan Sugar Limited (Non-Executive - Independent Director) Kulkarni Power Tools Limited (Non- Executive Independent Director) Standard Industries Limited (Non-Executive - Independent Director) Grasim Industries Limited (Non-Executive - Independent Director) Zodiac Clothing Co. Limited (Non-Executive - Independent Director) Raja Bahadur International Limited (Non-Executive - Independent Director)
Mr. D. E. Udawadia	ABB India Limited (Non-Executive - Independent Director) JM Financial Limited (Non-Executive - Independent Director)
Mr. Rajesh Batra	Cravatex Limited (Managing Director) National Peroxide Limited (Non-Executive - Independent Director)
Dr. Y.S.P. Thorat	Tata Chemicals Limited (Non-Executive - Independent Director) Rallis India Limited (Non-Executive - Independent Director) Britannia Industries Limited (Non-Executive - Independent Director)



Mr. Vinesh Kumar Jairath	The Bombay Dyeing and Manufacturing Company Limited (Non-Executive – Independent Director) Wockhardt Limited (Non-Executive – Independent Director) Tata Motors Limited (Non-Executive – Independent Director) Kirloskar Industries Limited (Non-Executive - Non Independent Director) Kirloskar Oil Engines Limited (Non-Executive - Non Independent Director)
Mrs. Gauri Kirloskar	The Bombay Dyeing and Manufacturing Company Limited (Additional Non-Executive - Independent Director) Kirloskar Oil Engines Limited (Non-Executive - Non Independent Director)
Mr. Ness N. Wadia	The Bombay Dyeing and Manufacturing Company Limited (Non-Executive Promoter Director) Britannia Industries Limited (Non-Executive Promoter Director) National Peroxide Limited (Non-Executive - Promoter Director-Chairman )

### 3. Committees of the Board:

The Corporation has mandatory Board constituted Committees viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility (CSR) Committee and Risk Management Committee.

#### (a) Audit Committee:

The composition, powers, role and terms of reference of the Audit Committee are in accordance with the regulatory requirements mandated under section 177 of the Companies Act, 2013 and the Rules made thereunder read with Regulation 18 and Part C of Schedule II of the SEBI (LODR) Regulations, 2015. Apart from the above, the Committee also carries out such function / responsibilities entrusted to it by the Board of Directors from time to time.

The Audit Committee comprises of three Independent Directors:

- Mr. M. L. Apte (Chairman)
- Mr. D. E. Udhwadia
- Mr. A. K. Hirjee

All the Members of the Committee possess strong accounting and financial management knowledge.

The Managing Director, Chief Executive Officer, Chief Financial Officer, Statutory Auditors and Internal Auditors attend Audit Committee Meetings as Invitees. The Company Secretary acts as the Secretary to the Committee.

The role of the Audit Committee flows directly from the Board of Directors' overview function on corporate governance, which holds the management accountable to the Board and the Board accountable to the stakeholders. The terms of reference of the Audit Committee inter alia includes review of the Corporation's financial statements, internal financial reporting

process, internal financial controls, the audit process, adequacy, reliability and effectiveness of the internal control systems and risk management process, vigil mechanism, related party transactions, monitoring process for compliance with laws and regulations and the Code of Conduct to regulate, monitor and report trading by Insiders, appointment, performance and evaluation of Statutory Auditors and Internal Auditors.

During the year under review, five (5) meetings of the Audit Committee were held, the dates being 21 May 2018, 8 August 2018, 2 November 2018, 31 January 2019 and 29 March 2019. The gap between two Meetings did not exceed one hundred and twenty days.

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

<b>Name</b>	<b>No. of Audit Committee Meetings attended</b>
Mr. M. L. Apte	4
Mr. D. E. Udhwadia	5
Mr. A. K. Hirjee	5

The Chairman of the Audit Committee, Mr. M. L. Apte was unable to attend the 153<sup>rd</sup> Annual General Meeting due to other pre-occupations. Therefore, in absence of Chairman of Audit Committee, Mr. A. K. Hirjee member of the Audit Committee was nominated to answer the shareholders' queries on Annual Accounts.

The Committee, post induction of three Independent Directors, was re-constituted with effect from 13 May 2019 and now comprises of:

- Dr. Y. S. P. Thorat (Chairman)
- Mr. D. E. Udhwadia
- Dr. (Mrs.) Minnie Bodhanwala
- Mr. Vinesh Kumar Jairath
- Mrs. Gauri Kirloskar

#### **Internal Audit and Control:**

M/s. Ernst and Young, LLP, Internal Auditors of the Corporation have carried the internal audit for FY 2018-19. The reports and findings of the internal auditors and the internal control system are periodically reviewed by the Audit Committee.

The appointment and remuneration of the internal auditors and the internal audit plan are approved by the Audit Committee.

#### **Vigil Mechanism/ Whistle Blower Policy:**

The Corporation has implemented a Whistle Blower Policy and established the necessary vigil mechanism for Employees and Directors of the Corporation to report to the Chairman of the Audit Committee. No personnel have been denied access to the Audit Committee. The said policy has been uploaded on the website of the Corporation and can be accessed at the website of the Corporation at [www.bbtcl.com](http://www.bbtcl.com).

#### **(b) Nomination and Remuneration Committee:**

The composition, powers, role and terms of reference of the Nomination and Remuneration Committee ('NRC') are in accordance with the requirements mandated under Section 178 of the Companies Act, 2013 and Regulation 19 read with Part D of Schedule II of the SEBI (LODR) Regulations, 2015. Apart from the above, the Committee also carries out such functions / responsibilities entrusted to it by the Board of Directors from time to time.

The Committee comprises of three Independent Directors and one Non-Executive Promoter Director:

- Mr. M. L. Apte (Chairman)
- Mr. Nusli N. Wadia
- Mr. A. K. Hirjee
- Mr. D. E. Udhwadia

The Company Secretary acts as the Secretary to the Committee.

During the year under review, four (4) Meetings of the Committee were held on 21 May 2018, 8 August 2018, 13 November 2018 and 4 February 2019. The Chairman of the Committee, Mr. M. L. Apte was unable to attend the 153<sup>rd</sup> Annual General Meeting due to other pre-occupations.

<b>Name</b>	<b>No. of NRC Meetings attended</b>
Mr. M. L. Apte	3
Mr. Nusli N. Wadia	3
Mr. A. K. Hirjee	4
Mr. D. E. Udhwadia	3

The broad terms of reference of the Committee *inter-alia* include:

- Recommendation of nominations for membership of the Board, its Committees and the leadership team of the Corporation including Key Managerial Personnel ('KMP') (as defined under the Companies Act, 2013) and Senior Management / Executive Team (as defined by the Committee);
- Formulation of the criteria for determining qualifications, positive attributes and independence of a director;
- Formulation of criteria for evaluation of Independent Directors and the Board of Directors
- Recommend the remuneration policy for the Directors, KMP, Senior Management/ Executive Team and other employees;
- Evaluation of performance of the Board, its Committees and Individual directors;
- Devise a policy on Board diversity; and
- Formulate and recommend to the Board plans for orderly succession for appointments to the Board, KMPs and other Senior Management Team.

The Committee, post induction of three Independent Directors, was re-constituted with effect from 13 May 2019 and now comprises of:

- Mr. Rajesh Batra (Chairman)
- Mr. Nusli N. Wadia
- Dr. Y. S. P. Thorat
- Mr. D. E. Udhwadia

#### **Evaluation of performance of the Board, its Committees and Directors**

Pursuant to the provisions of the Companies Act, 2013 ('Act') and the Corporate Governance requirements as prescribed under SEBI (LODR) Regulations, 2015 (as may be applicable), the Board of Directors ('Board') has carried out an annual evaluation of its own performance, and that of its Committees and individual directors.

The performance of the Board and individual Directors was evaluated by the Board seeking inputs from all the Directors. The performance of the Committees was evaluated by the Board seeking inputs from the Committee members. The Nomination and Remuneration Committee ('NRC') reviewed the performance of the individual Directors. A separate meeting of Independent Directors was also held to review the performance of non-independent Directors, performance of the Board as a whole and performance of the Chairman of the Corporation, taking into account the views of Executive Directors and Non-Executive Directors. This was followed by a Board meeting that discussed the performance of the Board, its Committees and individual Directors.

The criteria for performance evaluation of the Board included aspects like Board composition and structure, effectiveness of Board processes, information and functioning etc. The criteria for performance evaluation of Committees of the Board included aspects like composition of committees, effectiveness of committee meetings etc. The criteria for performance evaluation of the individual directors included aspects on contribution to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings etc. In addition, the Chairman was also evaluated on the key aspects of his role.

The performance evaluation of Independent Directors was based on the criteria viz. attendance at Board and Committee Meetings, skill, experience, ability to challenge views of others in a constructive manner, knowledge acquired with regard to the Corporation's business, understanding of industry and global trends, etc.

#### **Remuneration Policy:**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 19 of the SEBI (LODR) Regulations, 2015, the Remuneration Policy was formulated and adopted by the NRC/ Board.

The broad objectives of the Policy are:

- to evaluate the performance of the Members of the Board and provide necessary report to the Board for further evaluation of the Board;
- to recommend the Board, Remuneration payable to the Directors, Key Managerial Personnel and Senior Management;
- to provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Corporation's operations; and
- to retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

#### **(i) Remuneration to the Managing Director:**

The remuneration structure of Managing Director comprises of basic salary, special allowance, perquisites and retiral benefits and performance bonus as may be decided by the NRC / Board, subject to the overall limits of remuneration governed by the shareholders' approval.

Details of remuneration paid to Managing Director during the FY 2018-19 are given below:  
(₹ in lakh)

<b>Name</b>	<b>Salary (including allowances and bonus)</b>	<b>Perquisites in cash or kind</b>	<b>Contribution to Provident &amp; other Funds</b>	<b>Total</b>
Mr. Ness N. Wadia	311.02	7.24	65.95	384.21

Pursuant to the notification S.O. 4823 (E) dated 12 September 2018 issued by the Ministry of Corporate Affairs, the provisions of Section 66 to 70 of the Companies (Amendment)

Act, 2017 dealing with Managerial Remuneration have come into effect from that date. In view thereof, the Central Government (CG) has informed the Corporation that the applications made to them for approval of the payment of remuneration of ₹ 290 lakh (excluding retinals of ₹ 59 lakh) for each of the financial years 2016-17 and 2017-18 to the Managing Director, Mr. Ness Wadia, which was in excess of the limits specified in Schedule V, shall abate and is closed. The amended provisions do not require Companies to seek the Central Government approval but require Companies to obtain the approval of the Members by way of special resolution.

Further, the Corporation has during the FY 2018-19 paid remuneration of ₹ 318 lakh (except retinals of ₹ 66 lakh) to the Managing Director, Mr. Ness Wadia which is in excess of the limits specified in Schedule V of the Companies Act, 2013.

In view of the above, the Corporation shall seek the approval of the Members of the Corporation by way of a special resolution at the ensuing AGM of the Corporation for payment of the aforesaid remuneration for the years 2016-17, 2017-18 and 2018-19. which is within the limits approved by the Members at their AGM held on 5 August 2016.

**Notes:**

1. The Corporation has not granted any stock options to its whole-time director during the year. Mr. Ness Wadia holds 18,600 shares in the Corporation.
2. The Agreement with the Managing Director is for the period of five years. Either party to the agreement is entitled to terminate the Agreement by giving not less than 6 calendar months' prior notice in writing to the other party; provided that the Corporation shall be entitled to terminate the incumbents' employment at any time by payment to him of six months' basic salary in lieu of such notice

**(ii) Remuneration to Non- Executive Directors:**

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, 2013, as may be determined by the Board from time to time. In view of inadequacy of profits, no commission has been paid to the Non-Executive Directors.

Details of payments made to Non-Executive Directors during FY 2018-19 are given below:

<b>Name of Director</b>	<b>Sitting fees for Board and Committee Meetings (in ₹)</b>	<b>Total No. of Shares held in the Corporation as on 31 March 2019</b>
Mr. Nusli N. Wadia	120,000	6,846,505
Mr. A. K. Hirjee	535,000	1,750
Mr. M. L. Apte	475,000	Nil
Mr. D. E. Udawadia	440,000	Nil
Mr. Jehangir N. Wadia	100,000	3,500
Dr. (Mrs.) Minnie Bodhanwala	80,000	Nil
Mr. Rajesh Batra	160,000	6,250
Dr. Y.S.P. Thorat	Nil	Nil
Mr. Vinesh Kumar Jairath	Nil	Nil
Mrs. Gauri Kirloskar	Nil	Nil

During the year ended 31 March 2019, the Corporation paid ₹ 11.34 lakh to the law firm M/s. Udawadia & Co. as fees for professional services provided by it from time to time. Mr. D. E. Udawadia is the proprietor of the above concern. The Corporation has received

confirmation from M/s. Udwardia & Co. that the professional fees paid during the year ended 31 March 2019 to it is less than 10% of the gross turnover of the firm.

**(c) Stakeholders' Relationship Committee:**

The composition, powers, role and terms of reference of the Committee are in accordance with the requirements mandated under Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (LODR) Regulations, 2015.

The Stakeholders' Relationship Committee (SRC) comprises of two Independent Directors and one Promoter- Managing Director:

- Mr. A. K. Hirjee (Chairman)
- Mr. M. L. Apte
- Mr. Ness N. Wadia

The Company Secretary acts as the Secretary of the Committee.

During the year under review, one meeting of this Committee was held on 29 March 2019.

All the Members, except Mr. Ness N. Wadia attended the said Meeting

The broad terms of reference of the said Committee are as follows:

- To resolve the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends/ interest/ refund order/ redemption of debt securities, issue of new/ duplicate certificates, general meetings etc.
- To approve and monitor transfers, transmission, splitting, consolidation, dematerialization, and rematerialization of securities issued by the Corporation;

The Committee was re-constituted with effect from 13 May 2019 and now comprises of:

- Dr. (Mrs.) Minnie Bodhanwala (Chairperson)
- Mr. Rajesh Batra
- Mr. Ness N. Wadia

The Board has given authority to any two Directors residing in Mumbai to approve the transfer deeds presented in respect of transfer of shares of the Corporation held in physical form. The transfer deeds are sent to the directors for their approval and the same are confirmed at the subsequent Board Meetings.

During the year, 9 complaints were received from the Shareholders, all of which have been attended/resolved to the satisfaction of the Shareholders. As of date, there are no complaints/pending share transfers pertaining to the year under review.

The Corporation has designated an e-mail ID exclusively for registering complaints by investors and investors can reach the Corporation at [investorservices@bbtcl.com](mailto:investorservices@bbtcl.com).

**(d) Corporate Social Responsibility (CSR) Committee:**

The CSR Committee's constitution and terms of reference are in compliance with provisions of the Section 135 of the Companies Act, 2013 and the Rules made thereunder.

The CSR Committee consists of two Independent Directors and one Promoter Non- Executive Director:

- Mr. A. K. Hirjee (Chairman)
- Mr. M. L. Apte
- Mr. Jehangir N. Wadia

During the year, one meeting of the CSR Committee was held on 29 March 2019. All the Members, except Mr. Jehangir N. Wadia attended the said Meeting.

The broad terms of reference of the CSR Committee include:

- (i) To formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy which shall indicate the activities to be undertaken by the Corporation as specified in Schedule VII;
- (ii) recommend the amount of expenditure to be incurred on the activities referred to in clause (i); and
- (iii) monitor the CSR Policy of the Corporation from time to time.

The Committee was re-constituted with effect from 13 May 2019 and now comprises of:

- Dr. (Mrs.) Minnie Bodhanwala (Chairperson)
- Mr. Rajesh Batra
- Mr. Ness N. Wadia

#### **(e) Risk Management Committee**

In compliance with the requirement of SEBI (LODR) Regulations, 2015, which is effective from 1 April 2019, the Board has constituted the Risk Management Committee.

The Committee comprises of following Directors and Senior Management Personnel:

- Mr. Rajesh Batra, Chairman
- Dr. Y.S.P Thorat, Independent Director
- Mrs. Gauri Kirloskar, Independent Director
- Mr. Ness Wadia, Managing Director
- Mr. Dibakar Chatterjee, Chief Executive Officer
- Mr. N H Datanwala, Chief Financial Officer

#### **(f) Independent Directors' Meeting:**

During the year under review, a separate meeting of the Independent Directors was held on 4 February 2019, inter alia, to discuss:

- performance of non-independent Directors and the Board as a whole;
- performance of the Chairman;
- the quality, quantity and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The Meeting was attended by all the Independent Directors to discuss aforesaid matters pertaining to the Corporation's affairs and put forth their combined views to the Board of Directors.

#### **Familiarization programme for Independent Directors**

The Board Members are provided with necessary documents, reports and internal policies to enable them to familiarize with the Corporation's procedures and practices. Detailed presentations on the overall business, division-wise performance, business strategy, risks involved and mitigation measures are made at Board/Audit Committee meetings. Details of the familiarization module are given in the Corporation's website at [www.bbtcl.com](http://www.bbtcl.com).

#### 4. General Body Meetings:

- (a) Location and time 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	5 August 2016 at 4.00pm	Rama & Sundri Watumull Auditorium, Dinshaw Vachha Road, Mumbai 400020	1) Pursuant to Sections 196,197,203 and other applicable provisions of the Companies Act, 2013 and rules made thereto (including any statutory modification(s) or re-enactment thereof) read with section II of Part II of Schedule V of the act and subject to the approval of Central Government and other approvals sanctions or permissions, if any to the extent necessary, consent was accorded to the re-appointment of Mr. Ness Wadia, as Managing Director for a period of 5 years with effect from 1 April 2016 to 31 March 2021, on the terms and conditions as recommended by the NRC and approved by the Board.
2	3 August 2017 at 4.00pm	Y.B. Chavan Auditorium, General Jagannath Bhosale Marg, Mumbai 400021	No Special Resolution was passed in this AGM.
3	8 August 2018 at 3.30 pm	Y.B. Chavan Auditorium, General Jagannath Bhosale Marg, Mumbai 400021	1) Approval for continuation of holding office of Non-Executive Director of the Corporation, by Mr. Nusli N. Wadia (DIN: 00015731), who would be above the age of 75 years as on 1 April 2019. 2) Approval for continuation of holding office of Non-Executive Director of the Corporation, by Mr. A. K. Hirjee (DIN: 00044765), who was above the age of 75 years. 3) Approval for continuation of holding office of Non-Executive Director of the Corporation, by Mr. M. L. Apte (DIN: 00003656), who was above the age of 75 years. 4) Approval for continuation of holding office of Non-Executive Director of the Corporation, by Mr. D. E. Udwadia (DIN: 00009755), who was above the age of 75 years.

- (b) Extraordinary General Meeting:

No extraordinary general meeting of the members was held during the FY 2018-19.



**(c) Details of Resolutions passed through Postal Ballot:**

During the year under review, no resolution by way of postal ballot was passed.

- (d) Whether any Special Resolution is proposed to be passed through postal ballot this year:** Currently, there is no proposal to pass any Special resolution through Postal Ballot. Special resolutions by way of Postal Ballot, if required to be passed in the future, will be decided at the relevant time and shall be intimated to the concerned Regulators as per the applicable provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

**5. Other Disclosures:****a. Related Party Transactions:**

The Corporation has formulated a policy on dealing with Related Party Transactions and the policy is disclosed on the website of the Corporation at [www.bbtcl.com](http://www.bbtcl.com)

There were no material related party transactions during the year that have conflict with the interest of the Corporation. Transactions entered into with related parties during the financial year were in the ordinary course of business and at arm's length basis and were approved by the Audit Committee. Requisite disclosure as required under the Indian Accounting Standards (Ind AS 24) has been made in the notes to the Financial Statements.

**b. Accounting Treatment:**

Pursuant to the notification issued by Ministry of Corporate Affairs, the Corporation has adopted the Indian Accounting Standards ('Ind AS') with effect from 1 April 2016.

**c. Dividend Distribution Policy:**

The Corporation has adopted a Dividend Distribution Policy in accordance with the requirements of Regulation 43A of the SEBI (LODR) Regulations, 2015. The same is available on the website of the Corporation and can be accessed at [www.bbtcl.com](http://www.bbtcl.com).

**d. Risk Management:**

A detailed review of business risks and the Corporation's plan to mitigate them is presented to the Audit Committee and Board. The Corporation has been taking steps to mitigate foreseeable business risks. Business risk evaluation and management is an ongoing and continuous process within the Corporation and regularly updated to the Audit Committee and Board.

**e. Code of Conduct:**

The Corporation has laid down a Code of Conduct for the members of the Board as well as for all employees of the Corporation. The Code has also been posted on the Corporation's website [www.bbtcl.com](http://www.bbtcl.com)

The Chief Executive Officer has confirmed and declared that all members of the Board and Senior Management have affirmed compliance with the Code of Conduct.

**f. Details of non-compliance by the Corporation, penalties, and strictures imposed on the Corporation by Stock Exchange or Securities and Exchange Board of India or any statutory authority, on any matter related to capital markets, during the last three years: None.****g. CEO/ CFO Certification:**

Mr. Dibakar Chatterjee, Chief Executive Officer and Mr. N H Datanwala, Chief Financial Officer have provided the Compliance Certificate to the Board in accordance with Regulation 17(8) read with Part B of schedule II of the SEBI Listing Regulations, 2015 for the financial year ended 31 March 2019.

**h. Code for Prevention of Insider Trading:**

The Securities and Exchange Board of India (SEBI) vide its notification dated 31 December 2018 and 21 January 2019 had made amendments to SEBI (Prohibition of Insider Trading) Regulations, 2015 with effect from 1 April 2019.

Pursuant to the amendments the Corporation has adopted the revised Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons and other relevant policies.

**i. Disclosures under the Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

The Corporation has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints of sexual harassment at workplace.

The Corporation has not received any complaint on sexual harassment in FY 2018-19.

**j. Material Subsidiaries:**

A Policy for determining Material Subsidiaries has been formulated in compliance with the requirements of Regulation 16 of the Listing Regulations. This Policy has been uploaded on the website of the Company and can be accessed at [www.bbtcl.com](http://www.bbtcl.com).

**k. Commodity Price Risk or Foreign Exchange Risk and hedging activities:**

The Corporation has the mechanisms to manage commodity price risk and foreign risk through strategic forward contracts.

**l. Independence of Directors:**

The Board understands and recognizes the importance of the Independent Directors and therefore encourages them to exercise their independent judgement to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments, good corporate governance and standards of conduct which in totality are in the interest of the Corporation. The Board is also of the opinion that the independent directors fulfill the conditions specified under Listing Regulations and are independent from the Management of the Corporation.

**m. Fees to the Auditors:**

Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm /network entity of which the statutory auditor is a part during FY 2018-19 was ₹ 305.19 lakh.

**n. Certificate from Practicing Company Secretary:**

The Corporation has received a certificate from Mr. Tushar Shridharani, Company Secretary in practice, certifying that none of the Directors of the Corporation are disqualified/ debarred by Securities and Exchange Board of India/ Ministry of Corporate Affairs and other regulatory authorities.

**o. Credit Rating:**

Corporation has received Credit rating from Care Ratings Limited (CARE) and India Ratings & Research for Bank facilities, Non- Convertible Debentures and Commercial Papers. Credit Ratings received by the Corporation are as under:

Sr. No	Rating Firm	Instruments	Rating Received
1	CARE	Long term bank facility Short term bank facility	CARE AA; Stable CARE A1+
2	India Ratings & Research Private Limited	Non-Convertible Debentures Commercial Papers	INDAA / Stable IND A1+

**6. Means of Communication:**

The Corporation values its shareholders and other stakeholders and therefore all the information/latest development(s) with respect to the working of the Corporation is communicated to the Shareholders through below mentioned modes of communication:

**(i) Quarterly/ Annual results:**

The unaudited quarterly and half yearly results are announced within forty-five days from the end of the quarter/half-year and the audited annual results within sixty days from the end of the last quarter as stipulated under the SEBI (LODR) Regulations, 2015 and are filed with the Stock Exchanges immediately after these are approved by the Board and also posted on the website of the Corporation i.e. [www.bbtcl.com](http://www.bbtcl.com).

**(ii) Publication of Quarterly/Annual Results:**

The results are filed with the Stock Exchanges immediately on approval by the Board and are generally published in The Free Press Journal (English) and Navshakti (Marathi).

**(iii) Website:**

All the information required to be provided to the Shareholders under applicable regulatory provisions are made available on the website of the Corporation i.e. [www.bbtcl.com](http://www.bbtcl.com).

**(iv) Whether Management Discussion and Analysis Report forms part of the Annual Report:**

Yes

**7. General Shareholder Information:****(a) AGM: Date, Time and Venue:**

Monday, 12 August 2019 at 3.45 p.m. at Y. B. Chavan Auditorium, General Jagannath Bhosale Marg, Mumbai 400021.

**(b) Financial Year of the Corporation:**

The financial year covers the period from 1 April to 31 March.

**(c) Date of Book closure and Dividend Payment Date**

Book Closure for Dividend will be from Saturday, 3 August 2019 to Monday, 12 August 2019, both days inclusive and the Dividend would be paid/dispatched on or after 13 August 2019.

**(d) Listing of Ordinary (Equity) Shares, Debentures on Stock Exchanges and Security Code**

<b>Name and address of the Stock Exchange</b>	<b>Type of Security / Security Code</b>
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001.	a. Equity Share of ₹ 2 each / 501425 b. 1,500 Non-Convertible Debentures of ₹ 10,00,000/- / INE050A07014
National Stock Exchange of India Limited Exchange Plaza, C-1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051.	Equity Shares of ₹2 each / BBTC EQ

Listing fees for FY 2019-20 have been paid to the Stock Exchanges on which the equity shares and Non- Convertible Debentures of the Corporation are listed.

**(e) International Securities Identification Number (ISIN) - INE050A01025**

**(f) Corporate Identity Number:** L99999MH1863PLC000002

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

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

**(i) Registrar & Transfer Agents:**

Karvy Fintech Private Limited are the Registrar and Transfer Agent (RTA) to handle the entire share registry work, both physical and electronic. Accordingly, all documents, transfer deeds, demat requests and other communications in relation thereto should be addressed to the RTA at its following offices:

**(j) Karvy Fintech Private Limited**

Unit: The Bombay Burmah Trading Corporation, Limited  
Karvy Selenium Tower B, Plot 31-32, Gachibowli,  
Financial District, Nanakramguda, Hyderabad – 500 032  
Email Id: [einward.ris@karvy.com](mailto:einward.ris@karvy.com)  
Phone: +91 40 6716 2222; Fax No: +91 40 2342 0814  
Website: [www.karvyfintech.com](http://www.karvyfintech.com)  
E-mail: [einward.ris@karvy.com](mailto:einward.ris@karvy.com)

**The Registrar and Transfer Agents also have an office at:**

Karvy Fintech Private Limited  
24- B, Raja Bahadur Mansion, Ground Floor, Ambalal Doshi Marg,  
Behind BSE, Fort, Mumbai – 400 023.  
Tel. No.: +91 22 6623 5454/ 412/427

The Corporation has also designated [investorservices@bbtcl.com](mailto:investorservices@bbtcl.com) as an exclusive e-mail ID for Investors for the purpose of registering complaints and the same has been displayed on the Corporation's website

For all investor related matters, the shareholders can contact the following:

Mr. N H Datanwala – Chief Financial Officer  
Phone: +(91)-22 22197101

**Address for correspondence with Debenture Trustee**

IDBI Trusteeship Services Limited  
 Asian Building, Ground Floor 17,  
 R Kamani Marg, Ballard Estate,  
 Mumbai 400 001  
 Tel : +(91)- 22 40807005  
 Fax: +(91)- 22 66311776  
 Email Id: itsl@idbitrustee.com

**(k) Share Transfer System:**

Share transfers in physical form are registered within 15 days from the date of receipt in case documents are complete in all respects.

The Corporation has obtained half yearly certificates from the Company Secretary in practice for due compliance of share transfer formalities as per the requirement of Regulation 40 (9) of SEBI (LODR) Regulations, 2015.

In case of shares in electronic form, the transfers are processed by NSDL / CDSL through respective Depository Participants.

**(l) Dematerialisation of shares:**

The Corporation's shares are available for dematerialization with both the Depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). 89.43% of the paid-up capital of the Corporation were held in dematerialized form as on 31 March 2019.

As indicated in Annexure 1 to this report pertaining to Stock market data for the year under review, it can be said that the shares of the Corporation are actively traded on BSE and NSE and hence ensure good liquidity for the investors.

As per SEBI notification dated 30 November 2018, the listed Companies are disallowed to accept the request for transfer of securities which are held in physical form, with effect from 1 April 2019. Therefore, in view of the above and to avail various benefits of dematerialization, Members are advised to dematerialize the shares held by them in physical form.

**(m) Distribution of shareholding as on 31 March 2019**

Group of Shares	No. of Shareholders	No. of Shares held	% of total Share capital
1 to 500	26,307	2,288,418	3.28
501 to 1000	1,335	1,077,567	1.54
1001 to 2000	825	1,249,687	1.79
2001 to 3000	422	1,081,293	1.55
3001 to 4000	186	653,809	0.94
4001 to 5000	111	513,126	0.74
5001 to 10000	240	1,689,911	2.42
10001 and above	200	61,218,089	87.74
<b>Total</b>	<b>29,626</b>	<b>69,771,900</b>	<b>100.00</b>

**Shareholding pattern as on 31 March 2019**

<b>Particulars</b>	<b>No. of Shares held</b>	<b>% of Shares</b>
Promoter & Promoter Group	45,999,345	65.93
Financial Institutions/Banks	150,765	0.22
Insurance Companies	313,679	0.45
Mutual Fund & Unit Trust of India	1,107,851	1.59
FII's and FPI	3,268,455	4.68
Others	18,931,805	27.13
<b>Total</b>	<b>69,771,900</b>	<b>100.00</b>

**(n) Audit of Reconciliation of Share Capital:**

As stipulated by SEBI, a qualified Practicing Company Secretary carries out the Audit of Reconciliation of Share Capital to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and paid up capital. This audit is carried out every quarter and the report there on is submitted to the Stock Exchanges and is placed before the Board. The audit, inter alia, confirms that the total issued and paid up capital of the Corporation is in agreement with the aggregate of the total number of shares in dematerialized form held with NSDL and CDSL and total number of shares in physical form.

**(o) Transfer of Unpaid / Unclaimed Dividend and Shares to Investor Education and Protection Fund:**

During the year under review, the Corporation has transferred an amount of ₹1,481,229/- being unpaid dividend pertaining to the financial year 2010-2011 to the Investor Education and Protection Fund (IEPF), pursuant to the provisions of the Companies Act, 2013 read with the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time ('the IEPF Rules').

Further, in accordance with the provisions of the Act and the IEPF Rules the Corporation has transferred 28,715 equity shares of ₹2 each to the credit of the Investor Education and Protection Fund Authority, on 6 November 2018, in respect of which dividend had not been paid or claimed by the shareholders for seven consecutive years from 2010-2011.

The voting rights on the shares transferred to IEPF Authority shall remain frozen till the rightful owner claims the shares.

The following tables give information relating to various outstanding dividends and the dates by which they can be claimed by the shareholders from the Company's Registrar and Share Transfer Agent:

<b>Financial Year ended</b>	<b>Date of Declaration of Dividend</b>	<b>Due Date for claiming the dividend</b>
2011-2012	8 August 2012	13 September 2019
2012-2013	7 August 2013	12 September 2020
2013-2014	13 August 2014	18 September 2021
2014-2015	5 August 2015	10 September 2022
2015-2016	5 August 2016	10 September 2023
2016-2017	3 August 2017	8 September 2024
2017-2018	8 August 2018	13 September 2025

**(p) Plant Locations:**

Tea and Coffee Estates	1) Mudis Group of Estates, Mudis P.O., Coimbatore Dist. Tamil Nadu, 642117
	2) Singampatti Group of Estates, Manjolai P.O Tirunelveli Dist. Tamil Nadu, 627420
	3) Elk Hill Group of Estates, P.O. Box No.12, Sidapur P & T.O., South Coorg, Karnataka 571253
	4) Usambara Group, Marvera & Herkulu Estate, P.O. Box 22, Soni, Tanzania
	5) Dunsandle Estate, Dunsandle P.O., Outacamund, Nilgiri Dist., Tamil Nadu 643005
Auto Electric Components Business (Electromags)	Plot no. 128-133, Illrd Cross Street, Nehru Nagar, Kottivakkam, Tiruvanmiyur, Chennai, Tamil Nadu 600041
Dental Products of India Division	Plot No.161-B, Village Danpur, Rudrapur Kashipur Road, Paragana-Rudrapur, Tehsil Kichha, Udham Singh Nagar, Uttarakhand 263153

Address for Correspondence (Registered Office): 9, Wallace Street, Fort, Mumbai 400001.

Email: investorservices@bbtcl.com

**(q) Green Initiative:**

The Corporation has been sending Annual Reports and other communication in the past few years by email to all those members whose email addresses are registered in the member records as maintained by the Registrar and Transfer Agent. Physical copies are also provided to such members on specific request.

The Corporation therefore appeal to the members to join the 'Green Initiative' and request the members to register their name for receiving the said documents in electronic mode by sending an email giving their Registered Folio Number and/or DP Id/Client ID to the Registrars, Karvy Fintech Private Limited at email id: einward.ris@karvy.com.

**8. Details of compliance with mandatory requirements and non-mandatory requirements****a. Compliance with Mandatory requirements**

The Corporation has complied with all the mandatory requirements as specified in Regulation 17 to 27 and clause (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI LODR Regulations, 2015.

**b. Adoption and Compliance with Non-mandatory requirements:****1. Office of Chairman of the Board:**

The Corporation defrays expenses of the Non- Executive Chairman's office incurred in the performance of his duties.

**2. Shareholder rights –furnishing of half yearly results:**

The Corporation's quarterly and half yearly results are published in English and regional newspapers having adequate circulation and are also posted on its website. The Corporation provides the copies of the quarterly and half yearly results only on receipt of specific request from any shareholder.

**3. Audit Qualification:**

There are no qualifications in the Independent Auditors' Report on the Standalone Financial Statements and Consolidated Financial Statements.

**4. Separate post of Chairman and Chief Executive Officer:**

The Corporation has separate post of Chairman and Managing Director & Chief Executive Officer

**5. Reporting of internal audit:**

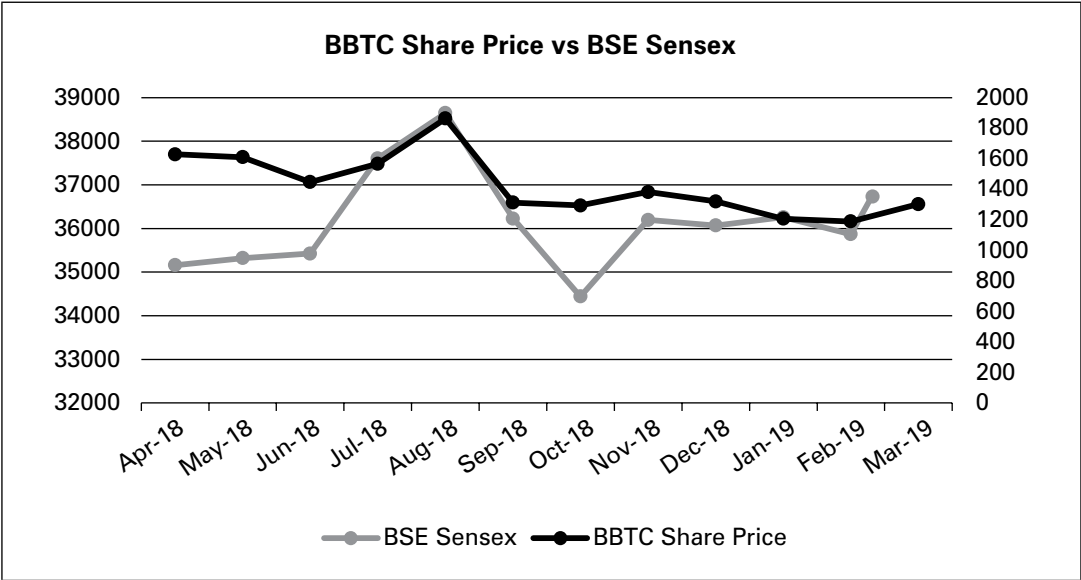
The Internal Auditors report directly to the Audit Committee.

Annexure 1

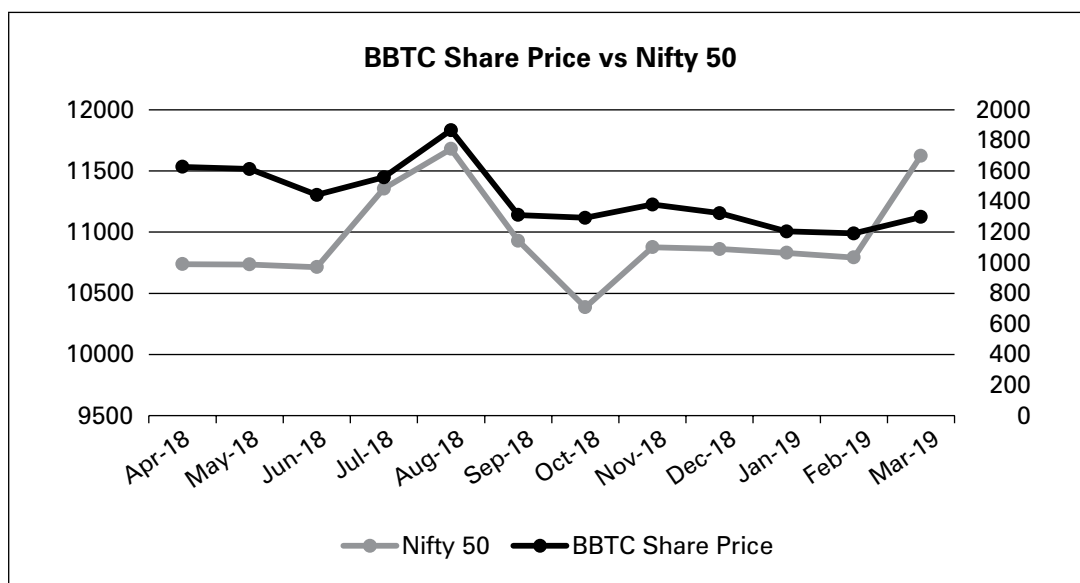
STOCK MARKET DATA 2018-2019

Month	BSE		BSE (SENSEX) Monthly Closing	NSE		NSE (NIFTY) Monthly Closing
	Price (in ₹)			Price (in ₹)		
	High	Low		High	Low	
Apr- 18	1636.15	1184.7	35160.36	1640	1187.2	10739.35
May -18	1657	1418.9	35322.38	1661.3	1421.6	10736.15
June- 18	1639	1384.25	35423.48	1620.85	1382	10714.3
July -18	1595	1382	37606.58	1594.7	1404	11356.5
Aug-18	2113.85	1525.05	38645.07	2115	1525	11680.5
Sept -18	1968.85	1302.1	36227.14	1968.9	1285.6	10930.45
Oct -18	1365.2	1153.3	34442.05	1366	1160	10386.6
Nov -18	1440	1304	36194.3	1440	1307	10876.75
Dec -18	1404.65	1181.1	36068.33	1404	1182	10862.55
Jan - 19	1330.05	1166	36256.69	1332	1165	10830.95
Feb -19	1270	1153.3	35867.44	1266	1163.85	10792.5
Mar -19	1384	1198	38672.91	1374	1193	11623.9

Annexure 2







### DECLARATION ON CODE OF CONDUCT

As provided under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 31 March 2019.

For The Bombay Burmah Trading Corporation, Limited

Dibakar Chatterjee  
Chief Executive Officer

Mumbai, 2 July 2019

## **AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

### **Independent Auditor's Certificate on Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

#### **To the Members of**

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

1. This certificate is issued in accordance with the terms of our agreement dated 31 July 2018.
2. This report contains details of compliance of conditions of corporate governance by The Bombay Burmah Trading Corporation Limited ('the Company') for the year ended 31 March 2019 as stipulated in regulations 17-27, clause (b) to (i) of sub-regulation (2) of regulation 46 and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ('Listing Regulations') pursuant to the Listing Agreement of the Company with the National Stock exchange Limited and the Bombay Stock Exchange Limited (collectively referred to as the 'Stock Exchanges').

#### **Management's Responsibility for compliance with the conditions of Listing Regulations**

3. The compliance of conditions of Corporate Governance is the responsibility of the Company's management including the preparation and maintenance of all relevant supporting records and documents.

#### **Auditors' Responsibility**

4. 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.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31 March 2019.
6. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

#### **Opinion**

8. 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 Regulations.

9. 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.

**Restriction on use**

10. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No: 101248W/W-100022

**Vijay Mathur**

Partner

ICAI UDIN: 19046476AAAABA4187

Mumbai  
2 July 2019

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31<sup>st</sup> March 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members  
The Bombay Burmah Trading Corporation, Limited  
9, Wallace Street, Fort  
Mumbai – 400 001

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by The Bombay Burmah Trading Corporation, Limited (**"the Company"**). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March 2019 (**"Audit Period"**) complied to the extent applicable with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company to the extent applicable for the Audit Period according to the provisions of:

- (i) The Companies Act, 2013 (**"the Act"**) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

I have also examined compliance with the applicable regulations of the following:

- (a) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the Audit Period; the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above to the extent applicable; subject to Managerial Remunerations paid to Mr. Ness Wadia, Managing Director of the Company for financial years 2016-17, 2017-18 and 2018-2019 have been beyond permissible limit under the Act and in context the Company is yet to receive approval of members of the Company in pursuance of provisions of section 197 (1) of the Act.

Having regard to the compliance system prevailing in the Company and on examination on the test check basis of the relevant records; I further report that the Company has complied with the following laws as are specifically applicable to the Company:

- (a) The Tea Act, 1953 and the rules made thereunder;
- (b) The Coffee Act, 1942 and the rules made thereunder;
- (c) The Plantation Labour Act, 1951 and the rules made thereunder.

**I further report that:**

The Board of Directors of the Company is duly constituted with the proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and notes on agenda were sent in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

During the Audit Period, all decisions at Board Meetings and Committee Meetings were carried out unanimously.

**I further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** during the audit period the company had no event or action which has a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

Place: Mumbai  
Date: 2 July 2019

**(Tushar Shridharani)**  
Practicing Company Secretary  
FCS 2690 / COP 2190

Note: This report is to be read with my letter of even date which is annexed herein next as Annexure A and forms an integral part of this report.

**Annexure A**

To,  
The Members -  
The Bombay Burmah Trading Corporation, Limited  
9, Wallace Street, Fort  
Mumbai – 400 001

This letter is an integral part of the Secretarial Audit Report of even date for F.Y. 2018-19 submitted to The Bombay Burmah Trading Corporation, Limited ("the Company") in pursuance of provisions of section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Members of the Company are informed as follow.

1. The compliance of provisions of all laws, rules, regulations, standards applicable to the Company is the responsibility of the management of the Company. My examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the present Secretarial Audit Report.
2. Maintenance of the secretarial and other records of applicable laws is the responsibility of the management of the Company. My responsibility is to issue Secretarial Audit Report, based on the examination of the relevant records maintained and furnished to us by the Company, along with explanations where so required.
3. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. The verification was done on test check basis to ensure that correct facts as reflected in secretarial and other records produced to us. I believe that the processes and practices that I followed, provide a reasonable basis for my opinion for the purpose of issue of the Secretarial Audit Report.
4. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Wherever required, I have obtained the management representation about list of applicable laws, compliance of laws, rules and regulations and major events during the audit period.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**(Tushar Shridharani)**  
Practicing Company Secretary  
FCS: 2690 / COP: 2190

Place: Mumbai  
Date: 2 July 2019

**MANAGEMENT DISCUSSION AND ANALYSIS 2018-19****Division-Wise Business Analysis****Plantation Business:****(A) TEA:****Industry Structure and Developments****Indian tea Crop:**

	<b>F.Y.2018-19 Million Kg.</b>	<b>F.Y.2017-18 Million Kg.</b>
North India Tea production	<b>1,043.85</b>	1,044.70
South India Tea production	<b>204.23</b>	219.30
<b>TOTAL</b>	<b>1,248.08</b>	1,264.00

North India Tea production was marginally lower by 1.15 million kg (0.11%). South India Tea production was lower by 15.07 million kg - a decrease of 6.9% over previous year.

South India Tea volumes declined over the previous year on account of the devastating floods in August 2018 and the cold winter that followed. Anamallai tea district in South India, continued to be affected by the pest 'Tea Mosquito Bug'; however, the estates of your Corporation were largely unaffected because of improved field practices.

Domestic consumption of tea has grown by 2% from 992 million kg for FY 2017-18 to 1010 million kg in FY 2018-19.

Exports for FY 2018-19 were at 250 million kg as compared to 256 million kg for FY 2017-18. Exports have shown a decline following US sanctions on Iran and stoppage of exports to Pakistan.

**Performance Highlights:**

Summarised performance of South India Tea Business is provided below:

	<b>F.Y.2018-19</b>	<b>F.Y.2017-18</b>
Tea production Own leaf (lakh kg)	<b>50.86</b>	46.49
Tea production Bought leaf (lakh kg)	<b>6.47</b>	5.84

Total Tea production (lakh kg)	<b>57.32</b>	52.32
Total Tea sales (lakh kg)	<b>62.46</b>	52.65
Total Tea turnover (₹ in lakh)	<b>8,074</b>	6,552
Average selling price ₹/ kg	<b>129.27</b>	124.45

Total Own tea production during the year increased by 9.39%, sales volume by 19% and price realisation by 3.9% over previous year.

Although South India Tea Plantations continue to under-perform and reported loss before interest, there has been some improvement in their performance over the previous year as is reflected from the above table. The loss before interest for the year at operating level has reduced to ₹ 1,155 lakh as against loss of ₹ 1,895 lakh for the previous year. The performance would have been better, but the aggressive monsoon and storm damage in the earlier part of the year and a drought like condition in the last quarter of the financial year affected the crops. Adequate cost control measures and productivity improvements have been adopted to reduce expenditure despite the increase in wages and other input costs.

Exports: Overall export price realisation was higher by 9.65% though volume declined by 10.30% due to the market conditions during the year.

**Opportunities & Threats:****Opportunities:**

Demand for better made teas seen in the first half of the year, softened post the floods in South India. The Corporation has enhanced manufacturing capacity of Orthodox teas, with a view to improve price realisation per kg of tea. The area under organic cultivation is being increased to drive growth in the export market.

Domestic market has demand for good liquoring tea and speciality tea. The

Corporation has invested in the improvement of manufacturing facilities to tap this growing demand for better quality tea.

With a focus to improve revenue from alternate crops in future, pepper planting has commenced in Mudis group and is planned to continue in a phased manner over the next 4 years to make this a high revenue yielding project.

#### **Threats:**

Increasing wage costs and seasonal shortage of labour continues to be a constraint for higher replanting of aged tea plants in Mudis. Changing weather patterns resulting from global warming pose a major threat.

#### **Outlook:**

Conversion to organic status has commenced in an additional 391 ha at Singampatti and 75 ha at Dunsandle. By FY 2023, the total area under organic cultivation would be 746 ha, with an estimated organic production of around 7.5 lakh kg, making the Corporation one of the largest producers of organic tea. This would have a positive impact on the top line and the bottom line of these estates.

#### **Internal Control Systems and their Adequacy:**

The Corporation has formulated a Code of Business Conduct for all employees and has clearly articulated and internalized delegation of financial authority. These authority levels are periodically reviewed and modifications, if any, are submitted to the Audit Committee and Board for approval. The Corporation takes prompt action on any violations of the Code of Business Conduct by its employees. During the year under review an Internal Financial Control (IFC) Audit was carried out.

#### **Risks and Concerns:**

- a) Change in weather pattern: Longer dry spell and heavy monsoons in a short time frame are affecting the production opportunity to a great extent.
- b) Last year saw the heaviest rainfall in recent times, damaging crop potential, across all Groups. In addition, two tropical storms further reduced our crop.

The effect was most pronounced in the July to September quarter.

- c) High incidence of the Tea Mosquito Bug continues to pose a challenge in Anamallai. However, Mudis group of estates had controlled this effectively during the season with diligent implementation of improved field practices, emphasis on operational efficiency, and reduced chemical inputs during the break in weather in the third quarter. This resulted in almost no loss in crop due to the Tea Mosquito Bug this year compared to 20% crop loss last year.
- d) Ageing work force combined with absenteeism of around 15% puts pressure on timely field operations especially during peak growing season where most major works such as pruning, weeding, and nutrient spraying need to be compressed in a short period of 60 days. This has been overcome to a large extent by mechanization of harvesting and offering innovative incentives to improve plucking productivity and other field activities.
- e) Increasing wage costs and seasonal shortage of labour continues to be a constraint for higher replanting of aged tea plants in Mudis.

#### **Medium Term and Long Term Strategy:**

##### **1) Improving Land Productivity**

- By increasing tea infilling in vacant areas and thereby improving plant density.
- By soil rehabilitation to improve soil structure, to sustain nutrient supply, retain moisture better, and improve plant immunity to pests and diseases.
- Culturing of predators for the Tea Mosquito Bug menace to reduce incidence of the bug while simultaneously reducing chemical inputs.
- To grow alternate crops by planting Pepper, Orange, Avocados and Vetiver for oil extraction.



## 2) Quality Improvement and Cost Reduction

- Expansion of Dunsandle Orthodox factory to handle higher capacity.
- Renovation of factories through automation and replacement of old machineries for quality improvement and cost reduction.

## HUMAN RESOURCES AND INDUSTRIAL RELATIONS:

Plantations are labour-intensive; hence, it is imperative to upskill our workforce in order to increase their productivity. During the year, trainings were provided on different subjects to enhance the operational capabilities of the workforce. The topics covered under the training programs included statutory compliance, hygiene and nutrition, information technology, adoption of standard operating procedures, occupational health and safety awareness.

Progressive industrial relations were maintained with all trade unions through regular interaction with representatives at all levels to secure the welfare of labour.

There were 3001 permanent workers on the rolls of the tea plantations of the Corporation as on 31 March 2019.

## (B) COFFEE:

### Industry Structure and Developments:

Global production of coffee for the FY 2018-19 was 168.05 million bags against 165.54 million bags in the previous year, a 1.5 % increase in production. World consumption of coffee for FY 2018-19 is estimated at 164.99 million bags as against 161.38 million bags in FY 2017-18. A bag is 60 kg.

With total production of 5.3 million bags, India showed an increase of 1.11% compared to the FY 2017-18. This is mainly contributed by the increase in production of Robusta coffee.

There is a wide gap between coffee production and consumption in India. Domestic consumption is increasing at the rate of around 4% during the last few years.

## Performance Highlights:

Elkhill group Coffee production for the FY 2018-19 was 731 MT. This is the highest production in the last 8 years. Robusta production was 285% more than last year and Arabica production was lower by 5% over the FY 2017-18.

Under bought coffee fruit operations, the Corporation purchased ~3950 MT of Robusta coffee fruit and ~190 MT of parchment from Coorg to produce 1028 MT clean coffee. This is the highest ever on record for Robusta bought coffee fruit operations. Summarised performance of coffee is presented below:

	FY.2018-19	FY.2017-18
Coffee own production (MT)	731	273
Coffee processed from bought fruit (MT)	1,028	150
Total (MT)	1,759	423
Sales (MT)	677	550
Turnover (₹ lakh)	1,213	1,077
Net Sales Average (₹/kg)	179.17	195.81

The total clean coffee produced was 1759 MT, most of which will be sold in FY 2019-20. With increase in own production supported by bought coffee fruit operations and income from timber worth ₹ 720 lakh, the performance of coffee has shown marked improvement over previous year and reported profit before tax of ₹ 757 lakh at operating level as against loss of ₹ 467 lakh for the previous year

## Opportunities and Threats:

Elkhill Coffee gets a premium of about 25% over NYCE/LIFFEE price on its exports. Due to its quality consistency, Elkhill coffee is well accepted in European market. Prospects for entry in new markets such as South Korea and Australia are promising. Expansion and promotion of Elkhill coffee in these markets is a good opportunity. The Corporation has introduced 'Roast and Ground' Coffee from Elkhill in a modest way during the year. In FY 2018-19, higher coffee production is

reported in South America (4.4%), Brazil (15%), Colombia (2.7%), Africa (1.4 %). There is a considerable increase in coffee exports from Brazil, Colombia, and Africa at prices which are at a 13-year low for Arabica.

Unusual weather changes in Coorg region have affected our coffee production. In the last few years, the region witnessed extended drought period and heavy rainfall in short span of time. This has affected proper setting of coffee fruit and the general health of the bushes. Drought mitigation measures such as efficient water management, soil and water conservation measures adopted by the management reduced the impact of drought considerably. Long term crop improvement programmes such as replanting and infilling are in progress to increase the crop per hectare.

#### **Outlook:**

Premium Coffee, washed Arabica and Robusta in specialty segment is the core of our business. Expansion to other export market such as South Korea and Australia is the thrust area of our business. Increase in bought coffee fruit operation enables better capacity utilization of our processing unit.

#### **Risks and Concerns:**

Coffee mainly depends on the export market. International production plays a major role in price determination. Climate change and pest and disease incidence during the last few years has affected coffee production considerably, particularly Arabica production.

#### **Medium Term and Long Term Strategy:**

##### **1) Land Productivity**

- Infilling of damaged and moribund plants in older Robusta and Arabica fields.
- Shade consolidation in Arabica to significantly reduce incidence of White stem borer.

##### **2) Cost Reduction**

- Upgradation of transformer and electrification of pulping facility to reduce cost.

#### **Human Resources and Industrial Relations:**

Automation and mechanisation have limited scope in coffee plantations as the terrain and existing trees under which Coffee bushes are planted do not permit automation. Proper training and encouragement is given to the work force at our plantations. Medical check-ups, training in hygiene and operational efficiency are carried out at regular interval.

Good industrial relations were maintained with all trade unions through regular interactions and meeting.

There were 360 permanent employees on the rolls of the Division as on 31 March 2019.

#### **(C) AUTO ELECTRIC COMPONENTS BUSINESS (ELECTROMAGS)**

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

The Indian Auto-Components Industry posted good growth in the first half of the FY 2018-19. However, auto demand slipped and witnessed subdued growth across all segments due to macro-economic factors such as interest rate and increase in fuel price, resulting into a lower single digit growth for most of the segments in FY 2018-19. Apart from this, uneven monsoon and uncertainty before general election 2019 led to decline in Q4 sales.

As a result, the Indian automotive industry saw a marginal increase of 5% during FY 2018-19 over the previous year. Overall Passenger Vehicle segment saw an increase of 2.7% in domestic sales, Commercial Vehicles saw the highest growth among all segments, an uptick of 17.5% and Two-wheelers grew at 4.8 % [data by Society of Indian Automobile Manufacturers (SIAM)].

The Government of India has set a deadline of 31 March 2020 for implementation of BS-VI norms. Combined with the push for electrification of vehicles, the vehicle manufacturers have not been able to decide on what technologies they have to adopt. This has made vehicle manufacturers to adopt a wait and watch policy before they invest resources.

Electromags Division is dependent on the Auto Industry and hence the performance of the industry has a direct impact on the Division's performance.

## Performance Highlights

The segment wise share of business for the division for the FY 2018-19 was as follows:

Segment	FY 2018-19	FY 2017-18
Four Wheelers	77%	79%
Two Wheelers	18%	11%
ATM Parts and Others	5%	10%

Total Revenue for FY 2018-19 was ₹ 11,138 lakh as against ₹ 9,807 lakh in FY 2017-18.

The Division's turnover increased by 14% compared to FY 2017-18. Domestic sales grew from ₹ 7,837 lakh to ₹ 9,425 lakh due to the increase in end customer demand whereas export sales dropped from ₹ 1,970 lakh to ₹ 1,713 lakh due to low demand from aftermarket. The Division developed and released new products worth ₹ 605 lakh to production. These products will bring in further growth in turnover during FY 2019-20.

## Opportunities and Threats

### Opportunities:

Due to recent Government Policy change permitting 100% FDI through Make in India effort, more and more foreign OEM's and Auto-component manufacturers are setting up facilities in India.

Segments such as Braking system, Alternator and Starter Motors are expected to grow due to positive growth in passenger and commercial vehicle segments. The Division is already working with leading Tier-1 customer to develop products for these applications.

The Division foresees increasing usage of Electrical and Electronic parts and there are opportunities in this segment. Futuristic products like Sensors, Purge Valves and Solenoid assemblies are expected to have reasonable volumes in FY 2020-21.

### Threats:

There is immense pressure from customers, particularly OEMs for price reduction. With this price pressure coupled with increase in prices of major raw-materials, the operating margins could get reduced. With the focus on BS-VI and slowdown in the auto industry, the business could get impacted.

### Outlook

The Division will continue to focus on current business line and efforts will be made to increase share of business from existing customers and adding new customers. New products are being developed with the focus on organic growth in coming years.

### Risks and Concerns

Customers are putting a premium on quality and are asking suppliers to commit for end-of-life warranty for parts. Reliability of parts is a key concern and will entail use of better practices with greater focus on automation and testing. Margins will be under pressure due to price reduction sought by customers and price increase by suppliers of raw materials. Year on Year discounts are also affecting the Division's bottom-line, a typical problem faced by small and medium scale companies in the automotive space.

### Medium-Term Strategy

- Increase in share of business from existing business for Slip rings, Solenoids Switches and FLWI (Fluid Level Warning Indicator).
- Identifying new products replacing solenoids for Diesel injection pumps.
- Migration of new technological products such as sensors and parts for Electric Vehicles.

### Long-Term Strategy:

- Focus on technology upgradation for BS VI Products.
- Opportunities on new acquisition, joint ventures and technical collaboration.

- New product development.
- Explore opportunities on moving up the value-chain such as solenoid assemblies and reservoir.
- Investment on new tooling, machinery, testing facility and line set-up for major products passenger and commercial vehicles.

#### **Human Resources & Industrial Relations:**

The Division has implemented a structured training program at all levels to retain and improve human capital.

There were 225 employees on the rolls of the Division as on 31 March 2019.

Industrial relations at the Division have been cordial.

### **(D) HEALTHCARE BUSINESS**

#### **Industry Structure and Development**

The Indian healthcare industry is experiencing quick transformation owing to the increasing demand for quality healthcare. In India, oral healthcare is an important aspect of the overall health of an individual. Diseases such as dental caries and oral cancers are major public health issues. Water fluoridation, fluoride toothpaste and a growing awareness of dental hygiene has led to improvements in the dental health of Indians over the past 25 years further leading to greater demand for restorative dental treatment. Indian oral infrastructure has shown marked improvement in the past few years but still needs to be improved further not only in rural areas but in urban areas as well.

In India, oral care infrastructure has 180 thousand dentists, serving a population of 1.20 billion. As far as the overall ratio of dentist to population is concerned, there was a marked improvement in the last 5 years. There are around 303 dental schools and over 5000 dental laboratories. The total market for the dental equipment and

materials is estimated to be around US\$ 90 million annually (source: Indian Dental Association).

#### **Performance Highlight:**

The Division reported a lower turnover of ₹ 2,203 lakh as compared to ₹ 2,451 lakh in the previous year mainly due to continued decline in sales of alloy. Sales of products other than alloy was on par with the previous year.

#### **Opportunities and Threats:**

Growing awareness and patient empowerment have led to demand for better healthcare facilities at affordable prices. Many Indians are now choosing to take health insurance, clearly showing that growing segments of the population can afford high quality treatments.

#### **Outlook:**

The division anticipates that there will be no major growth in alloy sale in the coming year. However, good sales growth can be observed on impression material group. Despite competition and lower margins, the business is sustainable because of the growing market size and the demand for new products.

#### **Internal Control Systems and Adequacy**

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

**Medium-Term Strategy:**

- Restructure the dealer network to strengthen DPI market presence.
- Increase the share of business from existing business of Impression Material.
- Identifying new products to replace Dental Alloy/Amalgams.

**Long-Term Strategy:**

- Opportunities for new acquisition, joint ventures and technical collaboration.
- New product development in restorative and endodontic dentistry.

**Human Resources and Industrial Relations:**

The Division regards human resources as a valuable asset. The Corporation evaluates performance of all employees on a quarterly basis. Key result areas of all employees have been well defined. The Corporation has initiated incentive schemes for all employees to reward exceptional performance. The training needs of all employees are periodically assessed and training programs are conducted using internal resources and also by engaging external trainers/facilitators.

**(E) CHANGES IN KEY FINANCIAL RATIOS OF THE CORPORATION:**

Ratios	FY 2018-19	FY 2017-18	Change (%)	Reason for change
Debtors Turnover (days)	67	65	2%	N/A
Inventory Turnover	4.48	6.78	-34%	On account of seasonality of coffee, increase in own production and bought coffee fruit operations.
Interest Coverage Ratio	0.45	-	-	Improvement in earnings before interest.
Current Ratio	1.00	1.21	-17%	N/A
Debt Equity Ratio	1.61	1.23	31%	On account of losses.
<b>Operating Profit Before Interest and Tax (%) at Segment level</b>				
Tea	-20%	-27%	7%	N/A
Coffee	31%	-39%	70%	Increase in own production supported by the bought coffee fruit operations.
Healthcare	6%	14%	-8%	N/A
Electromags	-1%	6%	-7%	N/A
Investments	7%	4%	3%	N/A

**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 expected or implied. Important factors that could make a difference to the Corporation's operations include economic conditions affecting demand/and overseas markets in which the Corporation operates, changes in the Government regulations, tax laws, vagaries of nature and other incidental factors.

## **BUSINESS RESPONSIBILITY REPORT**

[under Regulation 34(2)(f) of the SEBI (LODR) Regulations, 2015]

### **SECTION A : GENERAL INFORMATION ABOUT THE COMPANY**

1	Corporate Identity Number(CIN) of the Company	L99999MH1863PLC000002	
2	Name of the Company	The Bombay Burmah Trading Corporation, Limited	
3	Registered Address	9, Wallace Street, Fort, Mumbai 400001.	
4	Website	www.bbtcl.com	
5	Email id	writetous@bbtcl.com	
6	Financial Year reported	2019	
7	Sector(s) that the Company is engaged in (industry code)	Industry Code	Sector(s)
			Plantation
		1271	a) Tea
		1272	b) Coffee
		29301 & 29304	Auto Electric Components
		32501	Healthcare
8	List three key products/ services that the Company manufactures/ provides	Tea, Coffee, Auto Electric Components, Dental Products	
9	Total number of locations where business activity is undertaken by the Company: (a) Number of International locations (provide details of major 5); (b) Number of National locations.	(a) Two International locations ; (i) Usambara Group, Marvera & Herkulu Estate, P.O. Box 22, Soni, Tanzania. (ii) Suite 628, 6 <sup>th</sup> Floor Pan Global Plaza, Jalan Wong Ah Fook 80000, Johor Bahru, Malaysia. (b) Seven National locations: details are provided under 'General Shareholders' Information' in the Corporate Governance Report.	
10	Markets served by the Company: Local/State/ National/ International	The products of the Corporation have national and international presence.	

### **SECTION B : FINANCIAL DETAILS OF THE COMPANY**

1	Paid up Capital (INR)	₹ 1,396.27 lakh
2	Total Turnover (INR)	₹ 27,678.09 lakh
3	Total Profit /(Loss) after taxes (INR)	₹ (1,969.64) lakh
4	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	₹ 13.97 lakh; Percentage Nil in view of substantial loss.
5	List of activities in which expenditure in 4 above has been incurred.	<p>(a) Maintenance of Roads through the Estates at Mudis, Dunsandle and Singampatti for public use;</p> <p>(b) Maintenance of residential quarters and water supply to these quarters used by Government authorities on the plantations.</p>

**SECTION C : OTHER DETAILS**

1	Does the Company have subsidiary/ subsidiaries	Yes; the list of subsidiaries is provided in Form MGT 9 which is available on the website of the Corporation at <a href="http://www.bbtcl.com">www.bbtcl.com</a> .
2	Do the subsidiary companies participate in the Business Responsibility initiatives of the parent Company? If yes, then indicate the number of such subsidiary companies	No; the subsidiaries undertake their own BR initiatives as applicable and appropriate.
3	Do any other entity/ entities (e.g. suppliers/ distributors etc.) that the company does business with participate in the Business Responsibility activities of the Company? If yes, then indicate the percentage of such entity/ entities.[less than 30 %, 30%-60%, more than 60%]	Corporation engages with its stakeholders through its BR initiatives as appropriate.

**SECTION D: BR INFORMATION****1. Details of Director / BR head**

(a)	Details of Director/ Directors responsible for Business Responsibility	Mr. Ness Wadia DIN : 00036049 Managing Director
(b)	Details of the Business Responsibility Head	Mr. Dibakar Chatterjee Chief Executive Officer Telephone No.: 22197101 Email id : <a href="mailto:investorservices@bbtcl.com">investorservices@bbtcl.com</a>

**2. Principle-wise (as per NVGs) BR Policy/ Policies**

The National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are:

- P1 : Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
- P2 : Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
- P3 : Businesses should promote the well being of all employees.
- P4 : Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
- P5 : Businesses should respect and promote human rights.
- P6 : Businesses should respect, protect and make efforts to restore the environment.
- P7 : Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
- P8 : Businesses should support inclusive growth and equitable development.
- P9 : Businesses should engage with and provide value to their customers and consumers in a responsible manner.

**(a) Details of Compliances (Reply in Y/N)**

Sr No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have policies for .....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Yes								
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	The policies conform to National and International standards as applicable.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Policies mandated under the Companies Act,2013 and SEBI (LODR) Regulations, 2015 are approved by the Board and other policies are approved by the Managing Director or Business Heads of the various Divisions.								
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	The Corporation has CSR Committee, Audit Committee, Complaints Committee and also adequate internal control systems to oversee the implementation of policies.								
6	Indicate the link for the policy to be viewed online?	All our policies are made available to respective stakeholders. Most of our policies are available on the Company's website at <a href="http://www.bbtcl.com">www.bbtcl.com</a>								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes, wherever applicable.								
8	Does the company have in-house structure to implement the policy/ policies.	Yes								
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes, wherever appropriate.								
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Yes, wherever appropriate.								

Links to the Corporation's Policies: All the policies of the Corporation are hosted on its website at [www.bbtcl.com](http://www.bbtcl.com)

**(b) If answer to the question at serial no. 1 against any principle is 'No', please explain why: (tick upto 3 options)-** Not Applicable

**3. Governance related to Business Responsibility(BR)**

**(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:**

The BR performance is assessed annually.



**(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

The BR is published in Annual Report and disclosed on the website of the Corporation [www.bbtcl.com](http://www.bbtcl.com).

**SECTION E: PRINCIPLE-WISE PERFORMANCE**

**Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability**

**1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?**

The Corporation abides by the Wadia Group Code of Conduct which strives for transparency and fairness in all business dealings. Good Corporate Governance has been an integral part of the running of businesses within the Wadia Group much before it became legally enforceable.

The Wadia Code of Conduct outlines the principles, policies and laws that govern the activities of the Corporation and which the employees of the Corporation must adhere to. The Code is circulated to all employees and Directors and others associated with the business of the Company and offers guidance for professional conduct.

Annual affirmations are taken from all Directors, Business Heads, Key Managerial Personnel and senior employees.

Further, the Corporation has adopted the Whistle Blower Policy to provide a mechanism for employees and Directors to approach Chairman of the Audit Committee for reporting genuine concerns. The Code of Business Conduct and Whistle Blower Policy provide a platform for reporting unethical behavior, fraud and actual or potential violation of the Code.

The Corporation also has in place Policy on Sexual Harassment at Workplace (Prevention, Prohibition and Redressal) to maintain a work environment free from any form of discrimination or conduct which can be considered as harassing, coercive or disruptive.

The Code of Conduct for Suppliers outlines the policies for suppliers to follow. An affirmation is obtained from the Supplier during commencement of business relations in the Plantations.

**2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

During the past financial year, no complaint was received from any stakeholder under the Code of Conduct.

**Principle 2 : Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.**

**1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities :**

The Corporation has Tea and Coffee Plantations spread over four groups of Estates in Tamil Nadu and Karnataka. The Corporation is certified under the international codes of Fairtrade, Rainforest Alliance, UTZ and Organic norms which ensure that environmental and social concerns are taken care of. FSSAI licenses for factories have been obtained. Trusttea certification has been obtained which evaluates the social, economic, agronomical, environmental performance of Indian Tea estates.

The Corporation at its division is engaged in the manufacturing of Solenoids, Switches and Slip rings at its Auto Electric Components Division (Electromags). In plating process harmful substances are avoided and in soldering process, the Division uses lead free solder material for major part of its operations.

**2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):**

Windmills in the wind belt near Singampatti group in Tamil Nadu provides benefits to the tea factories by offsetting a percentage of the energy requirement. The plant protection code as stipulated by the Tea Board is followed strictly for safe usage of plant protection products and adherence to safety standards for production of safer, healthier and more environmentally friendly tea. The Bio-methanisation and water treatment plant at its coffee estates at Elkhill, Coorg at Karnataka treats the effluent water. The plant also uses coffee mucilage as feed stock for producing biogas enabling reduction in usage of electricity and firewood for coffee processing.

**3. Does the Company have procedures in place for sustainable sourcing (including transportation)?**

Yes

**4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**

The Corporation's bought leaf operations (procuring tea leaf) and outsourcing coffee beans from small growers and local producers provide them ready market for their produce and also improve their capabilities.

The Electromags Division engages number of sub-contractors to carry out job works from local and small producers.

**5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

The Corporation has set up the Bio- gas Plant and a Water treatment plant at Elkhill Estates, Coorg at Karnataka. These plants recycle waste water for removal of effluents and also produces bio-gas using coffee mucilage from the coffee processing plant.

The Electromags Division has a mechanism to recycle copper and thermoplastic materials in excess of 10% at its operating units.

**Principle 3: Businesses should promote the well-being of all employees.**

The Corporation believes that it is the knowledge, expertise and passion of its employees that puts any Company in the growth trajectory. Towards this objective, the Corporation provides a work environment that is free from any discrimination or harassment, promotes individual and collective growth and has adopted various policies, procedures and manuals for the protection and welfare of its employees. The Corporation is a Fairtrade Producer thereby ensuring optimum wages and safe working environment.

1. Total number of employees: 5087
2. Total number of employees hired on temporary/contractual/casual basis: 1723
3. Number of permanent women employees: 2762
4. Number of permanent employees with disabilities: 4
5. Do you have an employee association that is recognized by management: Yes, at the Plantations Division
6. What percentage of your permanent employees is members of this recognized employee association: 60%
7. Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year : Nil

8. What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?

- (a) Permanent Employees: 100%
- (b) Permanent Women Employees: 90% to 100%
- (c) Casual/Temporary/Contractual Employees: 90%
- (d) Employees with Disabilities: 100%

**Principle 4 : Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.**

The Corporation aims to meet the expectations of all its stakeholders that include shareholders, consumers, employees, farmers and various service providers. The Corporation understands the needs of its stakeholders and develops the action plans to fulfil them while achieving its business goals.

The Corporation also has in place an investor grievance redressal system which ensures the protection of interests of the shareholders and employees. The website of the Corporation contains details of its products, business, financial information, and other statutory disclosures.

1. **Has the company mapped its internal and external stakeholders?** Yes
2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders:**

Yes, the Corporation is committed to engaging with all its employees, business associates, customers and communities who may be disadvantaged, vulnerable or marginalized.

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.**

The Corporation has founded the Bombay Burmah Plantation Welfare Trust to provide education, medical care, pension, provision and maintenance of public utilities and to generally work towards the upliftment and promotion of welfare of past and present employees of the Plantations Division and the general public at the Estates.

**Principle 5 : Businesses should respect and promote human rights.**

The Corporation's approach to uphold and promote Human Rights is underlined by the Code of Business Conduct, Whistle Blower Policy, Policy on Sexual Harassment at workplace (Prevention, Prohibition and Redressal) and a host of other employee- welfare policies.

1. **Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

Code of Business Conduct extends to employees and other who work with or represent the Corporation directly or indirectly. The Policy on Sexual Harassment at workplace (Prevention, Prohibition and Redressal) is applicable to all employees including contractual employees, trainees, consultants etc. Committee is formed at Head office level.

The Corporation is a Fairtrade Producer and the Fairtrade premium received by it goes into a community fund for workers and farmers to improve their social, economic and environmental conditions.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

During the year, the Corporation has not received any complaint with respect to violation of human rights.

**Principle 6: Businesses should respect, protect and make efforts to restore the environment.**

The Corporation understands its responsibility towards environment and has taken various steps to reduce energy consumption as well as improving energy efficiency and conservation.

Details are provided in the Annexure A to the Board's Report.

**1. Does the policy related to Principle 6 cover only the company or extends to the Group/ Joint Ventures/Suppliers/Contractors/NGOs/others:**

The Corporation adheres to all statutory compliances with respect to Environment, Health and Safety requirements.

**2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

Initiatives taken by the Corporation include Rainwater harvesting, conversion of effluents into bio-methane gas and recycling of waste water from coffee processing plant

**3. Does the company identify and assess potential environmental risks?**

Sustainable development is at the core of the Corporation's operations which is also outlined in the Environment, Health and Safety Practices. The Corporation follows sound environmental management practices across all its manufacturing units to assess and address potential environmental risks.

**4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

The Plantation Division of the Corporation (Tea & Coffee Estate) based in Tamil Nadu and Karnataka is a carbon sink with two storied canopy of trees in coffee which is extremely bird friendly and supports a variety of flora and fauna.

As a part of clean development mechanism the Corporation provides workforce at Mudis and Elkhill estates with high efficiency smokeless stoves to replace cooking stoves using woodfire.

The Bio-methanisation plant at Coffee estates converts effluents into bio-methane gas which can replace use of Liquid Petroleum Gas.

Energy produced by the windmills installed by the Corporation is used to set off 60% of the electricity costs for tea production

**5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

Please refer Annexure A to the Board's Report.

**6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

As per the Corporation's monitoring and measurement, all applicable statutory requirements with respect to emissions/ waste are complied with.

**7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

The Corporation did not receive any show cause/ legal notices from CPCB/SPCB which are pending as on end of the FY 2018-19.

**Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.**

**1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

Yes, the Corporation is a member of various trade and industrial associations like BCCI, CII, ACMA etc. The Corporation is also certified as a Fairtrade, Rainforest and Organic Producer.

- 2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others) :**

The Corporation is actively represented in organizations like UPASI (United Planters' Association of South India), PAT (Plantation Association of Tamil Nadu) and KPA (Karnataka Planters Association). However, the Corporation prefers to be part of the broader policy development process and does not practice lobbying on any specific issue.

**Principle 8 : Businesses should support inclusive growth and equitable development.**

- 1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

**Community Development activities:**

**Medical Services offered by the Company:**

In addition to the routine medical services offered by well maintained and professionally manned hospitals at our Groups, the following services are also provided to the community:

- Regular cancer detection camps, referrals and subsequent cost of medicines and treatment.
- Post renal transplant – Medicines and inpatient services provided
- In 2018, a unique eye camp was conducted wherein all employees were examined and this resulted in corrective surgery as well as issue of spectacles to improve long and near vision.

Recognized and elected worker members form part of an Estate Works Committee, which has an equal representation of males and females. Grievances and suggestions recorded are discussed with the Management and action taken where required.

**Social Services:**

Each Group provides well maintained buildings for Government aided schools to be run. Education is up to the 8<sup>th</sup> standard and mid meals are provided to the students. The main school has a computer centre sponsored by the Fairtrade premiums.

**EYE Camps conducted in Plantations - August 2018**

- As part of the CSR activity, an eye camp was conducted at all Groups during the month of August 2018. by leading ophthalmologists of Arvind Eye Hospital from Coimbatore, Tirunelveli and Agarwal's Eye Hospital Mysore
- Based on the above, Eye Camps were conducted as scheduled covering all the workers & staff in Plantation Division.
- Following the Eye test, spectacles were issued at subsidized rates.
- Those requiring surgeries were identified and surgeries performed free of cost, in the following couple of months as per the schedule provided by the hospitals.
- CSR initiatives are part of the business process of the Corporation. Details of CSR initiatives are provided in Annexure B to the Boards' Report.

- 2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?**

The initiatives are undertaken through in-house team.

- 3 Have you done any impact assessment of your initiative?**

The CSR activities are placed before the CSR Committee for its review and assessment.

**4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?**

₹ 13.97 lakh in FY 2018-19; details are provided in Annexure B to the Boards' Report.

**5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

The Corporation's CSR activities are of ongoing nature and hence are continuously benefiting the community at large.

**Principle 9 : Businesses should engage with and provide value to their customers and consumers in a responsible manner**

**1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?**

The Corporation has resolved all customer complaints received during the year 2018-2019.

**2. Does the company display product information on the product label, over and above what is mandated as per local laws?**

The Corporation displays product related information that is required as per extant laws.

**3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.**

None.

**4. Did your company carry out any consumer survey/ consumer satisfaction trends?**

The Corporation carries out customer satisfaction surveys periodically and the results are shared with the relevant stakeholders to take necessary action.

Dated: 2 July 2019

## INDEPENDENT AUDITORS' REPORT

**To the Members of**

**The Bombay Burmah Trading Corporation, Limited**

**Report on the Audit of the Standalone Financial Statements**

### **Opinion**

We have audited the standalone financial statements of The Bombay Burmah Trading Corporation, Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2019, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information, in which are included the Returns for the year ended on that date audited by the branch auditors of the Company's branches at Johor Bahru in Malaysia and Usambara in Tanzania.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Emphasis of matter**

We draw attention to Note 35 of the standalone financial statements, which describes the following matters:

- a. The Company's applications to the Central Government seeking approval for payment of managerial remuneration amounting to ₹ 289.98 lakhs for each of the financial years 2016-17 and 2017-18 stand abated in view of the provisions of sections 66 to 70 of the Companies (Amendment) Act, 2017 read with Notification No.S.O.4823(E) dated 12 September 2018. Pursuant to these provisions, the remuneration is subject to approval of the shareholders by way of a special resolution, which will be sought by the Company at its ensuing annual general meeting.
- b. The remuneration of ₹ 318.26 lakhs paid to the managing director for the year ended 31 March 2019 is in excess of the limits prescribed under section 197 read with Schedule V of the Companies Act, 2013. Pursuant to the provisions of the Companies (Amendment) Act, 2017, the remuneration is subject to approval of the shareholders by way of a special resolution, which will be sought by the Company at its ensuing annual general meeting.

Our opinion is not modified in respect of these matters.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

# The Bombay Burmah Trading Corporation, Limited

## Description of Key Audit Matter

### Development plantations and biological assets

See Note 2 and Note 9.b of the standalone financial statements

The key audit matter	How the matter was addressed in our audit
<p>Cost of development plantations (including capital work in progress) as at 31 March 2019 amounted to ₹3,233 lakhs. These costs relate to expenditure incurred on planting/re-planting as well as rejuvenation of tea and coffee bushes. Costs capitalized to development plantations include all direct costs of land preparation and planting, i.e., costs incurred on nursery development, direct labor cost, costs of inputs such as fertilizers, chemicals and other related overheads.</p> <p>Fair value of biological assets other than bearer plants amounted to ₹104 lakhs. Biological assets relate to tea leaves on bushes.</p> <p>The cost of development plantations as also valuation of growing produce (unplucked tea leaves on bushes) is significant to our audit on account of involvement of management judgment in identification of costs related to development of plantations as also the methodology followed in estimating the quantity and valuation of growing produce. As such, we identified this as a key audit matter.</p>	<p>Our audit procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>- We obtained an understanding of the management's internal processes as well as controls to record costs incurred on plantation development.</li> <li>- We tested internal controls over costs incurred towards development plantations including controls over incurrence and recording of direct costs including labor cost.</li> <li>- We substantively tested the records maintained as evidence of costs incurred on development of plantations.</li> <li>- We obtained an understanding of the significant management judgment applied in determination of the quantity and fair value less costs to sell of growing produce on tea bushes and assessed and tested the reasonableness of these judgments.</li> <li>- We assessed the reasonability of the policy of amortization of developmental plantations by comparing with companies in the industry peer group.</li> <li>- For tea bushes, we compared the projected harvest quantities to historical data. We checked the post balance sheet harvest data to assess the reasonableness of the quantities projected and recorded by management.</li> <li>- We compared the price considered for valuing tea leaves with market prices.</li> <li>- We assessed the adequacy of the disclosures related to valuation of biological assets in Note 9.b to the standalone financial statements.</li> </ul>

## Litigations and Contingencies

See Note 40 of the standalone financial statements

The key audit matter	How the matter was addressed in our audit
<p>The Company has been carrying on its plantation activities at Singampatti tea estate, Tamil Nadu under a valid lease since 1929. During the current year, the Commissioner of Land Administration in Tamil Nadu passed an order cancelling the lease alleging violation of conditions with regard to clearing of certain areas.</p>	<p>Our audit procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>- Testing key controls surrounding litigations and regulatory procedures</li> <li>- Examining correspondence between the Company and the statutory authorities</li> </ul>



The key audit matter	How the matter was addressed in our audit
<p>The authorities have demanded lease rentals in respect of the leased land retrospectively from 1958 to 2018 amounting to ₹22,396.38 lakhs. A further demand of ₹796 lakhs has been raised towards increased rental for the current year.</p> <p>The Company has challenged the above orders by filing a writ petition before the Hon'ble Madras High Court which has been admitted and an interim relief restraining the Government from taking any action has been granted by the Court.</p> <p>We have identified this litigation as a key audit matter because it requires management to make judgment in relation to the exposure arising therefrom.</p>	<ul style="list-style-type: none"> <li>- Examining submissions including writ petition filed by the Company in relation to this matter; and</li> <li>- Assessing the adequacy of the disclosures in the Company's financial statements.</li> </ul> <p>Based on the evidence obtained, while noting the inherent uncertainty with such legal and regulatory matters, we verified the disclosures provided in Note 40 of the standalone financial statements.</p>

### Related party transactions

See Note 48 of the standalone financial statements

The key audit matter	How the matter was addressed in our audit
<p>There have been related party transactions with companies where the Company or key management personnel of the Company have interests and/or are Directors.</p> <p>We identified related party transactions as a key audit matter because there is a risk that not all related party transactions are disclosed in the financial statements and are at arm's length. Further, there is a risk of non-compliance with statutory regulations governing related party relationships such as the Companies Act 2013, SEBI Regulations etc.</p> <p>Significant judgment is involved in assessing whether transactions with related parties are undertaken at arms' length.</p>	<p>Our audit procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>- Assessment of the Company's controls to identify and disclose related party relationships and transactions in accordance with the relevant Indian accounting standards (Ind AS).</li> <li>- For both transactions with key management personnel and with group companies, we inspected receivables and payables ledgers and/or relevant agreements for arrangements or other information that may indicate the existence of related party relationships or transactions that the Company had not previously identified or disclosed.</li> <li>- We verified completeness of related parties with reference to the various registers maintained by the Company statutorily.</li> <li>- For specific transactions with or involving directors/group companies, we assessed compliance with the regulations and in cases where the matter was subject to interpretation, we exercised judgment to rely on opinions provided by legal practitioners.</li> <li>- We have tested on a sample basis, Management's assessment of related party transactions for arm's length pricing.</li> <li>- For each class of related party transaction we compared the disclosures in the financial statements against the underlying transactions and the accounting requirements.</li> </ul>

## **Report on other information contained in Board report**

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of the auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

## **Management's Responsibility for the Standalone Financial Statements**

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matter**

We did not audit the financial statements of two branches included in the financial statements of the Company whose financial statements reflect total assets of ₹ 696.41 lakhs as at 31 March 2019 and the total revenue of ₹ 640.48 lakhs for the year ended on that date, as considered in the standalone financial statements. These branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such branch auditors.

Our opinion is not modified in respect of this matter.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
  - c) The reports on the accounts of the branch offices of the Company audited under section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report.
  - d) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account and with the returns received from the branches not visited by us.
  - e) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.

## The Bombay Burmah Trading Corporation, Limited

- f) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of section 164(2) of the Act.
  - g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
3. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations as at 31 March 2019 on its financial position in its standalone financial statements - Refer Note 40 to the standalone financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and
  - iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November, 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019.
4. With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to the managing director during the current year is not in accordance with the provisions of section 197 of the Act. The remuneration paid to the managing director is in excess of the limit laid down under section 197 of the Act. Pursuant to the provisions of the Companies (Amendment) Act, 2017, the remuneration is subject to approval of the shareholders by way of a special resolution, which will be sought by the Company at its ensuing annual general meeting (refer Note 35 to the standalone financial statements). The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.

**For B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No: 101248W/W-100022

**Vijay Mathur**

*Partner*

Place: Mumbai

Date: 13 May 2019

Membership No: 046476

**ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT – 31 MARCH 2019**  
**(Referred to in our report of even date)**

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the 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. Pursuant to the programme, certain fixed assets were physically verified by the Management during the year. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) In our opinion and according to information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except for the following which are not held in the name of the Company pending registration in the name of the Company pursuant to the merger of Electromags Automotive Private Limited with the Company:

(₹ in Lakhs)

Particulars	Freehold Land	Buildings
Gross block as at 31 March 2019	1,506.00	429.48
Net block as at 31 March 2019	1,506.00	224.63
Total no. of cases	5	5

- ii. The inventory, except for stocks lying with third parties, has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. For stocks lying with third parties at the year-end, written confirmations have been obtained from the parties. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii. The Company has granted unsecured loan to one company covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). The Company has not granted any loans, secured or unsecured, to firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. In our opinion and according to the information and explanations given to us, the Company does not consider the reimbursement of cost charged and outstanding to fall under purview of loans.
- (a) In our opinion, the rate of interest and other terms and conditions on which the loan has been granted to the company listed in the register maintained under section 189 of the Act is not, prima facie, prejudicial to the interest of the Company.
- (b) The loan granted to a company covered in the register maintained under section 189 of the Act is repayable on demand. The loan was not demanded during the year. The borrower has been regular in the payment of interest.
- (c) The loan granted to a company covered in the register maintained under section 189 of the Act is repayable on demand. The loan was not demanded during the year.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act, with respect to the loans given, investments made and guarantees given. The Company has not provided any security in connection with any loan taken by others.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public during the year in terms of the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

## The Bombay Burmah Trading Corporation, Limited

vi. We have broadly reviewed the records maintained by the Company pursuant to the rules prescribed by Central Government for maintenance of cost records under sub section (1) of section 148 of the Act 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.

vii. (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, Employees' State Insurance, Income-tax, Goods and Services Tax, Duty of Customs, Cess 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, Income-tax, Goods and Services Tax, Duty of Customs, Cess and other material statutory dues were in arrears as at 31 March 2019 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, Duty of Customs, Duty of Excise, 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, 1944	Tea cess	7.77	2014-2016	Commissioner of Customs and Central Excise
Central Excise Act, 1944	Tea cess	20.05	2005-2016	CESTAT
Central Excise Act, 1944	Excise duty	3,553.24*	September 2006 to October 2011	Appellate tribunal of Central Excise

\*Net of deposit of ₹ 175 lakhs

viii. According to the information and explanations given to us, and based on the records of the Company, the Company has not defaulted in the repayment of loans or borrowings to banks, financial institutions and dues to debenture holders. According to the information and explanations given to us, the Company does not have any loan from government during the year.

ix. According to the information and explanations given to us, the Company did not raise money by way of initial public offer or further public offer (including debt instruments) and term loans during the year.

x. According to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.

xi. Except for managerial remuneration aggregating to ₹ 318.26 lakhs paid to the managing director of which ₹ 198.26 lakhs exceeded the permissible limit as prescribed under Schedule V of the Act, the managerial remuneration paid/provided for by the Company is in accordance with the requisite approvals as mandated by the provisions of section 197 read with Schedule V to the Act. Pursuant to the provisions of the Companies (Amendment) Act, 2017, the remuneration is subject to approval of the shareholders by way of a special resolution, which will be sought by the Company at its ensuing annual general meeting.

xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable Indian accounting standards (Ind AS).

- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- xvi. According to the information and explanations given to us, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

**For B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No: 101248W/W-100022

**Vijay Mathur**

*Partner*

Place: Mumbai

Date: 13 May 2019

Membership No: 046476

## **ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019**

**Report on the internal financial controls with reference to the aforesaid standalone financial statements under section 143(3)(i) of the Companies Act, 2013**

**(Referred to in paragraph 2(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

### **Opinion**

We have audited the internal financial controls with reference to financial statements of The Bombay Burmah Trading Corporation, Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance note").

### **Management's Responsibility for Internal Financial Controls**

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

### **Meaning of Internal Financial Controls with reference to Financial Statements**

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial



controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls with reference to financial statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Other matter**

We did not audit the internal financial controls with reference to financial statements of one branch of the Company. The internal financial controls with reference to financial statements of this branch have been audited by the branch auditor whose report has been furnished to us, and our opinion in so far as it relates to the internal financial controls with reference to financial statements included in respect of this branch, is based solely on the report of such branch auditor.

For **B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No: 101248W/W-100022

**Vijay Mathur**

*Partner*

Place: Mumbai

Date: 13 May 2019

Membership No: 046476

# The Bombay Burmah Trading Corporation, Limited

## BALANCE SHEET AS AT 31 MARCH 2019

	Note	As at 31 March 2019	(₹ in Lakhs) As at 31 March 2018
<b>A ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	2.a	11,030.14	10,848.29
Capital work-in-progress	2.b	636.75	438.02
Investment property	2.c	13.55	14.12
Other intangible assets	2.d	46.67	43.54
Intangible assets under development	2.e	44.70	19.17
Investment in subsidiaries and associates	3	27,113.98	27,113.11
Financial assets			
(i) Investments	4	299.77	285.88
(ii) Loans receivable	5	233.59	246.37
(iii) Other financial assets	6	323.42	358.33
Deferred tax assets (net)	7	821.00	923.82
Income tax assets (net)	8.a	641.04	476.61
Other non current assets	8.b	299.87	324.43
<b>Total non-current assets</b>		<b>41,504.48</b>	<b>41,091.69</b>
<b>CURRENT ASSETS</b>			
Inventories	9.a	8,786.48	6,327.52
Biological assets other than bearer plants	9.b	103.88	170.90
Financial assets			
(i) Investments	10	1,313.88	1,313.88
(ii) Trade receivables	11	4,856.29	3,974.27
(iii) Cash and cash equivalents	12.a	910.53	1,367.80
(iv) Bank balances other than (iii) above	12.b	117.31	115.15
(v) Loans receivable	13	10,945.61	12,441.84
(vi) Other financial assets	14	3,227.54	1,934.13
Other current assets	15	815.09	1,115.35
<b>Total current assets</b>		<b>31,076.61</b>	<b>28,760.84</b>
<b>TOTAL ASSETS</b>		<b>72,581.09</b>	<b>69,852.53</b>
<b>B EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	16	1,396.27	1,396.27
Other equity	17	24,306.10	27,689.92
<b>Total equity</b>		<b>25,702.37</b>	<b>29,086.19</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Financial liabilities			
(i) Borrowings	18	15,527.30	16,665.29
(ii) Other Financial Liabilities	19	39.96	56.23
Provisions	20	146.09	196.91
<b>Total non-current liabilities</b>		<b>15,713.35</b>	<b>16,918.43</b>
<b>CURRENT LIABILITIES</b>			
Financial liabilities			
(i) Borrowings	21	24,683.45	18,176.10
(ii) Trade payables	22	-	295.71
(a) Total outstanding dues of micro enterprises and small enterprises		-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,800.55	1,647.26
(iii) Other financial liabilities	23	3,632.35	3,202.85
Other current liabilities	24	220.21	342.72
Provisions	25	828.81	183.27
<b>Total current liabilities</b>		<b>31,165.37</b>	<b>23,847.91</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>72,581.09</b>	<b>69,852.53</b>
Significant accounting policies, key accounting estimates and judgements	1		

The notes referred to above and other notes form an integral part of the standalone financial statements

As per our attached report of even date.

For **B S R & Co.LLP**

Chartered Accountants

Firm's Registration No. 101248W/W-100022

**Vijay Mathur**

Partner

Membership No. 046476

For and on behalf of the Board of Directors

**The Bombay Burmah Trading Corporation, Limited**

CIN : L99999MH1863PLC000002

**Nusli N. Wadia**

Chairman

**Ness Wadia**  
Managing Director

**D. E. Udhwadia**  
Director

**Jehangir N. Wadia**  
Director

**Dibakar Chatterjee**  
Chief Executive Officer

**Dr. Y. S. P. Thorat**  
Director

**Gauri Kirloskar**  
Director

Place : Mumbai

Dated : 13 May 2019

**N H Datanwala**  
Chief Financial Officer

**Vinesh Kumar Jairath**  
Director

**Dr. Minnie Bodhanwala**  
Director

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019**

	Note	For the year ended 31 March 2019	(₹ in Lakhs) For the year ended 31 March 2018
<b>Income</b>			
Revenue from operations	26	24,195.89	20,969.21
Other income	27	3,482.20	3,755.97
<b>Total income</b>		<b>27,678.09</b>	<b>24,725.18</b>
<b>EXPENSES</b>			
Cost of materials consumed	28	9,968.20	7,553.48
Purchases of stock-in-trade		953.79	394.33
Changes in inventories of finished goods, work-in-progress and stock-in-trade	29	(2,269.97)	(236.21)
Excise duty		-	179.03
Employee benefits expense	30	9,055.78	8,418.14
Finance costs	31	3,364.65	3,101.68
Depreciation and amortization	2a, 2c, 2d	833.79	915.77
Other expenses	32	7,614.43	7,464.70
Cost relating to real estate under development		24.24	26.13
<b>Total expenses</b>		<b>29,544.91</b>	<b>27,817.05</b>
<b>Loss before tax</b>		<b>(1,866.82)</b>	<b>(3,091.87)</b>
<b>Tax expense</b>	34.a		
Current tax		-	-
Deferred tax charge/ (income)		102.82	(508.82)
<b>Loss for the year</b>		<b>(1,969.64)</b>	<b>(2,583.05)</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
(i) Items that will not be reclassified subsequently to the statement of profit and loss		(579.10)	(266.34)
(ii) Items that will be reclassified subsequently to the statement of profit and loss		6.06	62.57
<b>Other Comprehensive Income for the year</b>		<b>(573.04)</b>	<b>(203.77)</b>
<b>Total Comprehensive Income for the year</b>		<b>(2,542.68)</b>	<b>(2,786.82)</b>
<b>Earnings per equity share</b>			
Basic	33	(2.82)	(3.70)
Diluted	33	(2.82)	(3.70)
Significant accounting policies, key accounting estimates and judgements	1		

The notes referred to above and other notes form an integral part of the standalone financial statements

As per our attached report of even date.

For **B S R & Co.LLP**

Chartered Accountants

Firm's Registration No. 101248W/W-100022

**Vijay Mathur**

Partner

Membership No. 046476

For and on behalf of the Board of Directors

The Bombay Burmah Trading Corporation, Limited

CIN : L99999MH1863PLC000002

**Nusli N. Wadia**

Chairman

**Ness Wadia**  
Managing Director

**D. E. Udawadia**  
Director

**Jehangir N. Wadia**  
Director

**Dibakar Chatterjee**  
Chief Executive Officer

**Dr. Y. S. P. Thorat**  
Director

**Gauri Kirloskar**  
Director

Place : Mumbai  
Dated : 13 May 2019

**N H Datanwala**  
Chief Financial Officer

**Vinesh Kumar Jairath**  
Director

**Dr. Minnie Bodhanwala**  
Director

**STATEMENT OF CASH FLOW FOR YEAR ENDED 31 MARCH 2019**

(₹ in Lakhs)

For the year ended  
31 March 2018

For the year ended  
31 March 2019

**A. Cash flow from operating activities**

Loss before tax (1,866.82) (3,091.87)

**Adjustments for:**

Depreciation and amortisation 833.79 915.77

Unrealised exchange fluctuation loss (net) 11.60 10.96

Profit on sale of Property, plant and equipment (net) (136.87) (1,307.98)

Allowance for impairment of doubtful debts 100.82 1.37

Liabilities/provisions no longer required written back (37.10) -

Change in fair value of biological assets 67.61 57.77

Interest expense 3,364.65 3,101.68

Interest income (1,308.77) (1,683.95)

Dividend Income (1,724.69) (220.81)

(695.78) (2,217.06)

**Working capital adjustments**

(Increase) in inventories (2,459.55) (247.84)

(Increase) in trade and other receivables (509.15) (225.65)

(Decrease)/Increase in trade and other payables (274.83) 657.97

Currency alignment on conversion of accounts of non integral foreign branches and on Property, plant and equipment and investments 4.75 62.06

(3,934.56) (1,970.52)

**Cash (used in) operating activities**

Income tax (paid) / refund (net) (164.43) 25.17

**Net cash flows (used in) operating activities (4,098.99) (1,945.35)**
**Cash flow from investing activities**

Proceeds from sale of Property, plant and equipment 147.42 1,327.09

Interest received 1,293.04 1,671.92

Purchase of Property, plant and equipment and additions to capital work in progress (1,231.75) (709.05)

Dividend received 315.52 220.81

**Net cash flows generated from investing activities 524.23 2,510.77**
**Cash flow from financing activities**

Dividend paid (including dividend distribution tax) (841.14) (834.92)

Repayments of borrowings (1,029.70) (7,835.53)

Proceeds from borrowings 6,551.11 580.00

Intercompany deposits placed during the year (6,920.00) (5,300.00)

Intercompany deposits called back during the year 8,410.00 -

Proceeds from issue of Non Convertible Debentures - 15,000.00

Interest paid (3,049.81) (3,528.83)

**Net cash flows generated from / (used in) financing activities 3,120.46 (1,919.28)**

**STATEMENT OF CASH FLOW FOR YEAR ENDED 31 MARCH 2019 (CONTD.)**

		(₹ in Lakhs)
	<b>For the year ended 31 March 2019</b>	<i>For the year ended 31 March 2018</i>
<b>Net (decrease)/ increase in cash and cash equivalents</b>	<b>(454.30)</b>	<i>(1,353.86)</i>
Cash and cash equivalents at the beginning of the year	<b>1,367.80</b>	<i>2,721.66</i>
Effect of exchange rate changes on cash and cash equivalents	<b>(2.97)</b>	<i>-</i>
<b>Cash and cash equivalents at the end of the year</b>	<b>910.53</b>	<i>1,367.80</i>
<b>Debt reconciliation statement in accordance with Ind AS 7</b>		
<b>Short term borrowings</b>		
Opening balance	<b>18,176.10</b>	<i>24,400.74</i>
Cash flows	<b>6,507.35</b>	<i>(6,224.64)</i>
Non-cash change (fair value)	<b>-</b>	<i>-</i>
Closing balance	<b>24,683.45</b>	<i>18,176.10</i>
<b>Long term borrowings</b>		
Opening balance	<b>17,673.98</b>	<i>9,004.87</i>
Cash flows	<b>(1,029.70)</b>	<i>8,599.55</i>
Non-cash change (fair value)	<b>43.76</b>	<i>69.56</i>
Closing balance	<b>16,688.04</b>	<i>17,673.98</i>

**Notes:**

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS) 7 - "Cash Flow Statements" notified under section 133 of the Companies Act 2013.

Cash and Cash equivalents comprises of cash on hand, current accounts and deposits with banks.

The notes referred to above and other notes form an integral part of the standalone financial statements.

As per our attached report of even date.

For **B S R & Co.LLP**

*Chartered Accountants*

Firm's Registration No. 101248W/W-100022

**Vijay Mathur**

*Partner*

Membership No. 046476

**For and on behalf of the Board of Directors**  
**The Bombay Burmah Trading Corporation, Limited**  
 CIN : L99999MH1863PLC000002

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*Chairman*

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*Director*

**N H Datanwala**  
*Chief Financial Officer*

**Vinesh Kumar Jairath**  
*Director*

**Dr. Minnie Bodhanwala**  
*Director*

Place : Mumbai

Dated : 13 May 2019

STATEMENT OF CHANGES IN EQUITY (SOCIE) FOR YEAR ENDED 31 MARCH 2019

(a) Equity share capital

(₹ in Lakhs)

	As at 31 March 2019		As at 31 March 2018	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting period	69,771,900	1,395.44	69,771,900	1,395.44
Changes in equity share capital during the year	-	-	-	-
Forfeited shares amount paid up	-	0.83	-	0.83
Balance at the end of the reporting period	69,771,900	1,396.27	69,771,900	1,396.27

## STATEMENT OF CHANGES IN EQUITY (SOCIE) FOR YEAR ENDED 31 MARCH 2019 (CONTD.)

## (b) Other equity

Particulars	Reserves and Surplus [Note 17]			Other Comprehensive Income (Note 17)		Total equity
	Securities premium account	Capital reserve	General reserve	Retained earnings	Equity instruments through Other Comprehensive Income	
<b>Balance at 1 April 2017</b>	3,637.20	89.47	3,348.19	13,407.82	10,880.92	31,317.66
Loss for the year				(2,583.05)	(45.94)	(2,583.05)
Other Comprehensive Income for the year				(239.12)*	62.57	(203.77)
<b>Total Comprehensive Income for the year</b>				(2,822.17)	(27.22)	(2,786.82)
<b>Balance at 31 March 2018</b>	3,637.20	89.47	3,348.19	10,585.65	10,853.70	28,530.84
Dividends				(697.72)		(697.72)
Dividend Distribution Tax (DDT)				(143.20)		(143.20)
<b>Balance at 31 March 2018</b>	3,637.20	89.47	3,348.19	9,744.73	10,853.70	27,689.92
Loss for the year	-	-	-	(1,969.64)		(1,969.64)
Other Comprehensive Income for the year	-	-	-	(593.00)*	13.90	(573.04)
<b>Total Comprehensive Income for the year</b>	-	-	-	(2,562.64)	13.90	(2,542.68)
<b>Balance at 31 March 2019</b>	3,637.20	89.47	3,348.19	7,182.09	10,867.60	25,147.24
Dividends	-	-	-	(697.72)		(697.72)
Dividend Distribution Tax (DDT)	-	-	-	(143.42)	-	(143.42)
<b>Balance at 31 March 2019</b>	3,637.20	89.47	3,348.19	6,340.95	10,867.60	24,306.10

\* This amount refers to remeasurement of defined benefit liability / (asset)

As per our attached report of even date.

For **BSR & Co.LLP**

Chartered Accountants

Firm's Registration No. 101248W/W-100022

**Vijay Mathur**

Partner

Membership No. 046476

For and on behalf of the Board of Directors  
The Bombay Burmah Trading Corporation, Limited  
CIN : L99999MH1863PLC000002

**Nusli N. Wadia**  
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Chief Financial Officer

**Vinesh Kumar Jairath**  
Director

**Dr. Minnie Bodhanwala**  
Director

Place : Mumbai  
Dated : 13 May 2019

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

### 1 Significant accounting policies, key accounting estimates and judgments

#### Corporate information

The Bombay Burmah Trading Corporation, Limited ('BBTCL') ('the Company') having its registered office at 9, Wallace Street, Fort, Mumbai 400001 was incorporated on 4 September, 1863 vide certificate of incorporation number L99999MH1863PLC000002 issued by the Registrar of Companies, Mumbai, Maharashtra.

The Company is a multi-product and multi-divisional organisation with diverse business interests viz. plantations (tea and coffee), auto electric components, healthcare, real estate and weighing products.

#### 1(A) Statement of compliance

These financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendments) Rules, 2016, the relevant provisions of the Companies Act, 2013 ("the Act") and the guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable.

The financial statements for the year ended 31 March 2019 were approved by the Board of directors on 13 May 2019.

The management and authorities have the power to amend the financial statements in accordance with Section 130 and 131 of the Act.

#### 1(B) Basis of preparation and presentation

##### Basis of preparation

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities:

- Biological assets- measured at fair value less costs to sell
- Derivative financial instruments- measured at fair value
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
- Employees defined benefit plans at fair value of plan assets less present value of defined benefit obligation

##### Current/non-current classification:

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

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

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

Current assets include the current portion of non-current financial assets. All assets other than current assets shall be classified as non-current.

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

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



## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Current liabilities include the current portion of non-current financial liabilities. All other liabilities are classified as non-current.

### Functional and presentation currency

These standalone financial statements are presented in Indian rupees, which is the Company's functional currency. All amounts have been rounded to the nearest lakh, unless otherwise indicated. Amounts less than one thousand have been indicated as "0" (Zero).

### 1(C) Key estimates and judgments

The preparation of financial statements in accordance with Ind AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the standalone balance sheet and standalone statement of profit and loss. The actual amounts realised may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised prospectively. Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March 2019 are as follows:

#### i) Property, plant and equipment :

Determination of the estimated useful lives of property, plant and equipment and the assessment as to which components of the cost may be capitalized. Useful lives of property, plant and equipment are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support. Assumptions also need to be made, when the Company assesses, whether an asset may be capitalised and which components of the cost of the asset may be capitalised.

#### ii) Recognition and measurement of defined benefit obligations :

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

#### iii) Recognition of deferred tax assets :

A deferred tax asset is recognised for all the deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

#### iv) Recognition and measurement of other provisions :

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the figure included in other provisions.

#### v) Discounting of long-term financial instruments :

All Financial Instruments are required to be measured at fair value on initial recognition. In case of financial instruments which are required to be subsequently measured at amortised cost, interest is accrued using the effective interest method.

#### vi) Fair value of financial instruments :

Derivatives are carried at fair value. Derivatives includes foreign currency forward contracts, fair value of which, is determined using the fair value reports provided by respective merchant bankers.

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

### vii) Investment in The Bombay Dyeing Manufacturing Company Limited ('BDMC')

The Company along with its Subsidiaries holds 39.67% of the paid up equity share capital of BDMC, a Company listed on the Bombay Stock Exchange. Based on legal opinion and further based on internal evaluation made by the Company, there is no de facto control of the Company over BDMC.

### viii) Biological assets

Management uses inputs relating to production and market prices of tea and coffee in determining the fair value of biological assets.

## 1(D) Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values for financial instruments.

The Company has an established control framework with respect to the measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 : Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 : inputs for the asset or liability that are not based on observable market data (unobservable inputs)

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. (Refer to note 38 for information on detailed disclosures pertaining to measurement of fair values).

## 1(E) Statement of significant accounting policies

### a Property, plant and equipment (PPE)

Items of property, plant and equipment are stated at cost, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials, direct labour and any other costs directly attributable to bringing the item to its intended working condition and estimated costs of dismantling, removing and restoring the site on which it is located, wherever applicable.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in statement of profit and loss.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognised in statement of profit and loss.

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

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Any gain or loss arising from the disposal of property, plant and equipment is recognised in the statement of profit and loss.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

### b Capital work-in-progress

Expenditure incurred on acquiring plants and their upkeep until they attain maturity to yield biological produce is included under capital work-in-progress and thereafter the same is capitalised to "development plantations".

Expenditure incurred during construction or acquisition of qualifying PPE is included under capital work-in-progress and the same gets capitalised in the respective block of PPE on the completion of their construction.

Advances made toward the acquisition or construction of any qualifying PPE outstanding at each reporting date are disclosed as capital advances under "other non-current assets".

### c Intangible assets

Intangible assets include computer software which are acquired by the Company and are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

### d Depreciation and amortisation

#### i. Depreciation:

Depreciation in respect of all tangible assets is provided on straight line method over the useful lives of assets based on the evaluation. Depreciation on additions / (disposals) is provided on pro-rata basis i.e. from / (upto) the date on which the asset is ready for use / (disposed off). The useful life of fixed assets is as follows:

Plant and machinery*	- 10-15 years
Furniture and fixtures*	- 10-16 years
Motor vehicles (scooters)	- 10 years
Motor vehicles (Cars)	- 8 years
Computer hardware	- 3 years
Office equipment	- 5 years
Buildings	- 30 years
Leasehold lands	- Lease period
Roads other than RCC	- 5 years
Development plantations	- 60 years
Mould and dies*	- 5 years

\*The Company believes the useful lives as given above best represent the useful life of these assets based on internal assessment where necessary, which is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013. Assets costing less than ₹ 0.05 are fully depreciated in the year of purchase.

#### ii. Amortisation:

Amortisation in respect of all the intangible assets is provided on straight line method over the useful lives of assets. The useful life of such intangible assets is as follows:

Computer software	3 years
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### e Impairment of property, plant and equipments

The carrying values of assets at each balance sheet date are reviewed for impairment if any indication of impairment exists.

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment loss is recognized for such excess amount. The impairment loss is recognized as an expense in the statement of profit and loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognized for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the statement of profit and loss, to the extent the amount was previously charged to the statement of profit and loss. In case of revalued assets the increase shall be recognised in the statement of profit and loss to the extent that it reverses a revaluation decrease previously recognised in the statement of profit and loss.

### **f Borrowing cost**

Borrowing costs that are attributable to acquisition or construction of qualifying assets are capitalized as a part of cost of such assets till the time the asset is ready for its intended use. A qualifying assets is the one that necessarily takes substantial period of time to get ready for intended use. Other borrowing costs are recorded as an expense in the year in which they are incurred.

### **g Inventories**

- i. Stores and spare parts are valued at lower of cost or net realisable value. Cost is calculated on weighted average basis.
- ii. Raw materials are valued at lower of cost or net realisable value. The cost includes purchase price as well as incidental expenses and is calculated on weighted average basis.
- iii. Tea stock is valued at cost or net realisable value whichever is lower and inclusive of cess on excise. Timber, coffee, pepper and cardamom in stock are valued at realised contracted rates or realisable value.
- iv. Work-in-progress is valued at cost or net realisable value whichever is lower. Cost is arrived on the basis of absorption costing.
- v. Manufactured finished goods of all divisions are valued at cost or net realisable value whichever is lower. Cost is determined on the basis of absorption costing including GST paid / provided on packed finished goods.
- vi. Traded finished goods of all businesses 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 / attributable to the development of the said properties. The same is valued at lower of cost or net realisable value.

### **h Investment properties**

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The Company depreciates investment property over 30 years from the date of original purchase.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in statement of profit and loss in the period of derecognition.

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

### i Income taxes

Tax expense comprises of current tax and deferred tax.

Current tax comprises of the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside statement of profit and loss is recognised either in Other Comprehensive Income or in equity. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same tax jurisdiction.

### j 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. Diluted earnings per share is computed by dividing the net profit by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date.

In computing diluted earnings per share, no adjustments are done for the effects of potential dilutive equity shares where the results would be anti-dilutive.

### k Revenue recognition

Effective 1 April 2018, the Company has applied Ind AS 115 (Revenue from contracts with customers) which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue Recognition. The Company has adopted Ind AS 115 using the cumulative effect method (without practical expedients), with the effect of initially applying this standard recognised at the date of initial application (i.e. 1 April 2018). Accordingly, the information presented for the year ended 31 March 2018 has not been restated – i.e. it is presented, as previously reported, under Ind AS 18 and related interpretations.

The Company recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. A 5-step approach is used to recognise revenue as below:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

### i. Sale of goods

Revenue is recognised when a customer obtains control of the goods which is ordinarily upon delivery at the customer premises. Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as goods and services tax, etc.

### ii. Other income

- a. Dividend income is recognised when the Company's right to receive the payment is established.
- b. For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in the Statement of Profit and Loss

## I Foreign currency transactions

### i. Initial recognition

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

### ii. Subsequent measurement

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in statement of profit and loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in the statement of profit and loss in the period in which they arise. When a gain or loss on a non-monetary item is recognised in Other Comprehensive Income, any exchange component of that gain or loss is recognised in Other Comprehensive Income. Conversely, when a gain or loss on a non-monetary item is recognised in statement of profit and loss, any exchange component of that gain or loss is recognised in statement of profit and loss.

## m Employee benefits

Retirement benefits to employees comprise payments to Company managed and government provident funds, gratuity fund, leave encashment and superannuation fund.

### i. Short term employee benefits

All employee benefits payable wholly within 12 months of rendering the service are classified as short term employee benefits. These benefits include compensated absences such as paid annual leave and sickness leave. The Company recognises the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expenses) after deducting any amount already paid.

### ii. Post-employment benefits

Contributions to defined contribution schemes such as provident fund and superannuation fund 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 administered 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.

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

**Superannuation fund** - 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 employee's eligible salary. The contributions are made to the ICICI Prudential Life Insurance Company Limited. 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.

**Gratuity liability** is defined benefit obligation and is provided for on the basis of an actuarial valuation performed by an independent actuary based on projected unit credit method made at the end of each financial year.

**Remeasurement of the net defined benefit liability**, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. Net interest expense / (income) on the net defined liability / (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability / (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in statement of profit and loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

### iii. Other long term employee benefits

The Company provides for encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leaves subject to certain limits for future encashment/availment. The Company makes provisions for compensated absences based on an independent actuarial valuation carried out at the end of the year. Long term compensated absences are provided for based on actuarial valuation.

The actuarial valuation is done as per projected unit credit method. Actuarial gains and losses are recognised in the statement of profit and loss.

## n Provisions and contingencies

- a) A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the notes to the financial statements.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

- b) A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying benefits is remote, no provision or disclosure is made.

## o Leases

At the inception of a lease, the lease arrangement is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

### a) Assets taken on finance lease :

A finance lease is recognized as an asset and a liability at the commencement of the lease, at the lower of the fair value of the asset and the present value of the minimum lease payments. Initial direct costs, if any, are also capitalised and, subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Minimum lease payments

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

### b) Assets taken on operating lease :

Leases other than finance leases are operating leases, and the leased assets are not recognized on the Company's balance sheet. Payments made under operating leases are recognized in the statement of profit and loss on a straight-line basis over the term of the lease unless the payments are expected to increase in line with the expected general inflation to compensate for the lessor's expected inflationary cost increases.

In respect of assets given on operating lease, lease rentals are accounted on accrual basis in accordance with the respective lease agreements.

### p Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency, foreign exchange, forward contracts.

#### i. Financial assets

##### Classification

On initial recognition, a financial asset is classified as, measured at:

- Amortised cost
- Fair value through Other Comprehensive Income (FVTOCI)
- Fair value through Profit and Loss (FVTPL)

##### Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through statement of profit and loss, transaction costs that are attributable to the acquisition of the financial asset.

##### Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

##### Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Company may transfer the cumulative gains and losses within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.



## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

### Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of the debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the fair value initially recognised less cumulative amortisation.

### Impairment of financial assets

Financial assets of the Company comprise of trade receivable and other receivables consisting of loans, deposits, and bank balance. Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. An impairment loss for trade and other receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Impairment losses if any, are recognised in statement of profit and loss for the period.

### Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

## ii. Financial liabilities

### Classification

Financial liabilities are classified as, measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition.

### Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable and incremental transaction cost. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

## iii. Derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

liabilities when the fair value is negative. Any gains and losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss.

### q **Biological assets**

The Company has biological assets in the form of tea leaves and coffee fruits. Biological assets are measured at fair value less costs to sell, with any change therein recognised in the statement of profit and loss under 'other income' / 'other expenses'.

### r **Dividend distribution to equity holders of the Company**

The Company recognises a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

### s **Cash and cash equivalents**

Cash and cash equivalents for the purpose of cash flow statement comprises of cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and short term highly liquid investments. Bank overdraft which are repayable on demand form an integral part of the Company's cash management, hence bank overdrafts are included as a component of cash and cash equivalents.

### t **Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

### u **Events after reporting date**

Where events occurring after the balance sheet date provides evidence of condition that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

## 1 (F) Recent accounting pronouncements - Standards issued but not effective on balance sheet date:

### a) **Ind AS 116, Revenue Leases**

The Company is required to adopt Ind AS 116 Leases from 1 April 2019. Ind AS 116 replaces existing leases guidance, including Ind AS 17 Leases. Ind AS 116 introduces a single Balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

#### i. **Leases in which the Company is a lessee:**

Under the new standard, the Company will be required to recognise new assets and liabilities for its operating leases. The nature of expenses related to those leases will now change because the Company will recognise a depreciation charge for right-of-use assets and interest expense on lease liabilities. Previously, the Company recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised. The Company is in the process of evaluating the potential impact of the adoption of Ind AS 116 on accounting policies followed in its financial statements. The quantitative impact of adoption of Ind AS 116 on the financial statements in the period of initial application is not reasonably estimable as at present.

#### ii. **Leases in which the Company is a lessor**

No impact is expected for leases in which the Company is a lessor.

#### iii. **Transition**

The Company plans to apply Ind AS 116 using the modified retrospective method, with the effect of initially applying this standard recognised at the date of initial application (i.e. 1 April 2019) in retained earnings. As a result, the Company will not present individual line items appearing under comparative period presentation.

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

### **b) Ind AS 12, Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)**

An entity shall recognise the income tax consequences of dividends when it recognises a liability to pay a dividend. Therefore, the entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any significant impact of this amendment on its financial statements.

The amendment to Appendix C of Ind AS 12 outlines the following:

- (a) whether an entity considers uncertain tax treatments separately - The entity shall use judgement to determine whether each tax treatment should be considered separately or together with one or more other uncertain tax treatments based on which approach better predicts the resolution of the uncertainty and in determining the approach an entity might consider how it prepares its income tax filings and supports tax treatments; or how the entity expects the taxation authority to make its examination and resolve issues that might arise from that examination.
- (b) the assumptions an entity makes about the examination of tax treatments by taxation authorities- The entity shall assume that a taxation authority will examine amounts it has a right to examine and have full knowledge of all related information when making those examinations.
- (c) how an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates - The entity shall consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the aforesaid probability.

The Company does not expect any significant impact of this amendment on its financial statements.

### **c) Ind AS 19, Plan Amendment, Curtailment or Settlement**

The amendment clarifies that when determining past service cost, or a gain or loss on settlement due to plan amendment, curtailment or settlement, an entity shall remeasure the net defined benefit liability / (asset) using the current fair value of plan assets and current actuarial assumptions, including current market interest rates and other current market prices, reflecting:

- (a) the benefits offered under the plan and the plan assets before the plan amendment, curtailment or settlement; and
- (b) the benefits offered under the plan and the plan assets after the plan amendment, curtailment or settlement.

Further, if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect any significant impact of this amendment on its financial statements.

### **d) Ind AS 28, Long-term Interests in Associates and Joint Ventures**

The amendment clarifies that an entity shall be required to apply Ind AS 109 - "Financial Instruments", to long-term interests in an associate or joint venture that form part of the entity's net investment in the associate or joint venture but to which the equity method is not applied. The Company does not expect any significant impact of this amendment on its financial statements.

### **e) Ind AS 103, Business Combinations and Ind AS 111, Joint Arrangements**

The amendment to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation and had rights to the assets and obligations for the liabilities relating to that joint operation immediately before the acquisition date, the transaction is a business combination achieved in stages and the entity shall re-measure its previously held interests in that business. The amendment to Ind AS 111 clarifies that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Company will apply the amendment if and when it obtains control / joint control of a business that is a joint operation.

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

( ₹ in Lakhs)												
2 (a) Property, plant and equipment												
Particulars	Gross Block (Cost)					Accumulated Depreciation					Net Block	
	As at 1 April 2018	Additions	Effect of foreign exchange differences	Disposals	As at 31 March, 2019	As at 1 April 2018	Charge for the year	Effect of foreign exchange differences	Elimination on disposal of assets	As at 31 March 2019	As at 31 March 2018	
Freehold land	1,687.46	-	-	-	1,687.46	-	-	-	-	1,687.46	1,687.46	
Leasehold land	0.78	-	0.01	-	0.79	0.20	0.07	-	-	0.52	0.58	
Buildings	1,692.96	23.72	2.13	(0.21)	1,718.60	281.67	80.07	0.99	-	1,355.87	1,411.29	
Plant and equipment	5,248.41	641.47	13.03	(10.76)	5,892.15	1,381.93	424.93	12.88	(1.43)	4,073.84	3,866.48	
Furniture and fixtures	310.38	15.91	0.13	(0.50)	325.92	60.53	17.99	0.12	(0.27)	247.55	249.85	
Roads	298.75	-	-	-	298.75	98.91	66.04	-	-	133.80	199.84	
Office equipment	69.35	20.80	-	(0.01)	90.14	33.42	10.36	-	-	46.36	35.93	
Development plantations	3,288.86	116.92	-	-	3,405.78	306.22	80.05	-	-	3,019.51	2,982.64	
Moulds & dies	447.81	161.10	-	-	608.91	192.78	106.05	-	-	310.08	255.03	
Motor vehicles	234.72	25.65	2.37	(0.42)	262.32	108.04	21.37	2.37	-	130.54	126.68	
Computer hardware	71.32	16.86	-	(0.47)	87.71	38.81	24.41	-	(0.12)	24.61	32.51	
TOTAL	13,350.80	1,022.43	17.67	(12.37)	14,378.53	2,502.51	831.34	16.36	(1.82)	11,030.14	10,848.29	

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars	Gross Block (Cost)				Accumulated Depreciation					Net Block		
	As at 1 April 2017	Additions	Effect of foreign exchange differences	Disposals	As at 31 March 2018	As at 1 April 2017	Charge for the year	Effect of foreign exchange differences	Elimination on disposal of assets	As at 31 March 2018	As at 31 March 2018	As at 31 March 2017
Freehold land	1,687.51	-	-	(0.05)	1,687.46	-	-	-	-	-	1,687.46	1,687.51
Leasehold land	0.78	-	-	-	0.78	0.13	0.07	-	-	0.20	0.58	0.65
Buildings	1,697.57	3.26	0.45	(8.32)	1,692.96	201.76	79.75	0.19	(0.03)	281.67	1,411.29	1,495.81
Plant and equipment	4,939.28	311.78	2.77	(5.42)	5,248.41	973.00	409.44	2.53	(3.04)	1,381.93	3,866.48	3,966.28
Furniture and fixtures	304.23	8.82	0.03	(2.70)	310.38	44.71	16.83	0.03	(1.04)	60.53	249.85	259.52
Roads	298.75	0.00	-	-	298.75	31.97	66.94	-	-	98.91	199.84	266.78
Office equipment	63.65	13.81	-	(8.11)	69.35	25.28	12.87	-	(4.73)	33.42	35.93	38.37
Development plantations	3,280.67	8.19	-	-	3,288.86	134.26	171.96	-	-	306.22	2,982.64	3,146.41
Moulds & dies	354.72	93.09	-	-	447.81	98.42	94.36	-	-	192.78	255.03	256.30
Motor vehicles	221.18	13.92	0.50	(0.88)	234.72	66.57	40.98	0.49	-	108.04	126.68	154.61
Computer hardware	61.22	15.07	-	(4.97)	71.32	23.88	16.15	-	(1.22)	38.81	32.51	37.34
TOTAL	12,909.56	467.94	3.75	(30.45)	13,350.80	1,599.98	909.34	3.24	(10.06)	2,502.51	10,848.29	11,309.58

**Notes:**

- (a) Building includes ₹ 4.00 (31 March 2018: ₹ 4.00) in respect of which documents evidencing title are held in the name of the Company's nominee, which includes cost of 160 shares of ₹ 50 each fully paid-up of the New Cosmopolitan Housing Society Limited.
- (b) Vehicles as at 31 March 2019, includes vehicles with a carrying amount of ₹ 31.42 (31 March 2018: ₹ 36.31) on which the lender has a lien.
- (c) Refer note 18 and note 21 - Borrowings for assets pledged as security.
- (d) Immovable properties (land and building) having gross block of ₹ 1,935.48 and net block of ₹ 1,730.63 is yet to be transferred in the name of the Company.
- (e) Development plantations represent costs incurred for planting bearer plants pertaining to tea and coffee. Such bearer plants are expected to bear produce (tea leaves and coffee crop) for more than one accounting period.

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

**2. (b) Capital work-in-progress**

( ₹ in Lakhs)

Particulars	As at 1 April 2018	Additions	Capitalised	As at 31 March 2019
Capital work-in-progress	438.02	801.81	(603.08)	636.75

Particulars	As at 1 April 2017	Additions	Capitalised	As at 31 March 2018
Capital work-in-progress	313.55	183.10	(58.63)	438.02

**2. (c) Investment property**

Particulars	Gross Block (Cost)			Accumulated Depreciation		Net Block	
	As at 1 April 2018	Additions	Disposals	As at 31 March 2019	Charge for the year	Eliminated on disposal of assets	As at 31 March 2019
Buildings	15.83	-	-	15.83	1.71	-	13.55
<b>Total</b>	15.83	-	-	<b>15.83</b>	1.71	-	<b>13.55</b>

Particulars	Gross Block (Cost)			Accumulated Depreciation		Net Block	
	As at 1 April 2017	Additions	Disposals	As at 31 March 2018	Charge for the year	Eliminated on disposal of assets	As at 31 March 2018
Buildings	15.83	-	-	15.83	1.14	-	14.12
<b>Total</b>	15.83	-	-	15.83	1.14	-	14.12

Information regarding income and expenditure of investment properties

	As at 31 March 2019	As at 31 March 2018
Rental income derived from investment properties	7.00	12.00
Less: depreciation relating to investment properties	0.57	0.57
	<u>6.43</u>	<u>11.43</u>

**Notes**

- Investment property comprises of office buildings. Fair value of investment property is ₹ 1,256.00 Lakhs as on 31 March 2019. (31 March 2018: ₹ 1,256.00 Lakhs)
- These valuations are performed by the management based on external valuation model.
- The fair value of investment property is categorised as level 3 in the fair valuation hierarchy.

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

2. (d) Other intangible assets (₹ in Lakhs)

Particulars	Gross Block (Cost)			Accumulated Amortisation			Net Block	
	As at 1 April 2018	Additions	Disposals	As at 31 March 2019	As at 1 April 2018	Charge for the year	As at 31 March 2019	As at 31 March 2018
Computer Softwares	57.67	5.01	-	62.68	14.13	1.88	16.01	43.54
<b>Total</b>	<b>57.67</b>	<b>5.01</b>	<b>-</b>	<b>62.68</b>	<b>14.13</b>	<b>1.88</b>	<b>16.01</b>	<b>43.54</b>

Particulars	Gross Block (Cost)			Accumulated Depreciation			Net Block	
	As at 1 April 2017	Additions	Disposals	As at 31 March 2018	As at 1 April 2017	Charge for the year	As at 31 March 2018	As at 31 March 2017
Computer Softwares	50.25	7.42	-	57.67	8.27	5.86	14.13	41.98
<b>Total</b>	<b>50.25</b>	<b>7.42</b>	<b>-</b>	<b>57.67</b>	<b>8.27</b>	<b>5.86</b>	<b>14.13</b>	<b>41.98</b>

## 2. (e) Intangible asset under development

Particulars	As at 1 April 2018	Additions	Disposals	As at 31 March 2019
Intangible asset under development	19.17	25.53	-	44.70

Particulars	As at 1 April 2017	Additions	Disposals	As at 31 March 2018
Intangible asset under development	-	19.17	-	19.17

Intangible asset under development includes implementation of ERP software to be installed by the Company.

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

(₹ in Lakhs)

	<b>As at 31 March 2019</b>	<i>As at 31 March 2018</i>
<b>3. Investment in subsidiaries and associates</b>		
<b>Investments in subsidiary companies (at cost) - unquoted</b>		
76,050 (31 March 2018: 76,050) ordinary shares of Afco Industrial & Chemicals Limited of ₹100 each	<b>60.02</b>	<i>60.02</i>
20,000 (31 March 2018: 20,000) ordinary shares of DPI Products & Services Limited of ₹100 each	<b>73.62</b>	<i>73.62</i>
47,113,500 (31 March 2018: 47,113,500) ordinary shares of Leila Lands Sdn. Bhd. of RM. 1 each	<b>6,480.24</b>	<i>6,479.37</i>
5,982 (31 March 2018: 5,982) equity shares of Sea Wind Investment and Trading Company Limited of ₹100 each	<b>5.98</b>	<i>5.98</i>
<b>Investments in associate companies (at cost) - unquoted</b>		
4,999 (31 March 2018: 4,999) equity shares of Lima Investment & Trading Company Private Limited of ₹100 each	<b>5.00</b>	<i>5.00</i>
244,991 (31 March 2018: 244,991) equity shares of Lotus Viniyog Private Limited of ₹10 each	<b>24.50</b>	<i>24.50</i>
4,999 (31 March 2018: 4,999) equity shares of Cincinnati Investment & Trading Company Private Limited of ₹100 each	<b>5.00</b>	<i>5.00</i>
4,999 (31 March 2018: 4,999) equity shares of Roshnara Investment & Trading Company Private Limited of ₹100 each	<b>5.00</b>	<i>5.00</i>
1 (31 March 2018: 1) equity share of The Bombay Burmah Trading Employees' Welfare Co. Limited, of ₹100 (face value ₹100) *	<b>0.00</b>	<i>0.00</i>
1 (31 March 2018: 1) equity share of National Peroxide Employees' Welfare Company Limited of ₹100 (face value ₹100) *	<b>0.00</b>	<i>0.00</i>
<b>Investments in associate companies (at cost) - quoted</b>		
29,639,375 (31 March 2018: 29,639,375) equity shares of The Bombay Dyeing and Manufacturing Company Limited, (BDMC) (face value ₹ 2)	<b>20,454.62</b>	<i>20,454.62</i>
	<b>27,113.98</b>	<i>27,113.11</i>
Aggregate book value of quoted investments	<b>20,454.62</b>	<i>20,454.62</i>
Aggregate market value of quoted investments	<b>40,027.98</b>	<i>70,941.84</i>
Aggregate value of unquoted investments	<b>6,659.36</b>	<i>6,658.49</i>
Aggregate amount of impairment in value of investments	<b>-</b>	<i>-</i>

\* includes amount less than ₹ 1,000



**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

(₹ in Lakhs)

	<b>As at 31 March 2019</b>	<b>As at 31 March 2018</b>
<b>4 Non-current investments</b>		
<b>Investments in unquoted equity instruments at FVTOCI</b>		
48,000 (31 March 2018: 48,000) equity shares of Inor Medical Products Limited of ₹10 each	<b>117.01</b>	<b>108.93</b>
11,580 (31 March 2018: 11,580) equity shares of B.R.T. Limited of ₹100 each	<b>174.20</b>	<b>169.58</b>
4,704 (31 March 2018: 4,704) equity shares of Citurgia Biochemicals Limited, of ₹10 each (face value ₹ 10)	<b>0.47</b>	<b>0.47</b>
1,774 (31 March 2018: 1,774) ordinary shares of Anamallais Ropeway Company Limited of ₹ 100 each (face value ₹ 100)	<b>1.77</b>	<b>1.77</b>
<b>Investments in quoted equity instruments at- FVTOCI</b>		
500 (31 March 2018: 500) equity shares of Canara Bank ₹10 each	<b>1.46</b>	<b>1.32</b>
1,100 (31 March 2018: 500) equity shares of State Bank of India (previously State Bank of Travancore) ₹10 each	<b>3.53</b>	<b>2.50</b>
16 (31 March 2018: 16) equity shares of The Associated Cement Company Limited, of ₹10 each (face value ₹10)	<b>0.27</b>	<b>0.24</b>
<b>Investments in co-operative societies - at cost</b>		
1 (31 March 2018: 1) share of The Coorg Orange Growers' Co-operative Society Limited of ₹ 100 (face value ₹ 100) *	<b>0.00</b>	<b>0.00</b>
5 (31 March 2018: 5) ordinary shares of The Nilgiris Co-operative Central Stores Limited of ₹ 50 each (face value ₹ 250) *	<b>0.00</b>	<b>0.00</b>
10 (31 March 2018: 10) shares of Reena Park Co-operative Housing Society Limited of ₹50 each (face value ₹50)	<b>0.01</b>	<b>0.01</b>
250 (31 March 2018: 250) shares of The Valparai Co-operative Wholesale Stores Limited of ₹ 10 each (face value ₹ 10)	<b>0.03</b>	<b>0.03</b>
50 (31 March 2018: 50) "Member" shares of The Tanganyika Farmers' Co-operative Association Limited of ₹ 1000 each (face value ₹ 1000)	<b>0.01</b>	<b>0.01</b>
Nil (31 March 2018: 15) shares of Hermes Park Co-operative Housing Society Limited of ₹ 50 each (face value ₹ 50)	<b>-</b>	<b>0.01</b>
<b>Investments in government securities - at amortised cost</b>		
10 (31 March 2018: 10) units of National Savings Certificates VIII of ₹10,000 each	<b>1.01</b>	<b>1.01</b>
	<b>299.77</b>	<b>285.88</b>
Aggregate book value of quoted investments	<b>5.26</b>	<b>4.06</b>
Aggregate market value of quoted investments	<b>5.26</b>	<b>4.06</b>
Aggregate value of unquoted investments	<b>294.51</b>	<b>281.82</b>
Aggregate amount of impairment in value of investments	<b>-</b>	<b>-</b>

\* includes amount less than ₹ 1,000

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(₹ in Lakhs)

5 Non-current financial assets - loans receivable

Unsecured and considered good unless otherwise stated

Security deposits	196.11	197.47
Less: allowance for impairment	(40.46)	(40.46)
Loans to key managerial personnel	12.00	12.00
Loans to employees	65.94	77.36
	<u>233.59</u>	<u>246.37</u>

6 Non-current financial asset - other financial assets

Unsecured and considered good unless otherwise stated

Bank deposits with maturity beyond 12 months	255.37	253.16
Deposits for margin money with bank	1.64	1.64
Interest accrued on deposits	29.88	14.79
Other receivables	343.92	340.87
Less: allowance for impairment	(307.39)	(252.13)
	<u>323.42</u>	<u>358.33</u>

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

## 7 Movement in deferred tax balances

## (a) Movement in deferred tax balances for 2018-19

(₹ in Lakhs)

Particulars	1 April 2018	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Other	31 March 2019
<b>Deferred tax liability</b>						
Difference between written down value/capital work-in-progress of fixed assets as per the books of account and Income-tax Act, 1961.	401.64	(38.96)	-	-	-	362.68
Dividend	-	102.82	-	-	-	102.82
<b>Deferred tax assets</b>						
Indexation benefit on land	(923.82)	-	-	-	-	(923.82)
Allowance for doubtful debts, advances and contingencies	(283.08)	-	-	-	-	(283.08)
Provision for employee benefits	(54.20)	-	-	-	-	(54.20)
Unabsorbed business loss and depreciation (Refer note below)	(64.36)	38.96	-	-	-	(25.40)
<b>Tax expense/(benefits)</b>	<b>(923.82)</b>	<b>102.82</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(821.00)</b>
<b>Tax liabilities (assets)</b>	<b>(923.82)</b>	<b>102.82</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(821.00)</b>

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

7 (b) Movement in deferred tax balances for 2017-18

( ₹ in Lakhs)					
Particulars	1 April 2017	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Other
<b>Deferred tax liability</b>					
Difference between written down value/capital work-in-progress of fixed assets as per the books of account and Income-tax Act, 1961.	392.00	9.64	-	-	401.64
Others	26.00	(26.00)	-	-	-
<b>Deferred Tax Assets</b>					
Indexation benefit on land	(415.00)	(508.82)	-	-	(923.82)
Allowance for doubtful debts, advances and contingencies	(254.00)	(29.08)	-	-	(283.08)
Provision for employee benefits	(55.00)	0.80	-	-	(54.20)
Unabsorbed business loss and depreciation	(109.00)	44.64	-	-	(64.36)
(Refer Note below)					
<b>Tax expense/(benefits)</b>	(415.00)	(508.82)	-	-	(923.82)
<b>Tax (assets)</b>	(415.00)	(508.82)	-	-	(923.82)

Deferred tax benefits are recognized on unabsorbed business loss, depreciation and other assets to the extent it is probable that taxable profit will be available against which the deductible temporary differences will be utilised.					
The Company has the following unused tax losses which arose on incurrence of business loss under the Income - tax Act, 1961, for which deferred tax asset has been recognised in the balance sheet only to the extent of the deferred tax liability.					
Financial Year	Nature of loss	31 March 2019	Expiry Date	31 March 2018	Expiry Date
2014-15	Unabsorbed depreciation	309.51	No expiry	309.51	No expiry
2015-16	Business loss	339.26	31-Mar-24	339.26	31-Mar-24
	Unabsorbed depreciation	683.84	No expiry	683.84	No expiry
2016-17	Business loss	661.09	31-Mar-25	661.09	31-Mar-25
	Unabsorbed depreciation	615.70	No expiry	615.70	No expiry
2017-18	Business loss	1,308.46	31-Mar-26	1,288.58	31-Mar-26
	Unabsorbed depreciation	461.13	No expiry	461.13	No expiry
2018-19	Business loss	2,101.96	31-Mar-27	-	-
	Unabsorbed depreciation	461.11	No expiry	-	-
		<u>6,942.06</u>		<u>4,359.11</u>	

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

(₹ in Lakhs)

	<b>As at 31 March 2019</b>	<b>As at 31 March 2018</b>
<b>8 (a) Income tax assets (net)</b>		
Advance income tax (net of provision for tax)	<b>641.04</b>	<b>476.61</b>
	<b>641.04</b>	<b>476.61</b>
<b>8 (b) Other non-current assets</b>		
<b>Unsecured and considered good unless otherwise stated</b>		
Capital advances	<b>80.98</b>	<b>108.03</b>
Prepaid expenses	<b>9.90</b>	<b>12.60</b>
Balances with government authorities	<b>228.79</b>	<b>223.60</b>
Less: allowance for impairment	<b>(19.80)</b>	<b>(19.80)</b>
Excise duty receivable	<b>122.47</b>	<b>122.47</b>
Less: allowance for impairment	<b>(122.47)</b>	<b>(122.47)</b>
	<b>299.87</b>	<b>324.43</b>
<b>9 (a) Inventories</b>		
Raw materials	<b>526.03</b>	<b>483.82</b>
Work-in-progress	<b>337.73</b>	<b>388.21</b>
Finished goods	<b>4,393.08</b>	<b>2,170.72</b>
Stock-in-trade	<b>146.70</b>	<b>48.61</b>
Consumable stores and spares	<b>406.35</b>	<b>357.10</b>
Real estate under development	<b>2,976.59</b>	<b>2,879.06</b>
	<b>8,786.48</b>	<b>6,327.52</b>

During the year, the cost of inventories recognised as consumption is ₹ 23.64 (31 March 2018: NIL) by way of write down of inventory to its net realisable value.

Inventories are subject to first charge against bank loans (refer note 21)

**9 (b) Biological assets****I Reconciliation of carrying amount**

	<b>31 March 2019</b>		<b>31 March 2018</b>	
	<b>Tea leaves</b>	<b>Coffee fruits</b>	<b>Tea leaves</b>	<b>Coffee fruits</b>
<b>Opening carrying value of biological assets as on 1 April</b>	<b>170.90</b>	<b>-</b>	<b>228.67</b>	<b>-</b>
<b>Add :</b>				
(i) Increase due to harvesting done	<b>3,327.26</b>	<b>882.69</b>	<b>2,892.81</b>	<b>353.14</b>
<b>Less :</b>				
(i) Production during the year changes due to biological transformation	<b>(3,394.87)</b>	<b>(882.69)</b>	<b>(2,950.58)</b>	<b>(353.14)</b>
(ii) Due to increase in production of leaves/fruits on the bushes due to favourable weather conditions	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

(₹ in Lakhs)

	<b>31 March 2019</b>		<i>31 March 2018</i>	
	<b>Tea leaves</b>	<b>Coffee fruits</b>	<i>Tea leaves</i>	<i>Coffee fruits</i>
(iii) Due to increase in number of plantations	-	-	-	-
(iv) Increase due to seasonal produce	-	-	-	-
(v) Changes due to biological transformation for harvest	-	-	-	-
(vi) Changes due to currency fluctuation	<b>0.59</b>	-	-	-
<b>Carrying value of biological assets as on 31 March</b>	<b>103.88</b>	-	<b>170.90</b>	-
<b>The reconciliation of fair value changes is analysed below:</b>				
<b>Opening carrying value of biological assets as on 1 April</b>	<b>170.90</b>	-	<b>228.67</b>	-
Variance due to price/rate movements	<b>5.12</b>	-	<b>(17.83)</b>	-
Variance due to currency fluctuation	<b>0.59</b>	-	-	-
Variance due to volume fluctuations:				
> Due to increase/(decrease) in production of leaves/fruits on the bushes due to favourable/unfavourable weather conditions	<b>(72.73)</b>	-	<b>(39.94)</b>	-
<b>Carrying value of biological assets as on 31 March</b>	<b>103.88</b>	-	<b>170.90</b>	-
<b>Current portion</b>	<b>103.88</b>		<b>170.90</b>	
<b>Non-current portion</b>	-		-	

**II Measurement of fair value**
**i) Fair value hierarchy**

The fair value measurement for tea leaves and coffee fruits has been categorised as Level 3 fair values based on the inputs to valuation technique used.

**ii) Level 3 fair values**

The following table shows a break down of the total gains/(losses) recognised in respect of level 3 fair values

	<b>31 March 2019</b>	<i>31 March 2018</i>
Gain/(loss) included in "other income" / "(other expenses)"	<b>(67.61)</b>	<b>(57.77)</b>
Change in fair value (realised)	-	-
Change in fair value (unrealised)	<b>(67.61)</b>	<b>(57.77)</b>

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

(₹ in Lakhs)

**iii) Valuation techniques and significant unobservable inputs**

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Tea leaves	Based on actual production of 11 days immediately succeeding the reporting date	Estimated trading price of tea leaves as at the reporting date- 31 March 2019 ₹ 21.67 per kg (31 March 2018: ₹ 20.44 per kg)	The estimated fair valuation would increase/(decrease) if <ul style="list-style-type: none"> <li>- The production quantity for 11 days immediately after the reporting date changes</li> <li>- the trading prices of the tea leaves undergo a change</li> </ul>
Coffee fruits	Based on estimated amount of coffee fruits to be plucked during the months of January to March each year	Average of high and low prices determined by The Coffee Board of India as on the reporting dates	The estimated fair valuation would increase/(decrease) if <ul style="list-style-type: none"> <li>- The budgeted production and estimated quantity to be plucked changes</li> <li>- the prices determined by the Coffee Board of India changes</li> </ul>

**III Risk management strategies related to agricultural activities**

The Company is exposed to the following risks relating to its plantation activity

**i) Regulatory and environmental risks**

The Company is subject to laws and regulations in the country in which it operates. It has established various environmental policies and procedures aimed at compliance with the local environmental and other laws.

**ii) Supply and demand risks**

The Company is exposed to risks arising from fluctuations in the price and sales volume of produce (tea and coffee). When possible, the Company manages this risk by aligning its produce to market supply and demand. Management regularly analyses industry trend, for projected produce and prices.

**iii) Climate and other risks**

The Company's plantations are exposed to the risk of damage from climatic changes, pests, forest fires and other natural forces. The Company has extensive processes in place aimed at monitoring and mitigating those risks, including regular estate health inspections and industrial pest surveys.

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

(₹ in Lakhs)

	As at 31 March 2019	As at 31 March 2018
<b>10 Current investments</b>		
<b>Investments in equity - quoted</b>		
1,911,338 (31 March 2018: 1,911,338) equity shares of The Bombay Dyeing and Manufacturing Company Limited, (BDMC) of (face value ₹ 2) (refer note 49)	1,313.88	1,313.88
	<u>1,313.88</u>	<u>1,313.88</u>
Aggregate book value of quoted investments	1,313.88	1,313.88
Aggregate market value of quoted investments	2,581.26	4,574.79
Aggregate value of unquoted investments	-	-
Aggregate amount of impairment in value of investments	-	-
<b>11 Trade receivables</b>		
Unsecured		
- Considered good	4,856.29	3,974.27
- Credit impaired	546.74	502.56
Less: allowance for impairment	(546.74)	(502.56)
	<u>4,856.29</u>	<u>3,974.27</u>
Trade receivables are subject to first charge against bank loans (refer note 21)		
<b>12(a) Cash and cash equivalents</b>		
Cash in hand	7.21	7.17
<b>Balance with banks:</b>		
In current accounts	361.87	952.06
In EEFC accounts	140.88	-
In foreign bank accounts held by foreign branches	400.57	408.57
	<u>910.53</u>	<u>1,367.80</u>
<b>12(b) Other bank balances</b>		
Unpaid dividend accounts	117.31	115.15
	<u>117.31</u>	<u>115.15</u>
<b>13 Current financial assets - loans receivable</b>		
<b>Unsecured and considered good unless otherwise stated</b>		
Security deposits	0.29	0.53
Loans to group companies and associates	135.33	117.56
Loans to key managerial personnel	5.42	5.63
Loans to employees	14.57	38.12
Intercompany deposit *	10,790.00	12,280.00
	<u>10,945.61</u>	<u>12,441.84</u>

\*Includes deposits given to related parties other than subsidiaries amounting to ₹ 10,790.00 (31 March 2018: ₹ 12,280.00)



**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

(₹ in Lakhs)

	<b>As at 31 March 2019</b>	<b>As at 31 March 2018</b>
<b>14 Current financial asset - other financial asset</b>		
<b>Unsecured and considered good unless otherwise stated</b>		
Interest accrued on deposits	<b>1.86</b>	1.22
Balances with government authorities	<b>237.57</b>	149.83
Receivables from other than related party	<b>1,565.71</b>	1,691.50
Receivables from related party, key managerial personnel	<b>1,422.40</b>	91.58*
	<b>3,227.54</b>	1,934.13
* Includes amount receivable from Managing Director		
<b>15 Other current assets</b>		
<b>Unsecured and considered good unless otherwise stated</b>		
Advances to suppliers	<b>140.80</b>	104.05
Prepaid expenses	<b>165.18</b>	115.42
Balances with government authorities	<b>505.21</b>	743.36
BBTCL employee benefit fund	<b>3.90</b>	152.52
	<b>815.09</b>	1,115.35
Other current assets are subject to first charge against bank loans (refer note 21)		
<b>16 Share capital</b>		
<b>(a) Authorised share capital</b>		
	<b>As at 31 March 2019</b>	<b>As at 31 March 2018</b>
75,000,000 equity shares of ₹ 2/- each (previous year 75,000,000 of ₹ 2/- each)	<b>1,500.00</b>	1,500.00
<b>TOTAL</b>	<b>1,500.00</b>	1,500.00
<b>(b) Issued, subscribed and paid-up</b>		
69,771,900 equity shares of ₹ 2/- each (previous year 69,771,900 of ₹ 2/- each)	<b>1,395.44</b>	1,395.44
Forfeited shares amount paid-up	<b>0.83</b>	0.83
<b>TOTAL</b>	<b>1,396.27</b>	1,396.27
<b>(c) Reconciliation of the shares outstanding at the beginning and at the end of reporting year.</b>		
<b>Equity shares</b>		
Outstanding at the beginning of the year	<b>69,771,900</b>	69,771,900
Shares issued during the year	-	-
<b>Outstanding at the end of the year</b>	<b>69,771,900</b>	69,771,900

**(d) Terms / rights attached to each classes of shares :**

The Company has only one class of equity shares with voting rights having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the ensuing Annual General Meeting, except in case of interim dividend.

In the event of liquidation of the Company, the shareholders of equity shares will be entitled to receive 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.

# NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(₹ in Lakhs)

(e) Shareholders holding more than 5% shares in the Company is set out below:

Equity shareholders	As at 31 March 2019		As at 31 March 2018	
	No. of Shares	% Holding	No. of Shares	% Holding
Nowrosjee Wadia & Sons Limited**	21,352,927	30.60%	20,852,927	29.89%
The Bombay Dyeing and Manufacturing Company Limited	7,538,600	10.80%	7,538,600	10.80%
Mr. Nusli Neville Wadia	6,846,505	9.81%	6,846,505	9.81%
Wallace Brothers Trading & Industrial Limited	5,660,700	8.11%	5,660,700	8.11%
Sunflower Investments & Textiles Private Limited**	2,000,298	2.87%	2,000,298	2.87%
Naperol Investments Limited	4,208,400	6.03%	4,208,400	6.03%
N.W. Exports Limited**	-	-	500,000	0.72%

\*\* N.W. Exports Limited and Sunflower Investments & Textiles Private Limited were amalgamated with Nowrosjee Wadia & Sons Limited pursuant to the scheme of arrangement during the previous year. Share transfer in the name of the amalgamated Company is pending on the balance sheet date in case of Sunflower Investments & Textiles Private Limited.

	As at 31 March 2019	As at 31 March 2018
<b>17 Other equity</b>		
Capital reserve	89.47	89.47
Securities premium	3,637.20	3,637.20
General reserve	3,348.19	3,348.19
Retained earnings	6,340.95	9,744.73
Foreign currency translation reserve	22.69	16.63
Other Comprehensive Income	10,867.60	10,853.70
	<b>24,306.10</b>	<b>27,689.92</b>

## Capital reserve

The reserve comprises of profits/losses of capital nature earned by the Company and credited directly to such reserve.

At the commencement of the year	89.47	89.47
Movements during the year	-	-
Closing balance	<b>89.47</b>	<b>89.47</b>

## Securities premium reserve

Securities premium represents the premium charged to the shareholders at the time of issuance of shares. The securities premium can be utilised based on the relevant requirements of the Companies Act, 2013

At the commencement of the year	3,637.20	3,637.20
Movements during the year	-	-
Closing balance	<b>3,637.20</b>	<b>3,637.20</b>

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

(₹ in Lakhs)

**General reserve**

General reserve forms part of the retained earnings and is permitted to be distributed to shareholders as part of dividend, subject to the relevant provisions of the Companies Act, 2013

	<b>As at 31 March 2019</b>	<i>As at 31 March 2018</i>
At the commencement of the year	<b>3,348.19</b>	<i>3,348.19</i>
Movements during the year	<u>-</u>	<u>-</u>
Closing balance	<b><u>3,348.19</u></b>	<i><u>3,348.19</u></i>

**Foreign currency translation reserve**

The reserve represents exchange differences arising on account of conversion of foreign operations to the Company's functional currency.

At the commencement of the year	<b>16.63</b>	<i>(45.94)</i>
<u>Movements during the year</u>		
Effect of foreign exchange rate variations during the year	<b>6.06</b>	<i>62.57</i>
Closing balance	<b><u>22.69</u></b>	<i><u>16.63</u></i>

**Equity instrument through Other Comprehensive Income**

At the beginning of the year	<b>10,853.70</b>	<i>10,880.92</i>
<u>Movements during the year</u>		
Changes in fair value of investment in equity shares	<b>13.90</b>	<i>(27.22)</i>
Closing balance	<b><u>10,867.60</u></b>	<i><u>10,853.70</u></i>

**18 Non-current financial liabilities - borrowings****Secured borrowings**

Term loans from banks (refer note 18.a - 18.b)	<b>555.30</b>	<i>1,709.25</i>
Loan against vehicle (refer note 18.c)	<b>13.89</b>	<i>20.69</i>
Non-Convertible Debentures (refer note 18.d)	<b>14,958.11</b>	<i>14,935.35</i>
	<b><u>15,527.30</u></b>	<i><u>16,665.29</u></i>

18. a) Rupee loan from Kotak Mahindra Bank Limited of ₹ 5,000.00, (current outstanding - ₹ 599.29) which is repayable in quarterly instalments of ₹ 150.00 each upto March 2020. The loan is secured by extension of charge of an equitable mortgage by deposit of title deeds of Akurdi Land together with buildings and structures thereon in favour of Kotak Mahindra Bank Limited. The rate of interest on the loan is ranging from 10% to 11%.
18. b) Rupee loan from The Federal Bank Limited of ₹ 2,500.00 Lakhs, (current outstanding - ₹ 1,109.96) is repayable by quarterly instalments of ₹ 138.89 each till January, 2021. The loan is secured by extension of pari passu charge of an equitable mortgage by deposit of title deeds of Mudis estates together with buildings and structures thereon in favour of said bank. The rate of interest on the loan is ranging from 9.5% to 10.25%.
18. c) Loan against vehicles are secured by lien on vehicle purchased. The rate of interest on the loan is ranging from 8% to 10% and is repayable in 60 equal installments. Outstanding amount in respect of loan against vehicles is ₹ 20.68, out of which ₹ 6.79 is repayable within one year and is classified under "Other Current Financial Liabilities" (Refer Note 23).

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(₹ in Lakhs)

- d) Non-convertible debentures (NCD's) aggregating to ₹ 15,000.00 (current outstanding – ₹ 15,000.00) were issued to mutual fund house and listed on Whole Sale Debt Market segment of BSE Limited. NCD's are repayable on 30 April 2020 and are secured by extension of pari passu charge of an Equitable Mortgage by deposit of title deeds of Elkhill estates together with buildings and structures thereon in favour of the debenture trustee (IDBI Trusteeship Services Limited). The coupon rate of NCD is 8.44% p.a. payable quarterly.

The Company's exposure to liquidity risk and interest risk related to borrowings is disclosed in note 38.

	As at 31 March 2019	As at 31 March 2018
<b>19 Non-current financial liabilities - other financial liabilities</b>		
Security deposits received	24.80	41.34
Others	15.16	14.89
	<u>39.96</u>	<u>56.23</u>
<b>20 Non-current provisions</b>		
Compensated absences	146.09	196.91
	<u>146.09</u>	<u>196.91</u>
<b>21 Current financial liabilities - borrowings</b>		
<b>Secured-Loans repayable on demand</b>		
Cash credit / working capital demand loan (WCDL), short term loans and packing credit (refer note 21.a to 21.d)	7,782.06	3,837.64
<b>Unsecured-Loans repayable on demand</b>		
Loans repayable on demand from banks (refer note 21.e)	4,500.00	4,500.00
Commercial paper (refer note 21.f)	12,401.39	9,838.46
	<u>24,683.45</u>	<u>18,176.10</u>
21.a) Cash credit from Axis Bank Limited ₹ 1,462.26 (previous year ₹ 61.18) is secured by hypothecation of present and future stocks, trade receivables (book debts) and other current assets on pari-passu basis and a collateral on Elkhill Estates. The rate of interest on the loan is ranging from 9% to 11%.		
21.b) Cash credit from HDFC Bank Limited ₹ 1,565.32 (previous year Nil) is secured by hypothecation of present and future stocks, book debts and other current assets on pari-passu basis. The rate of interest on the loan is ranging from 9% to 11%.		
21.c) Packing Credit/ Cash Credit / WCDL from The Hongkong and Shanghai Banking Corporation Limited of ₹ 3,007.61 (previous year ₹ 1,000.00) is secured by hypothecation of present and future stocks, book debts and other current assets on pari-passu basis and a collateral on Mudis Estates. The rate of interest on the loan is ranging from 8.5% to 9.5%.		
21.d) Packing credit/ WCDL/ short term loan from Federal Bank Limited of ₹ 1,746.87 (previous year ₹ 2,776.46) is secured by hypothecation of present and future stocks, book debts and other current assets on pari-passu basis. The rate of interest on the packing credit is 6 Months LIBOR + 1 - 3 % and other loan is 9% -11%.		
21.e) Outstanding unsecured loan of ₹ 4,500.00 (previous year ₹ 4,500.00) is payable to BNP Paribas. The tenure of loan is short term and it is repayable on demand. The rate of interest on the loan is ranging from 8.25% to 9.5%.		
21.f) The Company has issued commercial paper of ₹ 12,500.00 Lakhs (previous year ₹ 10,000.00 Lakhs) which carries coupon 7% to 9% for a tenor of 90 days. It is an unsecured facility.		

The Company's exposure to liquidity risk and interest risk related to borrowings is disclosed in note 38.

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

(₹ in Lakhs)

	<b>As at 31 March 2019</b>	<b>As at 31 March 2018</b>
<b>22 Current financial liabilities - trade payables</b>		
Due to micro and small enterprises (refer note 41)	-	295.71
Due to others	<b>1,800.55</b>	<b>1,647.26</b>
	<b><u>1,800.55</u></b>	<b><u>1,942.97</u></b>

All trade payables are current. The Company's exposure to liquidity risk and currency risk related to trade payables is disclosed in note 38.

	<b>As at 31 March 2019</b>	<b>As at 31 March 2018</b>
<b>23 Current financial liabilities - other financial liabilities</b>		
Current maturities of long term debt (refer note 18.a to 18.e)	<b>1,160.74</b>	<b>1,008.69</b>
Creditors for capital goods	<b>75.70</b>	<b>82.80</b>
Interest accrued	<b>324.88</b>	<b>10.04</b>
Unpaid dividends*	<b>117.31</b>	<b>115.15</b>
Security deposits received		
- Related parties	<b>300.00</b>	<b>300.00</b>
- Other than related parties	<b>27.76</b>	<b>27.32</b>
Expenses payable to		
- Related parties	<b>54.39</b>	<b>48.17</b>
- Other than related parties	<b>121.99</b>	<b>174.67</b>
Accrual for expenses	<b>775.95</b>	<b>853.76</b>
Employee benefits	<b>673.63</b>	<b>582.25</b>
	<b><u>3,632.35</u></b>	<b><u>3,202.85</u></b>

\* There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

The Company's exposure to liquidity risk and currency risk is disclosed in note 38.

<b>24 Other current liabilities</b>		
Advance from customers	<b>15.62</b>	<b>1.89</b>
Statutory dues payable (includes GST, provident fund, withholding taxes, etc.)	<b>204.59</b>	<b>340.83</b>
	<b><u>220.21</u></b>	<b><u>342.72</u></b>

<b>25 Current provision</b>		
<b>Provision for employee benefits:</b>		
Gratuity (refer note 37)	<b>704.06</b>	<b>66.97</b>
Compensated absences (refer note 37)	<b>33.23</b>	<b>39.69</b>
Pension and superannuation funds	<b>91.52</b>	<b>76.61</b>
	<b><u>828.81</u></b>	<b><u>183.27</u></b>

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

(₹ in Lakhs)

	<b>For the year ended 31 March 2019</b>	<i>For the year ended 31 March 2018</i>
<b>26 Revenue from operations</b>		
<b>A. Sale of products and services</b>		
Sale of products	<b>23,840.89</b>	20,640.22
Less : discounts and deductions	<b>(43.14)</b>	(44.78)
Sale of services	<b>0.04</b>	1.34
	<b>23,797.79</b>	20,596.78
<b>B. Other operating income</b>		
Sale of scrap	<b>130.10</b>	103.22
Duty drawback and other export incentives/subsidy	<b>268.00</b>	269.21
	<b>398.10</b>	372.43
	<b>24,195.89</b>	20,969.21
<b>27 Other income</b>		
Interest Income from financial assets at amortised cost		
- With banks	<b>28.22</b>	65.13
- With others	<b>1,280.55</b>	1,618.82
Rent received	<b>38.50</b>	44.67
Net gain on foreign currency transactions	<b>8.12</b>	-
Net gain on disposal of property, plant and equipment etc.	<b>136.87</b>	1,316.93
Dividend income	<b>1,724.69</b>	220.81
Liabilities/provisions no longer required written back	<b>37.10</b>	26.42
Guarantee commission	<b>95.12</b>	107.13
Fair trade premium received	<b>85.48</b>	328.84
Miscellaneous income	<b>47.55</b>	27.22
	<b>3,482.20</b>	3,755.97
<b>28 Cost of materials consumed</b>		
Opening stock	<b>483.82</b>	489.56
Add : Purchases during the year	<b>10,010.41</b>	7,547.74
Less: Closing stock	<b>(526.03)</b>	(483.82)
	<b>9,968.20</b>	7,553.48

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

(₹ in Lakhs)

	<b>For the year ended 31 March 2019</b>	<i>For the year ended 31 March 2018</i>
<b>29 Changes in inventories of finished goods, work-in-progress and stock-in-trade</b>		
<b>Opening stock:</b>		
Finished goods (including stock-in-trade)	<b>2,219.33</b>	2,082.35
Work-in-progress	<b>388.21</b>	288.98
<b>Less:</b>		
<b>Closing stock:</b>		
Finished goods (including stock-in-trade)	<b>4,539.78</b>	2,219.33
Work-in-progress	<b>337.73</b>	388.21
<b>Changes in inventories:</b>		
Finished goods (including stock-in-trade)	<b>(2,320.45)</b>	(136.98)
Work-in-progress	<b>50.48</b>	(99.23)
	<b>(2,269.97)</b>	(236.21)
<b>30 Employee benefits expenses</b>		
Salaries and wages	<b>7,921.11</b>	7,218.04
Contributions to provident and other funds	<b>634.46</b>	591.11
Staff welfare expenses	<b>202.68</b>	405.52
Expenses related to post employment defined benefit plan (refer note 37)	<b>177.17</b>	144.18
Expenses related to compensated absences (refer note 37)	<b>120.36</b>	59.29
	<b>9,055.78</b>	8,418.14
<b>31 Finance costs</b>		
Interest and finance charges	<b>3,364.65</b>	3,101.68
	<b>3,364.65</b>	3,101.68

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

(₹ in Lakhs)

	<b>For the year ended 31 March 2019</b>	<i>For the year ended 31 March 2018</i>
<b>32 Other expenses</b>		
Consumption of stores and spare parts	<b>981.93</b>	<i>1,005.41</i>
Power and fuel	<b>1,156.94</b>	<i>921.99</i>
Rent (refer note 36)	<b>84.97</b>	<i>77.20</i>
Repair and maintenance		
Buildings	<b>185.99</b>	<i>184.89</i>
Plant & machinery	<b>241.08</b>	<i>225.44</i>
Others	<b>138.39</b>	<i>100.90</i>
Insurance	<b>107.13</b>	<i>135.38</i>
Rates and taxes	<b>102.37</b>	<i>168.64</i>
Communication	<b>63.67</b>	<i>89.18</i>
Bank charges	<b>13.40</b>	<i>35.78</i>
Travelling and conveyance	<b>309.99</b>	<i>275.54</i>
Printing and stationery	<b>52.18</b>	<i>76.16</i>
Freight and forwarding	<b>629.33</b>	<i>624.18</i>
Advertisement and sales / business promotion / selling expenses	<b>361.41</b>	<i>195.79</i>
Legal and professional	<b>670.72</b>	<i>716.36</i>
Security charges	<b>35.31</b>	<i>43.66</i>
Brand equity and shared expenses	<b>76.20</b>	<i>99.51</i>
Payment to auditors (refer note 44)	<b>48.56</b>	<i>47.93</i>
Trade and other receivables, loans and advances written off	<b>2.40</b>	<i>-</i>
Director's sitting fees	<b>19.10</b>	<i>13.40</i>
Allowance for impairment for trade and other receivables, loans and advances (net)	<b>100.82</b>	<i>1.37</i>
Processing charges/ sub-contracting	<b>1,393.17</b>	<i>1,194.80</i>
Corporate social responsibility (CSR) expenditure [refer note 43]	<b>13.97</b>	<i>9.99</i>
Fair trade premium paid	<b>85.48</b>	<i>328.84</i>
Loss on disposal of property, plant and equipment	<b>-</b>	<i>8.95</i>
Loss in the fair valuation of biological assets	<b>67.61</b>	<i>57.77</i>
Foreign exchange fluctuation (net)	<b>-</b>	<i>55.32</i>
Miscellaneous expenses	<b>672.31</b>	<i>770.32</i>
	<b><u>7,614.43</u></b>	<i><u>7,464.70</u></i>





## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(₹ in Lakhs)

	31 March 2019	31 March 2018
<b>34 Tax expense (continued)</b>		
<b>(c) Reconciliation of effective tax rate</b>		
<b>Profit before tax</b>	<b>(1,866.82)</b>	<b>(3,091.87)</b>
Foreign dividend income	<b>1,409.18</b>	-
	<b>(3,276.00)</b>	<b>(3,091.87)</b>
<b>Tax using the Company's domestic tax rate</b>	<b>(1,022.11)</b>	<b>(955.39)</b>
<b>Tax effect of:</b>		
Permanent differences	<b>34.89</b>	<b>37.65</b>
Temporary differences on which no deferred tax asset is recognised	<b>12.30</b>	<b>73.27</b>
Dividend income exempt from income-tax	<b>(98.44)</b>	<b>(68.23)</b>
Portion of income/loss chargeable to tax under Tamil Nadu and Karnataka state laws (laws abolished in the respective states)	<b>273.68</b>	<b>371.92</b>
Current period's losses for which no deferred tax asset is recognised	<b>799.68</b>	<b>540.78</b>
Deferred tax assets on indexation benefit	-	<b>(508.82)</b>
Income tax refund pertaining to earlier years	<b>102.82</b>	-
	<b>102.82</b>	<b>(508.82)</b>

### 35 Managerial remuneration

- a) Pursuant to the notification no. S.O. 4823(E) dated 12 September 2018 issued by the Ministry of Corporate Affairs, the provisions of Section 66 to 70 of the Companies (Amendment) Act, 2017 dealing with Managerial Remuneration have come into effect from that date. In view thereof, the Central Government (CG) has informed the Corporation that the applications made to them for approval of the payment of remuneration of ₹ 289.98 (excluding retiral of ₹ 59.96) for each of the financial years 2016-17 and 2017-18 to the Managing Director, Mr. Ness Wadia, which was in excess of the limits specified in Schedule V shall abate and is closed. The amended provisions do not require companies to seek the Central Government approval but require companies to obtain the approval of the Members by way of special resolution.

Further, the Corporation has during the year 2018-19 paid remuneration of ₹ 318.26 (excluding retiral of ₹ 65.95) to the Managing Director, Mr. Ness Wadia which is in excess of the limits specified in Schedule V of the Companies Act, 2013.

In view of the above, the Corporation shall seek the approval of the Members of the Corporation by way of a special resolution at the ensuing Annual General Meeting of the Corporation for payment of the aforesaid remuneration for the years 2016-17, 2017-18 and 2018-19, which is within the limits approved by the Members at their Annual General Meeting held on 5 August 2016.

### 36 Leases

#### Operating lease disclosure

- 1 The Company 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 and loss is ₹ 84.97 (31 March 2018: ₹ 77.20).
- 2 During the year the Company has regained control of the subleased property. Sublease receipts recognised in the statement of profit and loss is ₹ 7.16 (31 March 2018: ₹ 9.10)

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

(₹ in Lakhs)

**37 Employee benefits (Ind AS 19)****(a) Defined contribution plans**

Amounts recognized as an expense and included in note 30 under the head “contribution to provident and other funds” of statement of profit and loss are as follows:

	<b>31 March 2019</b>	<i>31 March 2018</i>
Employer’s contribution to provident fund *	<b>562.96</b>	<i>514.49</i>
Employer’s contribution to superannuation fund	<b>71.50</b>	<i>76.62</i>
<b>Total</b>	<b>634.46</b>	<i>591.11</i>

\* The eligible employees of the Company are entitled to receive post employment benefits in respect of provident fund, in which both the employees and the Company make monthly contributions at a specified percentage of the employees’ eligible salary (currently 12% of employees’ eligible salary). 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 standalone statement of profit and loss as incurred. In respect of contribution to RPFC, the Company has no further obligations beyond making the contribution, and hence, such employee benefit plan is classified as defined contribution plan. In respect of contribution to trust set up by the Company, such employee benefit plan is classified as defined benefit plan. Refer note (c) below.

**(b) Defined benefit plans- Gratuity:**

The Company has The Bombay Burmah Trading Corporation, Limited Covenanted Staff Gratuity Fund, The Bombay Burmah Trading Corporation, Limited Employees’ Gratuity Fund and Dental Products of India - division which are funded defined benefit plans for qualifying employees.

- (i) In respect of covenanted staff covered under The Bombay Burmah Trading Corporation, Limited Covenanted Staff Gratuity Fund: The gratuity scheme provides for lump sum payment to vested employees based on a combination of factors such as length of service and manner of cessation of service viz. retirement, death/ disability, termination. In case of resignation where the service is 5 years or more, the gratuity is computed based on 15 days salary for every completed year or part thereof in excess of 6 months subject to the maximum amount payable as per the Payment of Gratuity Act, 1972.
- (ii) In respect of non-covenanted staff covered under The Bombay Burmah Trading Corporation, Limited Employees Gratuity Fund and employees of the Dental Products of India - division for whom the Company has taken a gratuity policy from the LIC of India: The gratuity scheme 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

Vesting under the above scheme occurs only upon completion of five years of service, except in case of death or 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.

Aforesaid post-employment benefit plans typically expose the Company to actuarial risks such as ~ investment risk, interest rate risk, longevity risk and salary risk.

# NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(₹ in Lakhs)

Investment Risk	The present value of the defined benefit liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.
Interest Risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's investments.
Longevity Risk	The present value of the defined benefit liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary Risk	The present value of the defined benefit liability is calculated by reference to the future salaries of plan participants. As such, an increase in salary of the plan participants will increase the plan's liability.

The most recent actuarial valuation of the plan assets and the present value of defined obligation was carried out as at 31 March 2019 by Armstrong International Employee Benefits Solution, member of the Institute of Actuaries of India. The present value of the defined benefit obligation and the related current service cost were measured using the projected unit credit method.

The following tables summarise the components of defined benefit expense recognised in the statement of profit or loss / OCI and the funded status and amounts recognised in the balance sheet for gratuity plans:

Particulars	31 March 2019	31 March 2018
<b>1. Reconciliation of net defined benefit asset / (liability)</b>		
(a) Reconciliation of present value of defined benefit obligation		
Obligations at 1 April	2,905.03	2,737.61
Service cost	177.13	157.89
Interest cost	199.09	190.41
Benefits settled	(567.88)	(351.50)
Actuarial loss / (gain) due to demographic assumption changes	(1.76)	(0.09)
Actuarial loss due to financial assumptions	(22.03)	(21.62)
Actuarial loss / (gain) due to experience adjustments	626.64	192.33
<b>Obligations at the year end 31 March</b>	<b>3,316.22</b>	<b>2,905.03</b>
(b) Reconciliation of present value of plan asset		
Plan assets at 1 April at fair value	2,838.06	2,795.85
Expected return on plan assets	199.05	204.12
Return on assets excluding interest income	9.85	(68.50)
Employer direct benefit payment	12.46	-
Contributions	120.62	258.09
Benefit settled	(567.88)	(351.50)
<b>Plan assets as at 31 March at fair value</b>	<b>2,612.16</b>	<b>2,838.06</b>
(c) Reconciliation of net defined benefit asset/ (liability):		
Present value of obligation as at 31 March	3,316.22	2,905.03
Plan assets at 31 March at fair value	2,612.16	2,838.06
<b>Amount recognised in balance sheet asset / (liability)</b>	<b>(704.06)</b>	<b>(66.97)</b>

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

(₹ in Lakhs)

<b>Particulars</b>	<b>31 March 2019</b>	<b>31 March 2018</b>
<b>2. Expenses recognised in the statement of profit and loss under employee benefits expense:</b>		
Current service cost	<b>177.13</b>	157.89
Interest cost	<b>199.09</b>	190.41
Expected return on plan assets and contribution	<b>(199.05)</b>	(204.12)
<b>Amount charged to the statement of profit and loss</b>	<b>177.17</b>	144.18
<b>3. Remeasurements recognised in Other Comprehensive Income (OCI):</b>		
Actuarial loss / (gain) on defined benefit obligation	<b>602.85</b>	170.62
Return on plan assets excluding interest income	<b>(9.85)</b>	68.50
<b>Loss / (gain) recognised in statement of Other Comprehensive Income</b>	<b>593.00</b>	239.12
<b>4. Maturity profile of defined benefit obligation:</b>		
Within the next 12 months	<b>481.02</b>	446.64
Between 1 and 5 years	<b>1,119.52</b>	954.11
5 years and above	<b>1,603.33</b>	1,224.51
<b>5. Weighted average duration of defined benefit obligation (years)</b>	<b>11.48</b>	11.89
<b>6 Investment details: (% invested)</b>		
Central Government securities	<b>1.52%</b>	1.74%
Public sector bonds	<b>0.00%</b>	1.66%
Insurer managed funds	<b>98.26%</b>	96.44%
Others (including bank balances)	<b>0.22%</b>	0.16%
	<b>100.00%</b>	100.00%
<b>7 Principal actuarial assumptions:</b>		
Discount factor [refer note (i) below]	<b>7.69%</b>	7.68%
Estimated rate of return on plan assets [refer note (ii) below]	<b>7.69%</b>	7.68%
Attrition rate	<b>3.67%</b>	3.00%
Salary escalation rate (p.a.)	<b>5.67%</b>	4.67%
Retirement age (in years)	<b>58.00</b>	58.00
Mortality tables	<b>Indian Assured Lives Mortality (2006-08)</b>	Indian Assured Lives Mortality (2006-08)

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(₹ in Lakhs)

- 8 The Company expects to make a contribution of ₹ 275.86 (31 March 2018: ₹ 165.77) to the defined benefit plans during the next financial year.

### 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.

### 9 Sensitivity analysis

The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

	31 March 2019	31 March 2018
A. Discount rate		
Discount rate +100 basis points	3,142.54	2,749.18
Impact on defined benefit obligation	-4.97%	-4.75%
Discount rate -100 basis points	3,502.56	3,058.32
Impact on defined benefit obligation	8.46%	5.33%
B. Salary increase rate		
Salary rate +100 basis points	3,506.07	3,061.24
Impact on defined benefit obligation	8.42%	5.44%
Salary rate -100 basis points	3,124.53	2,744.15
Impact on defined benefit obligation	-7.69%	-4.93%
C. Attrition rate		
Attrition rate +100 basis points	3,325.73	2,910.52
Impact on defined benefit obligation	0.14%	0.48%
Attrition rate -100 basis points	3,284.35	2,877.41
Impact on defined benefit obligation	-0.39%	-0.53%
D. Mortality rate		
Mortality rate increases by 10%	3,306.78	2,895.46
Impact on defined benefit obligation	-0.39%	0.03%

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

(₹ in Lakhs)

**(c) Defined benefit plans - provident fund:**

The Provident fund assets and liabilities are managed by "The Bombay Burmah Trading Corporation, Limited Employees' Provident Fund Trust" in line with The Employees' Provident Fund and Miscellaneous Provisions Act, 1952.

The plan guarantees minimum interest at the rate notified by the provident fund authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of separation from the Company or retirement, whichever is earlier. The benefit vests immediately on rendering of the services by the employee. In terms of the guidance note issued by the Institute of Actuaries of India for measurement of provident fund liabilities, the actuary has provided a valuation of provident fund liability and based on the assumptions provided below, there is no shortfall as at 31 March 2019.

The Company contributed ₹ 84.57 (31 March 2018: ₹ 75.13) towards Bombay Burmah Employees' Provident Fund Trust during the year ended 31 March 2019.

The details of the Bombay Burmah Trading Corporation, Limited Employees' Provident Fund obligation and plan assets position as at 31 March is given below:

Particulars	31 March 2019	31 March 2018
Present value of benefit obligation at period end	1,041.50	996.34
Plan assets at period end, at fair value, restricted to	1,041.50	996.34
Asset recognized in Balance Sheet	-	-

Assumptions used in determining the present value obligation of the interest rate guarantee under the Projected Unit Credit Method (PUCM):

Particulars	31 March 2019	31 March 2018
Discounting rate	7.58%	7.40%
Estimated rate of return on plan assets	8.65%	8.65%
Salary increase	5.00%	5.00%
Attrition rate	3.00%	3.00%
Expected guaranteed interest rate*	8.65%	8.55%

\* Rate announced by EPFO for the FY 2018-19 and the same is used for valuation purpose.

**(d) Other long term employee benefits- compensated absences:**

The Company's liability on account of compensated absences is not funded and hence the disclosures relating to the planned assets are not applicable. Expenses incurred towards compensated absences are included in Note 30 under "Employee benefits expense" in the statement of profit and loss of ₹ 120.36 (31 March 2018: ₹ 59.29).

# NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(₹ in Lakhs)

## 38 Financial instruments – fair values and risk management

### 1 Financial instruments – fair values and risk management

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

#### A. Accounting classification and fair values

	Carrying amount				Fair value			
31 March 2019	FVTPL	FVTOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
Cash and cash equivalents	-	-	910.53	910.53	-	-	-	-
Bank balances other than above	-	-	117.31	117.31	-	-	-	-
Non-current investments	-	299.77	-	299.77	5.26	294.51	-	299.77
Non-current loans receivable	-	-	233.59	233.59	-	233.59	-	233.59
Current loans receivable	-	-	10,945.61	10,945.61	-	-	-	-
Trade and other receivables	-	-	4,856.29	4,856.29	-	-	-	-
Other non-current financial asset	-	-	323.42	323.42	-	323.42	-	323.42
Other current financial asset	-	-	3,227.54	3,227.54	-	-	-	-
	-	299.77	20,614.29	20,914.06	5.26	851.52	-	856.78
<b>Financial liabilities</b>								
Long term borrowings	-	-	15,527.30	15,527.30	-	15,527.30	-	15,527.30
Short term borrowings	-	-	24,683.45	24,683.45	-	-	-	-
Trade and other payables	-	-	1,800.55	1,800.55	-	-	-	-
Other non-current financial liabilities	-	-	39.96	39.96	-	39.96	-	39.96
Other current financial liabilities	-	-	3,632.35	3,632.35	-	-	-	-
	-	-	45,683.61	45,683.61	-	15,567.26	-	15,567.26



**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

(₹ in Lakhs)

31 March 2018	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
Cash and cash equivalents	-	-	1,367.80	1,367.80	-	-	-	-
Bank balances other than above	-	-	115.15	115.15	-	-	-	-
Non-current investments	-	285.88	-	285.88	4.06	281.82	-	285.88
Non-current loans receivable	-	-	246.37	246.37	-	246.37	-	246.37
Current loans receivable	-	-	12,441.84	12,441.84	-	-	-	-
Trade and other receivables	-	-	3,974.27	3,974.27	-	-	-	-
Other non-current financial asset	-	-	358.33	358.33	-	358.33	-	358.33
Other current financial asset	-	-	1,934.13	1,934.13	-	-	-	-
	-	<b>285.88</b>	<b>20,437.89</b>	<b>20,723.77</b>	<b>4.06</b>	<b>886.52</b>	-	<b>890.58</b>
<b>Financial liabilities</b>								
Long term borrowings	-	-	16,665.29	16,665.29	-	16,665.29	-	16,665.29
Short term borrowings	-	-	18,176.10	18,176.10	-	-	-	-
Trade and other payables	-	-	1,942.97	1,942.97	-	-	-	-
Other non-current financial liabilities	-	-	56.23	56.23	-	56.23	-	56.23
Other current financial liabilities	-	-	3,202.85	3,202.85	-	-	-	-
	-	-	<b>40,043.44</b>	<b>40,043.44</b>	-	<b>16,721.52</b>	-	<b>16,721.52</b>

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

(₹ in Lakhs)

**B. Measurement of fair values**

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring level 2 and level 3 fair values, as well as the significant unobservable inputs used..

**Financial instruments measured at fair value**

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
<b>Equity securities</b>	Net asset valuation: This valuation technique derives the value of an investment by reference to the value of its net assets. This technique is used for investments whose value is derived mainly from the underlying fair value of their assets.	Net assets of the underlying investment	Not applicable
<b>Non current financial assets and liabilities measured at amortised cost</b>	Discounted cash flow technique : The valuation model considers present value of expected payments discounted using an appropriate discounting rate.	Not applicable	Not applicable

**C. Financial risk management**

The Company has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

**Risk management framework**

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

(₹ in Lakhs)

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

**i) Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The carrying amount of following financial assets represents the maximum credit exposure:

**Trade receivables**

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, and in some cases bank references. Sale limits are established for each customer and reviewed periodically.

An impairment loss for trade and other receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Impairment losses if any, are recognised in statement of profit and loss for the period.

The maximum exposure to credit risk for trade and other receivables by geographic region was as follows:

Particulars	Carrying amount	
	31 March 2019	31 March 2018
India	3,909.45	3,125.92
Other regions	946.84	848.35
	<u>4,856.29</u>	<u>3,974.27</u>

At 31 March 2019, the Company's most significant customer, a manufacturer, accounted for ₹ 397.16 of the trade and other receivables carrying amount (31 March 2018 : ₹ 475.00).

**Impairment**

At 31 March 2019, the ageing of trade and other receivables that were not impaired was as follows:

	Carrying amount	
	31 March 2019	31 March 2018
1 - 30 days	2,595.08	2,146.74
31 - 60 days	1,407.48	1,070.36
61 - 90 days	375.32	374.84
91 - 180 days	379.40	284.97
More than 180 Days	645.75	599.92
Loss allowance for impairment	(546.74)	(502.56)
	<u>4,856.29</u>	<u>3,974.27</u>

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(₹ in Lakhs)

Management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings if they are available.

### Cash and cash equivalents

The Company held cash and cash equivalents (other than cash on hand) of ₹ 903.32 at 31 March 2019 (31 March 2018: ₹ 1,360.63). The cash and cash equivalents are held with banks with good credit ratings and financial institution counterparties with good market standing.

### ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

As of 31 March 2019 and 31 March 2018 the Company had unutilized credit limits from banks ₹ 9,725.54 and ₹ 8,838.00 respectively. As of 31 March 2019, the Company had working capital of ₹ (88.76), including cash and cash equivalents of ₹ 910.53. As of 31 March 2018, the Company had working capital of ₹ 4,912.93, including cash and cash equivalents of ₹ 1,367.80.

### Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments.

31 March 2019	Carrying amount	Contractual cash flows				
		Total	Less than 1 year	1-2 years	2-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
Rupee term loans (principal)	1,729.93	1,731.80	1,162.35	563.01	6.44	-
Interest on term loans	-	136.03	114.77	20.97	0.29	-
Non-Convertible Debentures	14,958.11	15,000.00	-	15,000.00	-	-
Interest on Non-Convertible Debentures	-	1,372.38	1,268.61	103.77	-	-
Short term borrowings	24,683.45	24,683.45	24,683.45	-	-	-
Non-current financial liabilities - others	39.96	39.96	-	-	-	39.96
Other current financial liabilities	2,471.61	2,471.61	2,471.61	-	-	-
Trade and other payables	1,800.55	1,800.55	1,800.55	-	-	-
Corporate guarantee	-	37,560.02	12,796.69	12,796.70	11,966.63	-
<b>31 March 2018</b>						
<b>Non-derivative financial liabilities</b>						
Rupee term loans (principal)	2,738.63	2,743.54	1,011.74	1,162.35	569.45	-
Interest on term loans	-	356.34	220.31	114.76	21.27	-
Non-Convertible Debentures	14,935.35	15,000.00	-	-	15,000.00	-
Interest on Non-Convertible Debentures	-	2,638.38	1,266.00	1,268.61	103.77	-
Short term borrowings	18,176.10	18,176.10	18,176.10	-	-	-
Non-current financial liabilities - others	56.23	56.23	-	-	-	56.23
Other current financial liabilities	2,194.16	2,194.16	2,194.16	-	-	-
Trade and other payables	1,942.97	1,942.97	1,942.97	-	-	-
Corporate guarantees	-	43,124.24	7,187.37	12,033.16	23,903.71	-

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

(₹ in Lakhs)

**(iii) Market risk**

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of the investments. Thus, the Company's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in the Company's foreign currency revenues and costs.

The company is exposed to the following components of market risks:

- a) Currency risk
- b) Interest risk and
- c) Price risk

**a) Currency risk**

The Company is exposed to currency risk on account of its borrowings and other payables in foreign currency. The functional currency of the Company is Indian Rupee. The Company uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date.

**Exposure to currency risk**

The currency profile of financial assets and financial liabilities as at 31 March 2019 and 31 March 2018 is as below:

<b>31 March 2019</b>	<b>USD-INR equivalent</b>	<b>EURO-INR equivalent</b>	<b>GBP-INR equivalent</b>	<b>SGD-INR equivalent</b>
<b>Non derivative financial assets</b>				
Cash and cash equivalents	140.88	-	-	-
Trade and other receivables	629.07	62.02	229.35	-
	<u>769.95</u>	<u>62.02</u>	<u>229.35</u>	<u>-</u>
<b>Non derivative financial liabilities</b>				
Trade and other payables	10.36	-	-	50.05
	<u>10.36</u>	<u>-</u>	<u>-</u>	<u>50.05</u>
<b>Net exposure for financial instruments</b>	<u>759.59</u>	<u>62.02</u>	<u>229.35</u>	<u>(50.05)</u>
<b>31 March 2018</b>	<b>USD-INR equivalent</b>	<b>EURO-INR equivalent</b>	<b>GBP-INR equivalent</b>	<b>SGD-INR equivalent</b>
<b>Non derivative financial assets</b>				
Cash and cash equivalents	-	-	-	-
Trade and other receivables	544.70	90.88	201.10	-
	<u>544.70</u>	<u>90.88</u>	<u>201.10</u>	<u>-</u>
<b>Non derivative financial liabilities</b>				
Trade and other payables	14.52	-	-	36.01
	<u>14.52</u>	<u>-</u>	<u>-</u>	<u>36.01</u>
<b>Net exposure for financial instruments</b>	<u>530.18</u>	<u>90.88</u>	<u>201.10</u>	<u>(36.01)</u>

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(₹ in Lakhs)

### Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against US Dollars, Euro, GBP, Singapore Dollars at 31 March, would have affected the measurement of financial instruments and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Effect in	Strengthening	Weakening
<b>31 March 2019</b>		
<b>10% movement</b>		
USD	(75.96)	75.96
EURO	(6.20)	6.20
GBP	(22.94)	22.94
SGD	5.01	(5.01)
<b>Effect in</b>	<b>Strengthening</b>	<b>Weakening</b>
<b>31 March 2018</b>		
<b>10% movement</b>		
USD	(53.02)	53.02
EURO	(9.09)	9.09
GBP	(20.11)	20.11
SGD	3.60	(3.60)

### b) Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

### Exposure to interest rate risk

Company's interest rate risk arises from borrowings. Borrowings issued at fixed rates exposes the Company to fair value interest rate risk. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

	31 March 2019	31 March 2018
<b>Fixed-rate instruments</b>		
Financial assets	12,381.63	14,397.91
Financial liabilities	(29,089.43)	(27,512.44)
	<u>(16,707.80)</u>	<u>(13,114.53)</u>
<b>Variable-rate instruments</b>		
Financial assets	-	-
Financial liabilities	(12,282.06)	(8,337.64)
	<u>(12,282.06)</u>	<u>(8,337.64)</u>
	<u>(28,989.86)</u>	<u>(21,452.17)</u>

### Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

(₹ in Lakhs)

**Cash flow sensitivity analysis for variable-rate instruments**

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	<b>Profit or loss</b>			
	<b>31 March 2019</b>		<b>31 March 2018</b>	
	<b>100 bp increase</b>	<b>100 bp decrease</b>	<i>100 bp increase</i>	<i>100 bp decrease</i>
<b>Variable-rate instruments</b>				
Financial assets	-	-	-	-
Financial liabilities	(122.82)	122.82	(83.38)	83.38
<b>Cash flow sensitivity (net)</b>	<b>(122.82)</b>	<b>122.82</b>	<b>(83.38)</b>	<b>83.38</b>

The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

**c) Price risk**

Price risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market prices not related to interest rate risk or currency exchange risk, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

**Exposure to price risk**

The entity's exposure to equity securities price arises from investments held by the entity and classified in the balance sheet either as fair value through OCI. The quoted equity investments of the entity are publicly traded

	<b>Nominal amount</b>	
	<b>31 March 2019</b>	<b>31 March 2018</b>
<b>Instruments exposed to price risk</b>		
Equity instruments <sup>#</sup>	5.26	4.06
	<u>5.26</u>	<u>4.06</u>

<sup>#</sup> Refer note 4 - Non-current financial assets - investments

**Sensitivity analysis - Equity price risk**

The table below summarizes the impact of increases/decreases of the index on the Company's equity and profit for the period. The analysis is based on the assumption equity index had increased or decreased by 10%, with all other variables held constant, and that all the entity's equity instruments moved in line with the index

	<b>Profit or loss</b>			
	<b>31 March 2019</b>		<b>31 March 2018</b>	
	<b>100 bp increase</b>	<b>100 bp decrease</b>	<b>100 bp increase</b>	<b>100 bp decrease</b>
Equity instruments	0.53	(0.53)	0.41	0.41
Cash flow sensitivity (net)	<u>0.53</u>	<u>(0.53)</u>	<u>0.41</u>	<u>0.41</u>

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(₹ in Lakhs)

### 39 Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The board of directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings less cash and cash equivalents. Adjusted equity comprises all components of equity.

The Company's policy is to keep the ratio below 2.00. The Company's adjusted net debt to equity ratio is as follows

	As at 31 March 2019	As at 31 March 2018
Total borrowings	41,371.49	35,850.08
Less : Cash and cash equivalent	910.53	1,367.80
<b>Adjusted net debt</b>	<b>40,460.96</b>	<b>34,482.28</b>
Total equity	25,702.37	29,086.19
<b>Adjusted equity</b>	<b>25,702.37</b>	<b>29,086.19</b>
Adjusted net debt to adjusted equity ratio	1.57	1.19

### 40 Contingent liabilities and commitments (to the extent not provided for)

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

	31 March 2019	31 March 2018
<b>b. Disputed demands not provided for in respect of :</b>		
(i) Erstwhile building products division (excise duty)	3,769.34	3,769.34
c) Damages and interest on alleged unauthorized occupation of residential premises determined by the Estate Officer of Life Insurance Corporation of India up to 31 March 2019 and disputed by the Company ₹ 162.13 (31 March 2018: ₹ 152.14).		
d) Matters under dispute relating to Income tax in respect of the erstwhile Electromags Automotive Products Private Limited. A.Y. 2005-06 ₹ 3.48 (31 March 2018: ₹ 3.48), A.Y. 2006-07 ₹ 0.37 (31 March 2018: ₹ 0.37), A.Y.2009-10 ₹ 0.87 (31 March 2018: ₹ 0.87) and for A.Y 2011-12 ₹ 1.80 (31 March 2018: ₹ 1.80).		
e) The Company has received a demand notice during the previous year for differential lease rent in respect of Singampatti estate rent being arrears of ₹ 22,396.38 for the period from 1958 to 2018. Further demand of ₹ 796.20 for the year 2019 has been received during the current year. The Company has challenged the said demand by way of writ before Madras High Court and the said demand has been stayed by the Honorable High Court.		
f) The Company has given financial guarantee for a loan taken by a wholly-owned step down subsidiary for USD 54.30 millions (₹ 37,560.02) (31 March 2018: USD 66.30 millions; ₹ 43,124.24)		



**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

(₹ in Lakhs)

- g) Estimated amount of contracts remaining to be executed on capital account, not provided for (net of advances) ₹ 141.51 (31 March 2018 : ₹ 154.77)
- h) The Supreme court of India in the month of February, 2019 had passed a judgement relating to definition of wages under the Provident Fund Act, 1952. However, considering that there are numerous interpretative issues relating to this judgement and in the absence of reliable measurement of the provision for the earlier periods, the Company has not made a provision for provident fund contribution for the current year. The Company will evaluate its position and make provision, if required, on receiving further clarity on the subject. The Company does not expect any material impact of the same.

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

**41 Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2018-19, to the extent the Company has received intimation from the “suppliers” regarding their status under the Act.**

Particulars	As at 31 March 2019	As at 31 March 2018
i) Principal amounts due at the end of each accounting year - delayed amount	-	288.70
ii) Total interest payable by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 for delay in payments	-	7.01
iii) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	7.01
iv) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	7.01

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.

**42 Dividend**

After the reporting dates, the following dividends were proposed by the directors subject to the approval at the annual general meeting.

Particulars	As at 31 March 2019	As at 31 March 2018
Dividend proposed to equity shareholders @ ₹ 1 per share (31 March 2018: ₹ 1 per share)	697.72	697.72
Dividend distribution tax (DDT) on equity dividend proposed	143.42	143.20
	<u>841.14</u>	<u>840.92</u>

The following dividends were paid by the Company during the year:

Particulars	As at 31 March 2019	As at 31 March 2018
Final dividend for FY 2017-18 ₹ 1 per equity share (FY 2016-17: ₹ 1 per equity share)	697.72	697.72
Dividend distribution tax (DDT) on equity dividend paid	143.20	143.20
	<u>840.92</u>	<u>840.92</u>

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(₹ in Lakhs)

### 43 Corporate social responsibility (CSR)

During the year, the amount required to be spent on corporate social responsibility activities amounted to ₹ NIL (31 March 2018 : NIL) in accordance with Section 135 of the Companies Act, 2013. The following amounts were spent during the year::

Particulars	As at 31 March 2019	As at 31 March 2018
Amount spent other than for construction/ acquisition of any asset	13.97	9.99
	<u>13.97</u>	<u>9.99</u>

### 44 Payment to auditors

Particulars	As at 31 March 2019	As at 31 March 2018
Statutory audit fee	32.47	31.57
[Including branch auditors fees ₹ 3.47 Lakhs (31 March 2018: ₹ 3.07 Lakhs)]		
Certification fees and other services	13.73	13.00
For reimbursement of expenses	2.36	3.36
	<u>48.56</u>	<u>47.93</u>

### 45 Disclosure as per Regulation 53F of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015

Loans and advances in the nature of loans given to subsidiaries, associates and others:

Name of the party	Relationship	Amount outstanding As at		Maximum balance outstanding during the year	
		31 March 2019	31 March 2018	31 March 2019	31 March 2018
1. Afco Industrial and Chemicals Limited (net)	Subsidiary company	27.17	26.93	27.17	26.93
2. DPI Products & Services Limited	Subsidiary company	83.44	88.87	88.36	88.87
3. Naira Holdings Limited	Subsidiary company	1.57	-	30.87	339.05
4. BRT Limited*	Other related parties	-	32.13	32.13	117.92
5. Macrofil Investments Limited	Other related parties	-	6,880.00	6,880.00	6,880.00
6. Go Airlines (India) Limited	Other related parties	10,790.00	3,870.00	10,790.00	3,870.00
7. Nowrosjee Wadia & Sons Limited *	Other related parties	-	1,530.00	1,530.00	1,530.00
		<u>10,902.17</u>	<u>12,427.93</u>	<u>19,378.53</u>	<u>12,852.77</u>

The above loans were given to the subsidiaries, associates and other related parties for their business activities

\* Became related party in the previous financial year

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

(₹ in Lakhs)

**46 Disclosures as per Section 186 of the Companies Act, 2013****(i) Investments made by the Company****(a) Non-current investments****Details of non-current investments purchased and sold during the year:****Name of the Company :** The Bombay Dyeing & Manufacturing Company Limited**Face Value :** ₹ 2/-

	<b>2018-19</b>	<b>2017-18</b>
As at 1 April	<b>20,454.61</b>	<b>20,454.61</b>
Purchased during the year	-	-
Sold during the year	-	-
Movement on account of fair valuation gain / (loss)	-	-
<b>As at 31 March</b>	<b>20,454.61</b>	<b>20,454.61</b>

**(b) Current investments****Details of current investments purchased and sold during the year:****Name of the Company :** The Bombay Dyeing & Manufacturing Company Limited**Face Value :** ₹ 2/-

	<b>2018-19</b>	<b>2017-18</b>
As at 1 April	<b>1,313.88</b>	<b>1,313.88</b>
Purchased during the year	-	-
Sold during the year	-	-
Movement on account of fair valuation gain / (loss)	-	-
<b>As at 31 March</b>	<b>1,313.88</b>	<b>1,313.88</b>

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

## 46 Disclosures as per Section 186 of the Companies Act, 2013 (continued)

## (ii) Loans given by the Company

## (a) Details of inter-corporate deposits/ loan given during the year:

(₹ in Lakhs)

Name of the party	Relationship	Secured / un-secured	Rate of Interest	Term (Years)	1 April 2018	Placed	Refunded	31 March 2019
Macrofil Investments Limited	Other related party	Unsecured	10.00%	1	6,880.00	-	6,880.00	-
Go Airlines (India) Limited	Other related party	Unsecured	10.50%	1	3,870.00	6,920.00	-	10,790.00
Nowrosjee Wadia and Sons Limited	Other related party	Unsecured	10.50%	1	1,530.00	-	1,530.00	-
Amit Chhabra	Key managerial personnel	Unsecured	5.00%	1	5.63	-	0.21	5.42

The above inter-corporate deposits were given to other related parties for its business activities and to the key managerial personnel for housing finance.

## (b) Details of inter-corporate deposits/ loan given during the previous year:

Name of the party	Relationship	Secured / un-secured	Rate of Interest	Term (Years)	1 April 2016	Placed	Refunded	31 March 2017
Macrofil Investments Limited	Other related party	Unsecured	12.50%	1	6,880.00	-	-	6,880.00
Go Airlines (India) Limited	Other related party	Unsecured	12.00%	1	3,870.00	-	-	3,870.00
Nowrosjee Wadia and Sons Limited	Other related party	Unsecured	11.50%	1	1,530.00	-	-	1,530.00
Amit Chhabra	Key managerial personnel	Unsecured	5.00%	1	8.11	-	2.48	5.63

The above inter-corporate deposits were given to other related parties for its business activities and to the key managerial personnel for housing finance.

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

(₹ in Lakhs)

**(iii) Details of corporate guarantee****(a) Details of corporate guarantee given during the year:****Name of the Company :** Leila Lands Limited

<b>Particulars</b>	<b>2018-19</b>	<b>2017-18</b>
As at 1 April	<b>43,124.24</b>	42,922.62
Given during the year	-	-
Withdrawn during the year	<b>8,617.55</b>	-
Movement on account of change in exchange rates	<b>3,053.33</b>	201.62
<b>As at 31 March</b>	<b>37,560.02</b>	<b>43,124.24</b>

Purpose: The loan availed by Leila Lands Limited, a wholly owned subsidiary incorporated in Mauritius, for refinancing the existing outstanding facilities.

**47 Segment information**

For management purposes, the Company is organised into business units based on its products and services and has four reportable segments, as follows:

- |   |                           |   |
|---|---------------------------|---|
| 1 | Plantation:               | Segment produces/trades in tea, coffee, timber, cardamom and pepper   |
| 2 | Health Care:              | Segment manufactures/trades in dental products.   |
| 3 | Auto Electric Components: | Segment manufactures, solenoids, switches, valves, slip rings etc. for automobile and other industries.                     |
| 4 | Investments:              | Segment invests in various securities listed as well as unlisted mainly on a long term basis.                               |
| 5 | Others:                   | Segment manufactures/trades in analytical, precision balances, weighing scales and is also engaged in property development. |

The Chief Operating Decision Maker ("CODM") evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by operating segments. The CODM reviews revenue and gross profit as the performance indicator for all of the operating segments, and does not review the total assets and liabilities of an operating segment.

**Based on above, following are reportable segments as per Ind AS 108 (Operating Segments)**

<b>Primary Segment (Operating Segment): Based on product lines of Company</b>	<b>Secondary Segment (Geographical Segment) Based on geographical area of operation</b>
Plantation- tea Plantation- coffee Auto electrical components Investments Healthcare Others (weighting product and real estate)	India and outside India

# NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(₹ in Lakhs)

## Segment wise classification :-

### A i) Primary segment reporting (by business segment)

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

- **Plantation - tea**  
Segment produces/trades in tea business
- **Plantation - coffee**  
Segment produces/trades in coffee business
- **Auto electric components (AEC)**  
Segment manufactures, solenoids, switches, valves, slip rings etc. for automobile and other industries
- **Investments**  
Segment invests in various securities listed as well as unlisted mainly on a long term basis
- **Health care**  
Segment manufactures/trades in dental products
- **Others**  
Segment manufactures/trades in analytical, precision balances, weighing scales and is also engaged in property development

### ii) Segment revenues, results and other information

Particulars	Reportable segments						Total
	Plantation-tea	Plantation-coffee	Health care	AEC	Others	Investments	
External sales	8,863.54 <i>7,328.48</i>	2,056.70 <i>1,267.78</i>	2,191.21 <i>2,448.11</i>	11,083.16 <i>9,904.06</i>	0.01 <i>20.78</i>	- <i>-</i>	24,194.62 <i>20,969.21</i>
Other income	93.12 <i>357.14</i>	13.05 <i>6.39</i>	7.63 <i>3.07</i>	54.71 <i>34.45</i>	3.85 <i>3.62</i>	2,896.95 <i>1,731.24</i>	3,069.31 <i>2,135.91</i>
Segment revenue	8,956.66 <i>7,685.62</i>	2,069.75 <i>1,274.17</i>	2,198.84 <i>2,451.18</i>	11,137.87 <i>9,938.51</i>	3.86 <i>24.40</i>	2,896.95 <i>1,731.24</i>	27,263.93 <i>23,105.12</i>
Segment results	(1,245.91) <i>(1,882.34)</i>	756.84 <i>(466.90)</i>	257.30 <i>408.04</i>	520.30 <i>780.09</i>	(36.30) <i>(34.04)</i>	2,896.95 <i>1,731.24</i>	3,149.18 <i>536.09</i>
Segment assets	8,245.06 <i>7,086.19</i>	7,341.35 <i>4,833.52</i>	1,188.53 <i>1,529.85</i>	7,126.41 <i>7,329.68</i>	3,103.79 <i>3,031.09</i>	40,926.81 <i>40,992.86</i>	67,931.95 <i>64,803.19</i>
Segment liabilities	1,249.02 <i>1,161.30</i>	426.57 <i>236.82</i>	155.08 <i>329.82</i>	1,645.44 <i>1,836.00</i>	0.43 <i>4.80</i>	- <i>-</i>	3,476.54 <i>3,568.74</i>
Capital expenditure (included in segment assets)	698.67 <i>230.59</i>	231.14 <i>57.42</i>	21.12 <i>18.70</i>	286.05 <i>271.54</i>	- <i>-</i>	- <i>-</i>	1,236.98 <i>578.25</i>
Depreciation/ amortisation	290.84 <i>382.25</i>	239.59 <i>233.16</i>	11.28 <i>11.71</i>	252.00 <i>231.15</i>	6.54 <i>6.82</i>	- <i>-</i>	800.25 <i>865.09</i>

Figures in italics pertain to previous year

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

(₹ in Lakhs)

**iii) Reconciliation of reportable segments with the financial statements**

Particulars	Revenues	Results / net profits	Assets	Liabilities	Capital expenditure	Depreciation/ amortisation
<b>Total of reportable segments</b>	<b>27,263.93</b>	<b>3,149.18</b>	<b>67,931.95</b>	<b>3,476.54</b>	<b>1,236.98</b>	<b>800.25</b>
	<i>23,105.12</i>	<i>536.09</i>	<i>64,803.19</i>	<i>3,568.74</i>	<i>578.25</i>	<i>865.09</i>
<b>Corporate / unallocated segment</b>	<b>414.16</b>	<b>(1,651.35)</b>	<b>4,649.14</b>	<b>43,402.18</b>	<b>14.72</b>	<b>33.54</b>
	<i>1,620.06</i>	<i>(526.28)</i>	<i>5,049.34</i>	<i>37,197.60</i>	<i>40.76</i>	<i>50.68</i>
<b>Finance cost</b>	-	<b>(3,364.65)</b>	-	-	-	-
	-	<i>(3,101.68)</i>	-	-	-	-
<b>Taxes (credit)</b>	-	<b>(102.82)</b>	-	-	-	-
	-	<i>508.82</i>	-	-	-	-
<b>As per financial statement</b>	<b>27,678.09</b>	<b>(1,969.64)</b>	<b>72,581.09</b>	<b>46,878.72</b>	<b>1,251.70</b>	<b>833.79</b>
	<i>24,725.18</i>	<i>(2,583.05)</i>	<i>69,852.53</i>	<i>40,766.34</i>	<i>619.01</i>	<i>915.77</i>

Figures in italics pertain to previous year

**B Secondary segment reporting**

Particulars	Geographical segment		Total
	India	Outside India <sup>#</sup>	
Revenue	<b>20,754.38</b>	<b>6,923.71</b>	<b>27,678.09</b>
	<i>18,877.39</i>	<i>5,847.79</i>	<i>24,725.18</i>
Total assets	<b>70,964.24</b>	<b>1,616.85</b>	<b>72,581.09</b>
	<i>69,146.91</i>	<i>705.62</i>	<i>69,852.53</i>
Capital expenditure	<b>1,251.70</b>	-	<b>1,251.70</b>
	<i>619.01</i>	-	<i>619.01</i>

<sup>#</sup> It includes revenues and assets of foreign branches

There is no transactions with single external customer which amounts to 10% or more of the Company's revenue.

Figures in italics pertain to previous year

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

(₹ in Lakhs)

**48 Related party relationships, transactions and balances**

**A List of related parties**

**1 Subsidiaries and step down subsidiaries where control exists:**

**I) Subsidiaries**

- a. Afco Industrial and Chemicals Limited
- b. DPI Products and Services Limited
- c. Sea Wind Investments and Trading Company Limited
- d. Leila Lands Senderian Berhad

**II) Step down subsidiaries:**

**i. Subsidiary of DPI Products & Services Limited :**

- a. Subham Viniyog Private Limited

**ii. Subsidiaries of Leila Lands Senderian Berhad :**

- a. Naira Holdings Limited
- b. Island Horti-Tech Holdings Pte. Limited
- c. Leila Lands Limited
- d. Restpoint Investments Limited
- e. Baymanco Investments Limited

**iii. Subsidiaries of Island Horti-Tech Holdings Pte. Limited :**

- a. Island Landscape & Nursery Pte. Limited
- b. Innovative Organics Inc.

**iv. Subsidiaries and sub subsidiaries of Leila Lands Limited:**

- a. ABI Holding Limited
- b. Britannia Brands Limited
- c. Associated Biscuits International Limited
- d. Dowbiggin Enterprises Pte. Limited
- e. Nacupa Enterprises Pte. Limited
- f. Spargo Enterprises Pte. Limited
- g. Valletort Enterprises Pte. Limited
- h. Bannatyne Enterprises Pte. Limited
- i. Britannia Industries Limited

**v. Subsidiaries of Britannia Industries Limited:**

- a. Boribunder Finance & Investments Private Limited
- b. Flora Investments Company Private Limited
- c. Gilt Edge Finance & Investments Private Limited



## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(₹ in Lakhs)

- d. Ganges Valley Foods Private Limited
- e. International Bakery Products Limited
- f. J. B. Mangharam Foods Private Limited
- g. Manna Foods Private Limited
- h. Sunrise Biscuit Company Private Limited
- i. Britannia and Associates (Mauritius) Private Limited
- j. Britannia and Associates (Dubai) Private Company Limited
- k. Al Sallan Food Industries Company SAOG
- l. Strategic Food International Company LLC
- m. Strategic Brands Holding Company Limited
- n. Daily Bread Gourmet Foods (India) Private Limited
- o. Britannia Dairy Private Limited
- p. Britannia Dairy Holdings Private Limited
- q. Britannia Employees General Welfare Association Private Limited
- r. Britannia Employees Medical Welfare Association Private Limited
- s. Britannia Employees Educational Welfare Association Private Limited
- t. Britchip Foods Limited

**vi. Subsidiary of Innovative Organics Inc. :**

- a. Granum Inc.

## 2 Key management personnel:

- a. Mr. Nusli N. Wadia - Non-executive Director
- b. Mr. Anil Kumar Hirjee - Non-executive Director
- c. Mr. Madhav L. Apte - Non-executive Director
- d. Mr. Darius E. Udhwadia - Non-executive Director
- e. Mr. Jehangir N. Wadia - Non-executive Director
- f. Dr. (Mrs) Minnie Bodhanwala - Non-executive Director
- g. Mr. Rajesh Batra - Non-executive Director
- h. Dr. Y. S. P. Thorat - Non-executive Director (w.e.f. 4 February 2019)
- i. Mr Vinesh Kumar Jairath - Non-executive Director (w.e.f. 4 February 2019)
- j. Mrs. Gauri Atul Kirloskar - Non-executive Director (w.e.f. 4 February 2019)
- k. Mr. Ness Wadia - Managing Director
- l. Mr. Dibakar Chatterjee - Chief Executive Officer (w.e.f. 5 September 2018)
- m. Mr. Nitin H Datanwala- Chief Financial Officer (w.e.f. 14 November 2018)
- n. Mr. Hoshi Bhagwagar - Company Secretary (upto 31 March 2019)
- o. Mr. Amit Chhabra - Chief Financial Officer (upto 30 April 2018)

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

(₹ in Lakhs)

**3 Associate companies:**

- a. Lotus Viniyog Private Limited
- b. Lima Investment and Trading Private Limited
- c. Roshnara Investment and Trading Private Limited
- d. Cincinnati Investment and Trading Private Limited
- e. Shadhak Investment and Trading Private Limited
- f. MSIL Investment Private Limited
- g. Medical Microtechnology Limited
- h. Harvard Plantations Limited
- i. Placid Plantations Limited
- j. The Bombay Dyeing & Manufacturing Company Limited

**4 Other related parties:**

- a. Go Airlines (India) Limited
- b. Macrofil Investments Limited
- c. Udwardia & Co.
- d. Nowrosjee Wadia and Sons Limited
- e. BRT Limited
- f. Wadia Techno- Engineering Services Limited
- g. Panella Foods and Beverages Private Limited

**5 Employees benefit plans where there is significant influence:**

- a. The Bombay Burmah Trading Corporation Limited Covenanted Staff Gratuity Fund
- b. The Bombay Burmah Trading Corporation Limited Employees' Gratuity Fund
- c. The Bombay Burmah Trading Corporation Limited Employees' Superannuation Fund
- d. The Bombay Burmah Trading Corporation Limited Employees' Exempt Provident Fund

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

(₹ in Lakhs)

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

**B Transactions during the year**

Name of the related party	Relationship	Transaction values for the year ended 31 March	
		2019	2018
<b>Expenses charged by them</b>			
Afco Industrial & Chemicals Limited	Subsidiary & step down subsidiaries	<b>62.48</b>	59.37
Naira Holdings Limited	Subsidiary & step down subsidiaries	<b>7.03</b>	6.44
The Bombay Dyeing & Manufacturing Company Limited	Associate	<b>91.89</b>	82.66
Nowrosjee Wadia and Sons Limited	Other related party	<b>153.09</b>	178.93
<b>Expenses charged to them</b>			
Naira Holdings Limited	Subsidiary & step down subsidiaries	<b>31.91</b>	54.66
DPI Products and Services Limited	Subsidiary & step down subsidiaries	<b>3.47</b>	6.96
Afco Industrials & Chemicals Limited	Subsidiary & step down subsidiaries	<b>0.25</b>	0.31
Baymanco Investments Limited	Subsidiary & step down subsidiaries	-	1.50
The Bombay Dyeing & Manufacturing Company Limited	Associate	<b>3.10</b>	28.72
Medical Microtechnology Limited	Other related party	-	0.06
Panella Foods and Beverages Private Limited	Other related party	<b>1.67</b>	-
Wadia Techno Engineering Services Ltd	Other related party	<b>0.09</b>	-
<b>Interest received</b>			
Naira Holdings Limited	Subsidiary & step down subsidiaries	-	6.29
Go Airlines (India) Limited	Other related party	<b>910.25</b>	468.34
Macrofil Investments Limited	Other related party	<b>215.36</b>	858.00
BRT Limited	Other related party	-	8.01
Nowrosjee Wadia and Sons Limited	Other related party	<b>46.64</b>	132.7
<b>Interest paid</b>			
Britannia Industries Limited	Subsidiary & step down subsidiaries	-	71.01

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

(₹ in Lakhs)

**B Transactions during the year (continued)**

Name of the related party	Relationship	Transaction values for the year ended 31 March	
		2019	2018
<b>Loan repaid by</b> Naira Holdings Limited	Subsidiary & step down subsidiaries	-	339.05
<b>Loan repaid to</b> Britannia Industries Limited	Subsidiary & step down subsidiaries	-	4,000.00
<b>ICD repaid by</b> Macrofil Investments Limited	Other related party	6,880.00	-
Nowrosjee Wadia and Sons	Other related party	1,530.00	-
<b>ICD given</b> Go Airlines (India) Limited	Other related party	6,920.00	-
<b>Interest on loan to KMP's recovered</b> Mr. Amit Chhabra	Key management personnel	-	0.31
Mr. Nitin H. Dajanwala	Key management personnel	0.36	0.36
<b>Interest on loan given to KMP's recoverable</b> Mr. Amit Chhabra	Key management personnel	0.27	-
<b>Dividend income</b> The Bombay Dyeing & Manufacturing Company Limited	Associate	315.51	220.77
<b>Dividend income</b> Leila Lands Senderian Berhad	Subsidiary & step down subsidiaries	1,409.18	-
<b>Dividend Paid</b> Mr. Ness Wadia	Key management personnel	0.05	0.05
<b>Expenses recovered</b> Naira Holdings Limited	Subsidiary & step down subsidiaries	23.58	49.86
DPI Products and Services Limited	Subsidiary & step down subsidiaries	8.90	-
Subham Viniyog Limited	Subsidiary & step down subsidiaries	0.03	-

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

(₹ in Lakhs)

**B Transactions during the year (continued)**

Name of the related party	Relationship	Transaction values for the year ended 31 March	
		2019	2018
<b>Management / secondment charges paid</b>			
Leila Lands Senderian Berhad	Subsidiary & step down subsidiaries	2.03	1.89
<b>Professional fees paid</b>			
Udwadia & Co.	Other related party	11.34	8.39
<b>Guarantee commission income</b>			
Leila Lands Limited	Subsidiary & step down subsidiaries	95.12	107.13
<b>Guarantee commission received</b>			
Leila Lands Limited	Subsidiary & step down subsidiaries	71.97	107.13
<b>Advance / Inter corporate deposits repaid by</b>			
BRT Limited	Other related party	32.14	93.00
<b>Loan repaid by KMPs</b>			
Mr. Amit Chhabra	Key management personnel	0.21	2.48
<b>Remuneration</b>			
Mr. Ness Wadia	Key management personnel	384.21	349.94
Mr. Dibakar Chatterjee	Key management personnel	101.69	-
Mr. Hoshi Bhagwagar	Key management personnel	20.96	-
Mr. Amit Chhabra	Key management personnel	9.16	93.35
<b>Recovery of excess remuneration</b>			
Mr. Ness Wadia	Key management personnel	-	39.27
<b>Sitting fees for board and committee meetings</b>			
Mr. Nusli N. Wadia	Key management personnel	1.20	1.20
Mr. Anil Kumar Hirjee	Key management personnel	5.35	3.40
Mr. Madhav L. Apte	Key management personnel	4.75	3.40
Mr. Darius E. Udwadia	Key management personnel	4.40	2.00
Mr. Jehangir N. Wadia	Key management personnel	1.00	1.20
Mr. Rajesh Batra	Key management personnel	1.60	1.20
Dr. (Mrs) Minnie Bodhanwala	Key management personnel	0.80	1.00
<b>Retainer Fees</b>			
Mr. Nitin H. Datanwala	Key management personnel	84.05	96.25

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

(₹ in Lakhs)

**B Transactions during the year (continued)**

Name of the related party	Relationship	Transaction values for the year ended 31 March	
		2019	2018
<b>Contributions made during the year</b>			
The Bombay Burmah Trading Corporation Limited Covenanted Staff Gratuity Fund	Employees benefit plans where there is significant influence	<b>96.65</b>	17.14
The Bombay Burmah Trading Corporation Limited Employees' Gratuity Fund	Employees benefit plans where there is significant influence	<b>23.97</b>	240.93
The Bombay Burmah Trading Corporation Limited Employees' Superannuation Fund	Employees benefit plans where there is significant influence	<b>71.14</b>	76.62
The Bombay Burmah Trading Corporation Limited Employees' Exempt Provident Fund	Employees benefit plans where there is significant influence	<b>84.57</b>	75.13

**C Outstanding balances**

Name of the related party	Relationship	Outstanding balances as at	
		31 March 2019	31 March 2018
<b>Outstanding amount payable</b>			
Afco Industrial & Chemicals Limited	Subsidiary & step down subsidiaries	<b>22.61</b>	19.24
The Bombay Dyeing & Manufacturing Company Limited	Associate	<b>20.00</b>	17.69
Nowrosjee Wadia and Sons Limited	Other related party	<b>11.78</b>	11.24
<b>Outstanding guarantee to</b>			
Leila Lands Limited	Subsidiary & step down subsidiaries	<b>37,560.02</b>	43,124.24
<b>Security deposit payable</b>			
The Bombay Dyeing & Manufacturing Company Limited	Associate	<b>300.00</b>	300.00
<b>Outstanding amount receivable</b>			
DPI Products and Services Limited	Subsidiary & step down subsidiaries	<b>83.44</b>	88.87
Afco Industrial & Chemicals Limited	Subsidiary & step down subsidiaries	<b>27.17</b>	26.92
Baymanco Investments Limited	Subsidiary & step down subsidiaries	-	1.5
Naira Holdings Limited	Subsidiary & step down subsidiaries	<b>1.57</b>	0.27

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

(₹ in Lakhs)

Name of the related party	Relationship	Outstanding balances as at	
		31 March 2019	31 March 2018
Leila Lands Limited	Subsidiary & step down subsidiaries	23.15	-
Go Airlines (India) Limited	Other related party	10,790.00	3,870.00
Macrofil Investments Limited	Other related party	-	6,880.00
Nowrosjee Wadia and Sons Limited	Other related party	-	1,530.00
BRT Limited	Other related party	-	32.14
Medical Microtechnology Limited	Other related party	1.71	1.52
Panella Foods and Beverages Private Limited	Other related party	1.75	-
Island Horti-Tech Holdings Pte. Limited	Subsidiary & step down subsidiaries	9.76	18.65
Mr. Ness Wadia	Key management personnel	-	39.27
Mr. Amit Chhabra	Key management personnel	5.42	5.63
Mr. Nitin H Datanwala	Key management personnel	12.00	12.00
<b>Dividend receivable</b>			
Leila Lands Senderian Berhad	Subsidiary & step down subsidiaries	1,409.18	-

**D Compensation paid to key managerial personnel**

	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>Mr. Ness Wadia</b>		
Salary	311.02	282.75
Contribution to provident fund and other funds	65.95	59.95
Perquisites in cash or in kind	7.24	7.24
	<u>384.21</u>	<u>349.94</u>
<b>Mr. Dibakar Chatterjee</b>		
Salary	96.63	-
Contribution to provident fund and other funds	5.06	-
	<u>101.69</u>	<u>-</u>
<b>Mr. Hoshi Bhagwagar</b>		
Salary	19.74	-
Contribution to provident fund and other funds	1.22	-
	<u>20.96</u>	<u>-</u>

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

(₹ in Lakhs)

	<b>For the year ended 31 March 2019</b>	<i>For the year ended 31 March 2018</i>
<b>Mr. Amit Chhabra</b>		
Salary	<b>5.47</b>	<b>82.04</b>
Contribution to provident fund and other funds	<b>0.34</b>	<b>5.57</b>
Perquisites in cash or in kind	<b>3.35</b>	<b>5.74</b>
	<b>9.16</b>	<b>93.35</b>

Some of the key management personnel of the Company are also covered under the Company's gratuity plan along with the other employees of the Company. Proportionate amounts of gratuity accrued under the Company's gratuity plan have not been separately computed or included in the above disclosures.

**Terms and conditions of transactions with related parties**

All the transactions with the related parties were made on normal commercial terms and conditions and at market rates.

All the outstanding balances are unsecured and repayable in cash.

**49** The Company intends to sell its current investment in BDMC to its Group Company in the short term.

**50 Disclosures as per Ind AS 115 - Revenue from contracts with customers**

**A. Revenue Streams**

The Company is primarily involved in manufacturing and sale of Electric Components, Tea, Coffee and Dental Products. Other sources of revenue include scrap sales and subsidies from government.

<b>Particulars</b>	<b>For the year ended 31 March 2019</b>	<i>For the year ended 31 March 2018</i>
Sale of goods	<b>23,797.79</b>	<i>20,596.78</i>
Others	<b>398.10</b>	<i>372.43</i>
<b>Total</b>	<b>24,195.89</b>	<i>20,969.21</i>

**B. Disaggregation of revenue from contracts with customers**

In the following table, revenue from contracts with customers is disaggregated by primary geographical market.

<b>Particulars</b>	<b>For the year ended 31 March 2019</b>	<i>For the year ended 31 March 2018</i>
<b>Sale of goods</b>		
India	<b>18,404.51</b>	<i>14,863.56</i>
Others	<b>5,393.28</b>	<i>5,733.22</i>
<b>Total</b>	<b>23,797.79</b>	<i>20,596.78</i>



**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

(₹ in Lakhs)

**C. Reconciliation of revenue from contracts with customers**

	<b>For the year ended 31 March 2019</b>	<i>For the year ended 31 March 2018</i>
Revenue as per Contracted Price	<b>23,918.00</b>	20,681.19
<b>Less : Sales Return</b>	<b>77.07</b>	39.63
<b>Less : Discount</b>	<b>43.14</b>	44.78
Revenue from Contract with customers	<b>23,797.79</b>	20,596.78

**51 Other matters**

Comparative figures have been regrouped / reclassified wherever necessary to conform to current year's presentation.

- 52** The Company was having a Company Secretary during the year, as required by Section 203 of the Companies Act, 2013, who has resigned with effect from closing hours of 31 March 2019. Accordingly, the financial statements of the Company have not been authenticated by the Company Secretary, as required by Section 134 of the Companies Act, 2013.

As per our attached report of even date.  
For **B S R & Co.LLP**  
*Chartered Accountants*  
Firm's Registration No. 101248W/W-100022

**Vijay Mathur**  
*Partner*  
Membership No. 046476

**For and on behalf of the Board of Directors**  
**The Bombay Burmah Trading Corporation, Limited**  
CIN : L99999MH1863PLC000002

**Nusli N. Wadia**  
*Chairman*

**Ness Wadia**  
*Managing Director*

**D. E. Udhwadia**  
*Director*

**Jehangir N. Wadia**  
*Director*

**Dibakar Chatterjee**  
*Chief Executive Officer*

**Dr. Y. S. P. Thorat**  
*Director*

**Gauri Kirloskar**  
*Director*

**N H Datanwala**  
*Chief Financial Officer*

**Vinesh Kumar Jairath**  
*Director*

**Dr. Minnie Bodhanwala**  
*Director*

Place : Mumbai  
Dated : 13 May 2019

INDEPENDENT AUDITORS' REPORT

To the Members of

The Bombay Burmah Trading Corporation, Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of The Bombay Burmah Trading Corporation, Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its associates, which comprise the consolidated balance sheet as at 31 March 2019, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries and associates as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at 31 March 2019, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter

Development plantations and biological assets – Holding Company  
See Note 2 (a) and Note 11 of the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
Cost of development plantations (including capital work in progress) as at 31 March 2019 amounted to ₹ 3,233 lakhs. These costs relate to expenditure incurred on planting/re-planting as well as rejuvenation of tea and coffee bushes. Costs capitalized to development plantations include all direct costs of land preparation and planting, i.e., costs incurred on nursery development, direct labor cost, costs of inputs such as fertilizers, chemicals and other related overheads.	Our audit procedures included, amongst others: <ul style="list-style-type: none"><li>- We obtained an understanding of the management's internal processes as well as controls to record costs incurred on plantation development.</li><li>- We tested internal controls over costs incurred towards development plantations including controls over incurrence and recording of direct costs including labor cost.</li></ul>

The key audit matter	How the matter was addressed in our audit
<p>Fair value of biological assets other than bearer plants amounted to ₹ 104 lakhs. Biological assets relate to tea leaves on bushes.</p> <p>The cost of development plantations as also valuation of growing produce (unplucked tea leaves on bushes) is significant to our audit on account of involvement of management judgment in identification of costs related to development of plantations as also the methodology followed in estimating the quantity and valuation of growing produce. As such, we identified this as a key audit matter.</p>	<ul style="list-style-type: none"> <li>- We substantively tested the records maintained as evidence of costs incurred on development of plantations.</li> <li>- We obtained an understanding of the significant management judgment applied in determination of the quantity and fair value less costs to sell of growing produce on tea bushes and assessed and tested the reasonableness of these judgments.</li> <li>- We assessed the reasonability of the policy of amortization of developmental plantations by comparing with companies in the industry peer group.</li> <li>- For tea bushes, we compared the projected harvest quantities to historical data. We checked the post balance sheet harvest data to assess the reasonableness of the quantities projected and recorded by management.</li> <li>- We compared the price considered for valuing tea leaves with market prices.</li> <li>- We assessed the adequacy of the disclosures related to valuation of biological assets in Note 11 of the consolidated financial statements.</li> </ul>

#### Litigations and Contingencies – Holding Company

See Note 44 of the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
<p>The Holding Company has been carrying on its plantation activities at Singampatti tea estate, Tamil Nadu under a valid lease since 1929. During the current year, the Commissioner of Land Administration in Tamil Nadu passed an order cancelling the lease alleging violation of conditions with regard to clearing of certain areas.</p> <p>The authorities have demanded lease rentals in respect of the leased land retrospectively from 1958 to 2018 amounting to ₹ 22,396.38 lakhs. A further demand of ₹ 796 lakhs has been raised towards increased rental for the current year.</p> <p>The Holding Company has challenged the above orders by filing a writ petition before the Hon'ble Madras High Court which has been admitted and an interim relief restraining the Government from taking any action has been granted by the Court.</p> <p>We have identified this litigation as a key audit matter because it requires management to make judgment in relation to the exposure arising therefrom.</p>	<p>Our audit procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>- Testing key controls surrounding litigations and regulatory procedures</li> <li>- Examining correspondence between the Holding Company and the statutory authorities</li> <li>- Examining submissions including writ petition filed by the Holding Company in relation to this matter; and</li> <li>- Assessing the adequacy of the disclosures in the consolidated financial statements.</li> </ul> <p>Based on the evidence obtained, while noting the inherent uncertainty with such legal and regulatory matters, we verified the disclosures provided in Note 44 of consolidated financial statements.</p>

## Related party transactions

See Note 48 of the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
<p>The Group has entered into several transactions with related parties during the year 2018-19. We identified related party transactions as a key audit matter because of risks with respect to completeness of disclosures made in the consolidated financial statements; non-compliance with statutory regulations governing related party relationships such as the Companies Act 2013 and SEBI Regulations and the judgment involved in assessing whether transactions with related parties are undertaken at arms' length.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> <li>- We carried out an assessment of the key controls to identify and disclose related party relationships and transactions in accordance with the relevant accounting standard.</li> <li>- We carried out an assessment of compliance with the listing regulations and the regulations under the Companies Act, 2013, including checking of approvals/ scrutiny as specified in Sections 177 and 188 of the Companies Act, 2013 with respect to the related party transactions. In cases where the matter was subject to interpretation, we exercised judgment to rely on opinions provided by legal practitioners.</li> <li>- We considered the adequacy and appropriateness of the disclosures in the consolidated financial statements, relating to the related party transactions.</li> <li>- For transactions with related parties, we inspected relevant ledgers, agreements and other information that may indicate the existence of related party relationships or transactions. We also tested completeness of related parties with reference to the various registers maintained by the respective Company statutorily.</li> <li>- We have tested on a sample basis, Management's assessment of related party transactions for arm's length pricing.</li> </ul>

## Revenue Recognition – Britannia Industries Limited and its subsidiaries

See Note 1(e)(j), Note 30 and Note 55 of the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
<p>The principal products of the Holding Company's significant subsidiary, Britannia Industries Limited (BIL) and its subsidiaries comprise food products that are mainly sold through distributors, modern trade and direct sale channels amongst others. Revenue is recognized when the customer obtains control of the goods.</p> <p>We identified revenue recognition as a key audit matter because BIL and its subsidiaries and its' external stakeholders focus on revenue as a key performance indicator. This could create an incentive for revenue to be overstated or recognized before control has been transferred.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> <li>- We assessed the appropriateness of the revenue recognition accounting policies by comparing with applicable accounting standards.</li> <li>- We evaluated the design of key controls and operating effectiveness of the relevant key controls with respect to revenue recognition on selected transactions.</li> <li>- We performed substantive testing by selecting samples of revenue transactions, recorded during the year by testing the underlying documents using statistical sampling.</li> </ul>

The key audit matter	How the matter was addressed in our audit
	<ul style="list-style-type: none"> <li>- We carried out analytical procedures on revenue recognized during the year to identify unusual variances.</li> <li>- We performed confirmation procedures on selected customer balances at the balance sheet date.</li> <li>- We tested, on a sample basis, specific revenue transactions recorded before and after the financial year end date to determine whether the revenue had been recognized in the appropriate financial period.</li> <li>- We tested manual journal entries posted to revenue to identify unusual items.</li> </ul>

#### Tax litigations – provisions and contingencies - Britannia Industries Limited and its subsidiaries

See Note 1(e)(h), Note 22, Note 27, Note 44 and Note 49 of the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
<p>BIL and its subsidiaries are involved in several ongoing direct and indirect tax litigations in various states of India.</p> <p>BIL and its subsidiaries recognize a provision when there exists a present obligation (legal or constructive) as a result of a past event, 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 of the amount of the obligation.</p> <p>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.</p> <p>We have identified tax litigations, provisions and contingencies as a key audit matter because it requires the management to make judgments and estimates in relation to the exposure arising out of litigations. The key judgment lies in the estimation of provisions where they may differ from the future obligations. BIL and its subsidiaries operate under several tax laws and some of these have a significant impact on the consolidated financial statements of the Group.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> <li>- We tested the effectiveness of key controls around the recording and assessment of tax provisions and contingent liabilities.</li> <li>- We used our own tax specialists to assess the value of the provisions and contingent liabilities in light of the nature of the exposures, applicable regulations and related correspondences with the authorities.</li> <li>- We assessed the relevant historical and recent judgments passed by the court authorities.</li> <li>- Obtained Management's assessment of the open cases and compared the same to the assessment of our tax specialists to assess the reasonableness of the provision or contingency.</li> <li>- Considered the adequacy of the disclosures made in relation to taxation related provisions and contingencies in the consolidated financial statements.</li> </ul>

#### Report on other information contained in Board report

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's Annual Report, but does not include the consolidated financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of the auditor's report.

## The Bombay Burmah Trading Corporation, Limited

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates are responsible for overseeing the financial reporting process of each company.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls based on our audit.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group (the Holding Company and subsidiaries) as well as associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its associates to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matters**

- (a) We did not audit the financial statements / financial information of 25 subsidiaries, whose financial statements / financial information reflect total assets of ₹ 829,624.40 lakhs as at 31 March 2019, total revenues of ₹ 75,322.84 lakhs and net cash flows amounting to ₹ 673.42 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (and other comprehensive income) of ₹ 43,248.95 lakhs for the year ended 31 March 2019, in respect of 10 associates, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-section (3) of section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates is based solely on the audit reports of the other auditors.

The above includes 22 subsidiaries located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the reports of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

- (b) The financial statements/financial information of 3 subsidiaries, whose financial statements/financial information reflect total assets of ₹ 30,933.77 lakhs as at 31 March 2019, total revenues of ₹ Nil and net cash flows amounting to ₹ 17.86 lakhs for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditors. The consolidated financial statements also include the Group's share of net loss (and other comprehensive income) of ₹ 97 lakhs for the year ended 31 March 2019, as considered in the consolidated financial statements, in respect of 3 associates, whose financial statements/financial information have not been audited by us or by other auditors. These unaudited financial statements/financial information have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries and associates, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements/financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/financial information certified by the Management.

#### **Report on Other Legal and Regulatory Requirements**

1. (A) As required by section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries and associates as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.
  - e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate companies incorporated in India, none of the directors of the Group companies and its associate companies incorporated in India is disqualified as on 31 March 2019 from being appointed as a director in terms of section 164(2) of the Act.



- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and associate companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements of the subsidiaries and associates, as noted in the 'Other Matters' paragraph:
- i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2019 on the consolidated financial position of the Group and its associates. Refer Note 44 to the consolidated financial statements.
  - ii. The Group and its associates did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2019.
  - iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies and associate companies incorporated in India during the year ended 31 March 2019.
  - iv. The disclosures regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the consolidated financial statements since they do not pertain to the financial year ended 31 March 2019.
- C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Holding Company to the managing director during the current year is not in accordance with the provisions of section 197 of the Act. The remuneration paid to director is in excess of the limit laid down under section 197 of the Act. Pursuant to the provisions of the Companies (Amendment) Act, 2017, the remuneration is subject to approval of the shareholders by way of a special resolution, which will be sought by the Holding Company at its ensuing annual general meeting.

Further, in our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies and associate companies incorporated in India which were not audited by us, the remuneration paid during the current year by subsidiary companies and associate companies to its directors is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director by the subsidiary companies and associate companies is not in excess of the limit laid down under section 197 of the Act.

The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No: 101248W/W-100022

**Vijay Mathur**

*Partner*

Place: Mumbai

Date: 13 May 2019

Membership No: 046476

**ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED  
FINANCIAL STATEMENTS OF THE BOMBAY BURMAH TRADING CORPORATION, LIMITED  
("THE COMPANY") FOR THE YEAR ENDED 31 MARCH 2019**

**Report on the internal financial controls with reference to the aforesaid consolidated financial statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013**

**(Referred to in paragraph 1A(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

**Opinion**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2019, we have audited the internal financial controls with reference to consolidated financial statements of The Bombay Burmah Trading Corporation, Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies and its associate companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies and its associate companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

**Management's Responsibility for Internal Financial Controls**

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

**Auditors' Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies and associate companies in terms of their reports referred to in the Other

Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

### **Meaning of Internal Financial controls with Reference to Consolidated Financial Statements**

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements:

### **Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements**

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Other Matter**

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to 5 subsidiary companies and 1 associate company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No: 101248W/W-100022

**Vijay Mathur**

*Partner*

Mumbai

13 May 2019

Membership No: 046476

# The Bombay Burmah Trading Corporation, Limited

## CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2019

	Notes	As at 31 March 2019	(₹ in Lakhs) As at 31 March 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2 (a)	165,272.13	131,141.61
Capital work-in-progress	2 (a)	10,760.75	20,720.02
Investment property	2 (b)	1,486.55	1,513.12
Goodwill		104,088.31	103,685.58
Other intangible assets	2 (c)	872.44	917.20
Intangible assets under development	2 (d)	44.71	19.17
Equity accounted investees	3	204,071.09	171,028.20
Financial assets			
(i) Investments	4	73,008.74	22,478.06
(ii) Loans receivable	5	2,138.13	13,672.54
(iii) Other financial assets	6	3,326.69	449.19
Deferred tax assets (net)	7	2,219.43	3,129.71
Current tax assets (net)	8	4,345.84	2,711.35
Other non current assets	9	10,431.35	9,008.96
<b>Total non-current assets</b>		<b>582,066.16</b>	<b>480,474.71</b>
<b>Current assets</b>			
Inventories	10	88,141.41	72,737.25
Biological assets other than bearer plants	11	103.88	170.90
Financial assets			
(i) Investments	12	79,693.45	89,675.71
(ii) Trade receivables	13	45,937.12	36,106.23
(iii) Cash and cash equivalents	14 (a)	13,909.82	19,502.00
(iv) Bank balances other than (iii) above	14 (b)	5,277.73	5,969.71
(v) Loans receivable	15	131,294.72	96,817.86
(vi) Other financial assets	16	14,560.93	12,076.92
Other current assets	17	17,390.02	22,279.89
<b>Total current assets</b>		<b>396,309.08</b>	<b>355,336.47</b>
<b>TOTAL ASSETS</b>		<b>978,375.24</b>	<b>835,811.18</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	18	1,396.27	1,396.27
Other equity			
(i) Retained earnings	19	258,811.39	193,091.74
(ii) Other reserves	19	216,167.71	201,876.40
<b>Equity attributable to equity holders of the parent</b>		<b>474,975.10</b>	<b>394,968.14</b>
Non-controlling interests		214,341.08	170,318.28
<b>Total Equity</b>		<b>690,716.45</b>	<b>566,682.69</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial Liabilities			
(i) Borrowings	20	47,205.48	61,017.90
(ii) Other financial liabilities	21	6,098.59	2,660.84
Provisions	22	1,327.06	1,120.20
Government grants	29	-	194.00
Deferred tax liabilities (net)	7	982.84	2,658.80
<b>Total non-current liabilities</b>		<b>55,613.97</b>	<b>67,651.74</b>
<b>Current liabilities</b>			
Financial Liabilities			
(i) Borrowings	23	32,293.73	27,541.35
(ii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	24	178.00	450.71
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	24	117,053.12	101,945.33
(iii) Other financial liabilities	25	44,264.13	37,925.41
Other current liabilities	26	9,742.38	9,231.88
Provisions	27	21,010.80	18,586.17
Current tax liabilities (net)	28	7,431.66	5,659.90
Government grants	29	71.00	136.00
<b>Total Current Liabilities</b>		<b>232,044.82</b>	<b>201,476.75</b>
<b>Total Liabilities</b>		<b>287,658.79</b>	<b>269,128.49</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>978,375.24</b>	<b>835,811.18</b>
Significant accounting policies, key accounting estimates and judgements	1		

The notes referred to above and other notes form an integral part of the Consolidated financial statements

As per our attached report of even date.

For **B S R & Co.LLP**

Chartered Accountants

Firm's Registration No. 101248W/W-100022

**Vijay Mathur**

Partner

Membership No. 046476

For and on behalf of the Board of Directors  
The Bombay Burmah Trading Corporation, Limited  
CIN : L99999MH1863PLC000002

**Nusli N. Wadia**

Chairman

**Ness Wadia**  
Managing Director

**D. E. Udwadia**  
Director

**Jehangir N. Wadia**  
Director

**Dibakar Chatterjee**  
Chief Executive Officer

**Dr. Y. S. P. Thorat**  
Director

**Gauri Kirloskar**  
Director

Place : Mumbai  
Dated : 13 May 2019

**N H Datanwala**  
Chief Financial Officer

**Vinesh Kumar Jairath**  
Director

**Dr. Minnie Bodhanwala**  
Director

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019**

	Notes	For the year ended 31 March 2019	(₹ in Lakhs) For the year ended 31 March 2018
<b>INCOME</b>			
Revenue from operations	30	1,142,320.38	1,031,581.46
Other income	31	22,516.38	20,098.24
<b>Total income</b>		<b>1,164,836.76</b>	<b>1,051,679.70</b>
<b>EXPENSES</b>			
Cost of materials consumed	32	563,014.04	499,491.43
Purchases of stock -in-trade	32	115,450.17	123,557.73
Changes in inventories of finished goods, work-in-progress and stock -in-trade	33	(7,874.16)	428.15
Excise Duty		-	7,790.03
Employee benefits expense	34	57,857.68	53,052.64
Finance costs	35	6,037.22	5,504.67
Depreciation and amortization	2 (e)	17,250.03	15,349.48
Cost relating to real estate under development		24.24	26.13
Other expenses	36	245,592.80	203,408.14
<b>Total expenses</b>		<b>997,352.02</b>	<b>908,608.40</b>
<b>Profit before share of associate and tax</b>		<b>167,484.74</b>	<b>143,071.30</b>
Share of (loss) / profit of associates (net of income tax)		43,401.80	(11,904.06)
<b>Profit before tax from continuing operations</b>		<b>210,886.54</b>	<b>131,167.24</b>
<b>Income tax expense</b>			
Current Tax	38	60,617.04	54,149.63
Deferred Tax (credit) / charge	38	4,550.20	(247.55)
<b>Total tax expense for the year</b>		<b>65,167.24</b>	<b>53,902.08</b>
<b>Profit after tax for the year</b>		<b>145,719.30</b>	<b>77,265.16</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified subsequently to the statement of profit and loss			
Equity instruments through other comprehensive income - net change in fair value		(282.93)	(185.77)
Remeasurement of defined benefit liabilities / (assets)		(1,012.31)	(132.52)
Income tax relating to items that will not be reclassified to statement of profit and loss		146.58	(9.22)
		<b>(1,148.66)</b>	<b>(327.51)</b>
Items that will be reclassified subsequently to the statement of profit and loss			
Exchange difference in translating financial statements of foreign operations		(1,281.40)	644.24
		<b>(1,281.40)</b>	<b>644.24</b>
<b>Other comprehensive income for the year, net of tax</b>	38 (b)	<b>(2,430.06)</b>	<b>316.73</b>
<b>Total comprehensive income for the year</b>		<b>143,289.24</b>	<b>77,581.89</b>
<b>Profit attributable to:</b>			
Owners of the Company		88,867.05	27,739.76
Non-controlling interests		56,852.25	49,525.40
<b>Profit after tax for the year</b>		<b>145,719.30</b>	<b>77,265.16</b>
<b>Other comprehensive income attributable to:</b>			
Owners of the Company		(2,619.57)	327.08
Non-controlling interests		189.51	(10.35)
<b>Other comprehensive income for the year</b>		<b>(2,430.06)</b>	<b>316.73</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		86,247.48	28,066.84
Non-controlling interests		57,041.76	49,515.05
<b>Total comprehensive income for the year</b>		<b>143,289.24</b>	<b>77,581.89</b>
<b>Earning per equity share for profit attributable to owners</b>			
Basic earnings per share	37	127.37	39.76
Diluted earnings per share	37	127.37	39.76
Significant accounting policies, key accounting estimates and judgments	1		

The notes referred to above and other notes form an integral part of the consolidated financial statements

As per our attached report of even date.

For **B S R & Co.LLP**

Chartered Accountants

Firm's Registration No. 101248W/W-100022

**Vijay Mathur**

Partner

Membership No. 046476

For and on behalf of the Board of Directors

The Bombay Burmah Trading Corporation, Limited

CIN : L99999MH1863PLC000002

**Nusli N. Wadia**

Chairman

**Ness Wadia**  
Managing Director

**D. E. Udawadia**  
Director

**Jehangir N. Wadia**  
Director

**Dibakar Chatterjee**  
Chief Executive Officer

**Dr. Y. S. P. Thorat**  
Director

**Gauri Kirloskar**  
Director

Place : Mumbai  
Dated : 13 May 2019

**N H Datanwala**  
Chief Financial Officer

**Vinesh Kumar Jairath**  
Director

**Dr. Minnie Bodhanwala**  
Director

**CONSOLIDATED CASH FLOW STATEMENT FOR YEAR ENDED 31 MARCH 2019**

	For the year ended 31 March 2019	(₹ in Lakhs) For the year ended 31 March 2018
<b>A. Cash flow from operating activities</b>		
Profit before tax and share of profit of associates	167,484.75	143,071.30
<b>Adjustments for:</b>		
Depreciation and amortisation	17,250.03	15,349.48
Share based payment expense	1,612.00	864.00
Net gain on financial asset measured at fair value through statement of profit and loss	(6,385.00)	(5,524.00)
(Gain)/loss on disposal of property, plant and equipment (net)	(233.66)	(1,354.29)
(Profit) /loss on sale of investments	(31.23)	(56.54)
Unrealised exchange fluctuation (gain)/loss (net)	2,856.05	2,445.71
Change in fair value of biological assets	67.61	57.77
Interest income	(15,126.90)	(12,148.03)
Dividend income	(13.58)	(15.23)
Finance costs	6,037.22	5,504.67
Provision for doubtful trade and other receivables	101.03	1.37
Liabilities/provisions no longer required written back	(37.10)	-
	<b>173,581.22</b>	<b>148,196.21</b>
<b>Working capital adjustments</b>		
(Increase)/decrease in inventories and other current assets	(14,797.75)	613.82
(Increase) in trade receivables	(9,617.02)	(13,038.58)
Decrease in loans and other assets	1,183.44	8,195.58
Increase in accounts payable, other liabilities and provisions	19,923.59	27,116.19
<b>Cash generated from operating activities</b>	<b>170,273.48</b>	<b>171,083.22</b>
Currency alignment on conversion of accounts	4.75	-
Incomes taxes paid	(59,860.46)	(49,778.34)
<b>Net cash flows from operating activities</b>	<b>110,417.77</b>	<b>121,304.88</b>
<b>B. Cash flow from investing activities</b>		
Acquisition of property, plant and equipment	(41,380.33)	(43,176.46)
Proceeds from sale of property, plant and equipment	329.41	1,506.46
Proceeds from (purchase)/sale of investments	(34,105.92)	(53,199.48)
Inter-corporate deposits placed	(87,430.00)	(76,722.00)
Inter-corporate deposits redeemed	63,527.07	61,623.53
Interest received	13,122.16	12,721.31
Dividend received	13.58	588.78
<b>Net cash flows used in investing activities</b>	<b>(85,924.03)</b>	<b>(96,657.86)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from share allotment by subsidiary	2,979.00	1,506.00
Interest paid	(5,751.38)	(5,998.13)
Proceeds from borrowings	2,360.45	7,305.00
Repayment of borrowings	(11,052.31)	(21,164.16)
Inter-corporate deposits placed	(6,920.00)	-
Inter-corporate deposits repaid during the year	8,410.00	(864.00)
Proceeds from issue of non-convertible debentures	-	15,000.00
Contribution from non controlling interest	2,320.00	1,080.00
Dividends paid (including corporate dividend tax)	(19,683.20)	(18,920.86)
<b>Net cash flow from financing activities</b>	<b>(27,337.44)</b>	<b>(22,056.15)</b>

**CONSOLIDATED CASH FLOW STATEMENT FOR YEAR ENDED 31 MARCH 2019**

	For the year ended 31 March 2019	(₹ in Lakhs) For the year ended 31 March 2018
<b>Net increase/(decrease) in cash and cash equivalent</b>	<b>(2,843.70)</b>	<b>2,590.87</b>
Cash and cash equivalents at the beginning of the financial year	<b>17,294.57</b>	<b>14,729.70</b>
Effect of exchange rate changes on cash and cash equivalents	<b>328.03</b>	<b>(26.00)</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>14,778.90</b>	<b>17,294.57</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>13,909.82</b>	<b>19,502.00</b>
Book overdraft	<b>(160.62)</b>	<b>(1,306.43)</b>
Bank overdraft	<b>-</b>	<b>(901.00)</b>
	<b>13,749.20</b>	<b>17,294.57</b>

Debt reconciliation statement in accordance with Ind AS 7

**Short term borrowings**

Opening balance	<b>27,541.35</b>	<b>38,780.76</b>
Cash flows	<b>4,303.72</b>	<b>(11,239.41)</b>
Non cash change (fair value)	<b>448.66</b>	<b>-</b>
Closing balance	<b>32,293.73</b>	<b>27,541.35</b>

**Long term borrowings**

Opening balance	<b>74,773.84</b>	<b>62,582.17</b>
Cash flows	<b>(11,510.26)</b>	<b>11,516.25</b>
Non cash change (fair value)	<b>43.76</b>	<b>675.42</b>
Closing balance	<b>63,307.34</b>	<b>74,773.84</b>

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (Ind AS) 7 - "Cash Flow Statements" notified under Section 133 of the Companies Act 2013.

Cash and cash equivalents comprises of cash on hand, current accounts and deposits with banks.

The notes referred to above and other notes form an integral part of the consolidated financial statements.

As per our attached report of even date.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No. 101248W/W-100022

For and on behalf of the Board of Directors  
The Bombay Burmah Trading Corporation, Limited  
CIN : L99999MH1863PLC000002

**Vijay Mathur**

Partner

Membership No. 046476

**Nusli N. Wadia**

Chairman

**Ness Wadia**  
Managing Director

**D. E. Udawadia**  
Director

**Jehangir N. Wadia**  
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**Dibakar Chatterjee**  
Chief Executive Officer

**Dr. Y. S. P. Thorat**  
Director

**Gauri Kirloskar**  
Director

**N H Datanwala**  
Chief Financial Officer

**Vinesh Kumar Jairath**  
Director

**Dr. Minnie Bodhanwala**  
Director

Place : Mumbai

Dated : 13 May 2019

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (SOCIE)

(a) Equity share capital

(₹ in Lakhs)

	As at 31 March 2019		As at 31 March 2018	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting period	69,771,900	1,395.44	69,771,900	1,395.44
Changes in equity share capital during the year	-	-	-	-
Forfeited shares amount paid up	-	0.83	-	0.83
Balance at the end of the reporting period	69,771,900	1,396.27	69,771,900	1,396.27



## (b) Other equity

(₹ in Lakhs)

Particulars	Reserves and surplus						Other comprehensive income		Total	Non Controlling Interest	Total Equity
	Capital Reserve	Securities Premium Account	Capital Redemption Reserve	Employee Stock Options Outstanding	General Reserve	Statutory Reserve Fund	Retained earnings	Equity Instruments through Other Comprehensive Income	Foreign Currency Translation Reserve		
<b>Balance at 1 April 2017</b>	127,585.44	5,160.13	201.96	300.32	48,169.25	150.15	171,300.15	8,988.00	4,594.31	134,242.56	500,692.27
Profit for the year	-	-	-	-	-	-	27,739.76	-	-	49,525.40	77,265.16
Other comprehensive income for the year	-	-	-	-	-	-	(107.23)*	(185.77)	620.08	(10.35)	316.73
<b>Total comprehensive income for the year</b>	-	-	-	-	-	-	<b>27,632.53</b>	<b>(185.77)</b>	<b>620.08</b>	<b>49,515.05</b>	<b>77,581.89</b>
Share based payments	-	-	-	438.04	-	-	-	-	-	425.95	863.99
Other adjustments including acquisitions	-	-	-	-	-	-	91.43	-	-	1,081.00	1,172.43
Issue of Share capital	-	763.04	-	-	-	-	-	-	-	741.97	1,505.01
Exercise of Share options	-	158.18	-	(158.18)	5,091.45	-	(5,091.45)	-	-	-	-
<b>Balance at 31 March 2018</b>	127,585.44	6,081.35	201.96	580.18	53,260.70	150.15	193,932.66	8,802.23	5,214.39	186,006.53	581,815.59
Dividends	-	-	-	-	-	-	(697.92)	-	-	(13,022.46)	(13,720.38)
Dividend Distribution Tax (DDT)	-	-	-	-	-	-	(143.00)	-	-	(2,665.79)	(2,808.79)
<b>Balance at 31 March 2018</b>	127,585.44	6,081.35	201.96	580.18	53,260.70	150.15	193,091.74	8,802.23	5,214.39	170,318.28	565,286.42

# The Bombay Burmah Trading Corporation, Limited

(₹ in Lakhs)

Particulars	Reserves and surplus							Other comprehensive income		Total	Non Controlling Interest	Total Equity
	Capital Reserve	Securities Premium Account	Capital Redemption Reserve	Employee Stock Options Outstanding	General Reserve	Statutory Reserve Fund	Retained earnings	Equity Instruments through Other Comprehensive Income	Foreign Currency Translation Reserve			
<b>Balance at 1 April 2018</b>	127,585.44	6,081.35	201.96	580.18	53,260.70	150.15	193,091.74	8,802.23	5,214.39	394,968.14	170,318.28	565,286.42
Profit for the year	-	-	-	-	-	-	88,867.05	-	-	88,867.05	56,852.25	145,719.30
Other comprehensive income for the year	-	-	-	-	-	-	(734.47)*	(282.93)	(1,602.17)	(2,619.57)	188.51	(2,430.06)
<b>Total comprehensive income for the year</b>	-	-	-	-	-	-	88,132.58	(282.93)	(1,602.17)	86,247.48	57,041.76	143,289.24
Other adjustments including acquisitions	-	-	-	-	-	-	(15,991.04)	(2,173.23)	10,613.74	(7,550.53)	2,403.57	(5,146.96)
Transfer to NCI	(0.03)	(2.41)	(0.20)	(0.57)	(30.56)	-	(135.37)	-	(0.04)	(169.18)	169.18	-
Transfers	-	-	-	-	5,445.38	-	(5,445.38)	-	-	-	-	-
Share based payments	-	-	-	816.48	-	-	-	-	-	816.48	795.52	1,612.00
Issue of Share capital	-	1,507.85	-	-	-	-	-	-	-	1,507.85	1,469.15	2,977.00
Exercise of Share options	-	386.46	-	(386.46)	-	-	-	-	-	-	0.99	0.99
<b>Balance at 31 March 2019</b>	127,585.41	7,973.25	201.76	1,009.63	58,675.52	150.15	259,652.53	6,346.07	14,225.92	475,820.24	232,198.45	708,018.69
Dividends	-	-	-	-	-	-	(697.72)	-	-	(697.72)	(14,812.48)	(15,510.20)
Dividend Distribution Tax (DDT)	-	-	-	-	-	-	(143.42)	-	-	(143.42)	(3,044.90)	(3,188.32)
<b>Balance at 31 March 2019</b>	127,585.41	7,973.25	201.76	1,009.63	58,675.52	150.15	258,811.39	6,346.07	14,225.92	474,979.10	214,341.08	689,320.18

\* This amount refers to remeasurement of defined benefit liability / (asset)

As per our attached report of even date.  
For **BSR & Co.LLP**  
Chartered Accountants  
Firm's Registration No. 101248W/W-100022

For and on behalf of the Board of Directors  
The Bombay Burmah Trading Corporation, Limited  
CIN : L99999MH1863PLC000002

**Vijay Mathur**  
Partner  
Membership No. 046476

**Nusli N. Wadia**  
Chairman

**D. E. Udhwadia**  
Director

**Jehangir N. Wadia**  
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**Dr. Y. S. P. Thorat**  
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**Dr. Minnie Bodhanwala**  
Director

**Ness Wadia**  
Managing Director

**Dibakar Chatterjee**  
Chief Executive Officer

**N H Datanwala**  
Chief Financial Officer

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### 1 Notes to consolidated financial statements

#### Corporate information

The Bombay Burmah Trading Corporation, Limited (BBTCL) ('the Parent / Holding Company') having its registered office at 9, Wallace Street, Fort, Mumbai - 400001 was incorporated on 4 September 1863 vide company identification number (CIN) L99999MH1863PLC000002 issued by the Registrar of Companies, Maharashtra, Mumbai, India. These consolidated financial statements comprise the Company and its subsidiaries (referred to collectively as the 'Group') and the Group's interest in associates.

The Group is multi-product and multi-divisional organisation with diverse business interests viz. Plantations (Tea and Coffee), Auto Electric Components, Healthcare, real estate, weighing products, horticulture and food - bakery and dairy products.

#### a Statement of Compliance

These Consolidated Financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

The financial statements for the year ended 31 March 2019 were approved by the Board of directors on 13 May, 2019. The management and authorities have the power to amend the financial statements in accordance with Sections 130 and 131 of the Act.

#### b Basis of preparation and presentation

##### Basis of preparation

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities:

- > Biological assets- measured at fair value less costs to sell
- > Derivative financial instruments - measured at fair value
- > Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).
- > Employees defined benefit plans at fair value of plan assets less present value of defined benefit obligation
- > Share based payments- measured at fair value

##### Principles of consolidation

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

#### 1) Subsidiaries:

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### II) Non-controlling interests (NCI):

- i) NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition
- ii) NCI'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 Group.
- iii) NCI'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 Group's shareholders
- iv) Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

### III) Equity accounted investees

- i) The Group's interests in equity accounted investees comprise interests in associates and joint ventures.
- ii) An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control and has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.
- iii) Interests in associates and joint ventures are accounted for using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and OCI of equity-accounted investees until the date on which significant influence or joint control ceases.

### IV) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investees. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment

### V) Business combinations

As a part of transition to Ind AS, the Group has elected to apply the relevant Ind AS, viz Ind AS 103, business combinations, to only those business combinations that occurred on or after 1 April 2015. In accordance with Ind AS 103, the Group's accounts for these business combinations using the acquisition method when control is transferred to the Group. The consideration transferred for the business combination is generally measured at fair value as at the date when the control is acquired (acquisition date), as are the net identifiable assets acquired.

Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve.

Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in the statement of profit and loss. Any contingent consideration, if any, is measured at fair value as on the date of acquisition.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### Current / non-current classification:

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

- a. An asset shall be classified as current when it satisfies any of the following criteria:
  - i) it is expected to be realized in, or is intended for sale or consumption in, the group's normal operating cycle;
  - ii) it is held primarily for the purpose of being traded;
  - iii) it is expected to be realized within twelve months after the reporting date; or
  - iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

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

- b. All assets other than current assets shall be classified as non-current.
- c. A liability shall be classified as current when it satisfies any of the following criteria:
  - i) it is expected to be settled in the group's normal operating cycle;
  - ii) it is held primarily for the purpose of being traded;
  - iii) it is due to be settled within twelve months after the reporting date; or
  - iv) the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Current liabilities include the current portion of non-current financial liabilities. All other liabilities are classified as non-current.

### Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees (INR), which is also the Parent Company's functional currency. All amounts have been rounded-off to two decimal places to the nearest lakh, unless otherwise indicated.

### c Key estimates and judgements

The preparation of consolidated financial statements in accordance with Ind AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the (consolidated) balance sheet and (consolidated) statement of profit and loss. The actual amounts realised may differ from these estimates. Estimates and underline assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised prospectively. Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March 2018 are as follows :

#### i. Property, plant and equipment :

Determination of the estimated useful lives of property, plant and equipment and the assessment as to which components of the cost may be capitalised. For entities incorporated in India, useful lives of property, plant and equipment are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support. Assumptions also need to be made, when the Group assesses, whether an asset may be capitalised and which components of the cost of the asset may be capitalised.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### ii. Recognition and measurement of defined benefit obligations :

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

### iii. Recognition of deferred tax assets :

A deferred tax asset is recognised for all the deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

### iv. Recognition and measurement of other provisions :

The recognition and measurement of other provisions is based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the figure included in other provisions.

### v. Discounting of long-term financial instruments :

All financial instruments are required to be measured at fair value on initial recognition. In case of financial instruments which are required to be subsequently measured at amortised cost, interest is accrued using the effective interest method.

### vi. Fair value of financial instruments :

Derivatives are carried at fair value. Derivatives includes foreign currency forward contracts, fair value of which, is determined using the fair value reports provided by respective merchant bankers.

### vii. Investment in Bombay Dyeing & Manufacturing Company Limited ('BDMC')

The Company along with its Subsidiaries holds 39.67% of the paid up Equity Share Capital of BDMC, a Company listed on the Bombay Stock Exchange. Based on legal opinion and further based on internal evaluation made by the Company, there is no de facto control of the Company over BDMC.

### viii. Biological assets

In determining the fair value of biological assets, the Group uses the present value of expected future cash flows from the assets discounted at the current market determined pre tax rate. Management uses inputs relating to production and market prices of tea and coffee in determining the fair value of biological assets.

### ix. Leases

The Group has certain arrangements with contract packers which have been identified to be in the nature of lease and have been classified as operating lease arrangements.

## 1.d Measurement of fair values

The Group's accounting policies and disclosures require the measurement of fair values for financial

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

instruments. The Group has an established control framework with respect to the measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. (Refer note 42 for information on detailed disclosures pertaining to measurement of fair values).

### e Statement of significant accounting policies

#### a Property, plant and equipment

Items of Property, plant and equipment are stated at cost (which includes capitalised borrowing costs, if any), less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials, direct labour and any other costs directly attributable to bringing the item to its intended working condition and estimated costs of dismantling, removing and restoring the site on which it is located, wherever applicable.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in statement of profit or loss.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognised in statement of profit or loss.

Expenditure in respect of new crops including cost of development is capitalised until the year of maturity of the Plantation.

Any gain or loss arising from the disposal of property, plant and equipment is recognised in the statement of profit and loss.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of classification.

### b Goodwill and other intangible assets

For measurement of goodwill that arises on business combination, refer note "1 - b- V". Subsequent measurement is at cost less any accumulated impairment losses.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred over the net identifiable assets acquired and liabilities assumed. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. In respect of business combinations that occurred prior to 1 April 2015, goodwill is included on the basis of deemed cost, which represents the amount recorded under the previous GAAP.

### Internally generated : Research and development

Expenditure on research activities is recognised as incurred. Development expenditure is capitalised as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment losses.

Intangible assets include computer software which are acquired by the Group and are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

### c Depreciation and amortization

#### Depreciation:

Depreciation in respect of all tangible assets is provided on straight line method over the useful lives of assets based on the evaluation. Depreciation on such assets which are purchased / sold during the period is proportionately charged and for the assets acquired prior to 1 April 2014, the carrying amount as on 1 April 2014 is depreciated over the remaining useful life based on an evaluation. Assets acquired under finance lease are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. The useful life of fixed assets is as follows:

Plant and machinery #	:	7.5 - 15 years
Furniture and fixtures #	:	10 - 16 years
Motor vehicles (scooters)	:	10 years
Motor vehicles (cars)	:	8 years
Computer hardware	:	3 years
Office equipment	:	3 - 5 years
Buildings	:	30 - 60 years
Leasehold lands	:	Lease period
Non-carpeted roads	:	3 years
Development plantations	:	60 years
Mould and Dies #	:	5 years



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

# The Group believes the useful lives as given above best represent the useful life of these assets based on internal assessment where necessary, which is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013. Assets costing less than ₹ 0.05 are fully depreciated in the year of purchase.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

### Amortisation:

Amortisation in respect of all the intangible assets is provided on straight line method over the useful lives of assets. The useful life of such intangible assets is as follows:

Computer software	:	3 - 6 years
Technical know-how fees for new product development	:	1 - 5 years

### d Impairment of non financial assets

The Group's non-financial assets, other than biological assets, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of cash inflows of other assets or CGUs.

Goodwill arising from business combination is allocated to these CGUs that are expected to benefit from the synergies of the combination. The recoverable amount of a CGU is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Group's corporate assets do not generate independent cash inflows. To determine the impairment of corporate assets, the recoverable amount is determined for the CGUs to which the corporate assets belong.

An impairment loss is recognised if the carrying value of the asset of CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment losses in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU on a pro-rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in the prior periods, the Group reports at each reporting date whether there is any indication that the loss has decreased or it no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

### e Borrowing costs

Borrowing costs that are attributable to acquisition or construction of qualifying assets are capitalized as a part of cost of such assets till the time the asset is ready for its intended use. A qualifying asset is the one that necessarily takes substantial period of time to get ready for intended use. Other borrowing costs are recorded as an expense in the year in which they are incurred.

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

**f Inventories**

- i) Stores and spare parts are valued at lower of cost or net realisable value. Cost is calculated on weighted average basis.
- ii) Raw materials are valued at lower of cost or net realisable value. The cost includes purchase price as well as incidental expenses and is calculated on weighted average basis.
- iii) Tea stock is valued at cost or net realizable value whichever is lower and inclusive of cess on excise duty. Timber, coffee, pepper and cardamom in stock are valued at realized contracted rates or realizable value.
- iv) Work-in-progress is valued at cost or net realisable value whichever is lower. Cost is arrived on the basis of absorption costing.
- v) Manufactured finished goods of all divisions are valued at cost or net realisable value whichever is lower. Cost is determined on the basis of absorption costing including excise duty paid / provided on packed finished goods.
- vi) Traded finished goods of all divisions are valued at cost or net realisable value whichever is lower.
- vii) Real estate under development comprises of freehold / leasehold land and buildings at cost, converted from fixed assets into stock-in-trade and expenses related / attributable to the development of the said properties. the same is valued at lower of cost or net realizable value.
- viii) In respect of following subsidiaries, inventories are valued at cost, computed under first-in-first-out basis. The value of these inventories are as given below:

	31 March 2019	(₹ in Lakhs) 31 March 2018
Britannia Dairy Private Limited	1,623.00	1,397.00

**g Investment Properties**

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The Group depreciates investment property over 30 years from the date of original purchase.

Though the Group measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

**h Income taxes**

Tax expense comprises of current tax and deferred tax.

Current tax comprises of the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantially enacted by the reporting date.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation.

### i 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. Diluted earnings per share is computed by dividing the net profit by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, no adjustments are done for the effects of potential dilutive equity shares where the results would be anti-dilutive.

### j Revenue Recognition

Effective 1 April 2018, the Group has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue Recognition. The Group has adopted Ind AS 115 using the cumulative effect method (without practical expedients), with the effect of initially applying this standard recognised at the date of initial application (i.e. 1 April 2018). Accordingly, the information presented for the year ended 31 March 2018 has not been restated – i.e. it is presented, as previously reported, under Ind AS 18 and related interpretations.

The Group recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. A 5-step approach is used to recognise revenue as below:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

### i. Sale of goods

Revenue is recognised when a customer obtains control of the goods which is ordinarily upon delivery at the customer premises. Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

collected on behalf of the government which are levied on sales such as goods and services tax, etc. For certain contracts that permit the customer to return an item, revenue is recognised to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognised will not occur. As a consequence, for those contracts for which the Group is unable to make a reasonable estimate of return, revenue is recognised when the return period lapses or a reasonable estimate can be made. A refund liability and an asset for recovery is recognised for these contracts and presented separately in the balance sheet.

### ii Deferred revenue

The Group has a customer loyalty programme for selected customers. The Company grants credit points to those customers as part of a sales transaction which allows them to accumulate and redeem those credit points. The consideration is allocated between the loyalty programme and the goods based on their relative stand-alone selling prices. The credit points have been deferred and will be recognised as revenue when the reward points are redeemed or lapsed.

### iii. Income from royalties is recognised based on contractual agreements.

### iv. Dividend income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

### v. For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in the Statement of Profit and Loss.

## k Foreign currency transactions

### i. Initial recognition

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

### ii. Subsequent measurement

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in the consolidated statement of profit and loss in the period in which they arise. When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in consolidated statement of profit and loss, any exchange component of that gain or loss is recognised in consolidated statement of profit and loss.

### Foreign operations

The assets and liabilities of foreign operations including goodwill and fair value adjustments arising on acquisition, are translated into INR, the functional currency of the Group, at the exchange rates

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transactions or an average rate if the average approximates the actual rate at the date of the transaction.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign operation recognised in OCI is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes off part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is re-allocated to NCI.

When the Group disposes off only a part of its interest in an associate while retaining significant influence, the relevant proportion of the cumulative amount is reclassified to profit or loss.

### I Retirement and other employee benefits

#### Short-term employee benefits

All employee benefits payable wholly within 12 months of rendering the service are classified as short term employee benefits. These benefits include compensated absences such as paid annual leave and sickness leave. The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by the employees is recognised as an expense during the period.

#### Post-employment benefits

Contributions to defined contribution schemes such as Provident Fund, Pension Fund, Superannuation 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 administered by the Group. 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 Group. In respect of contributions made to government administered Provident Fund, the Group has no further obligations beyond its monthly contributions.

The Britannia Industries Limited Covenanted Staff Pension Fund Trust ('BILCSPF') and Britannia Industries Limited Officers' Pension Fund Trust ('BILOPF') were established by the Group 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 Group who have been employed up to the date of 15 September 2005 and any manager or officer employed after that date, if he has opted for the membership of the Scheme. The Group makes a contribution of 15% of basic 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.

Superannuation Fund - The eligible employees of the Parent Company are entitled to receive post employment benefits in respect of Superannuation Fund in which the Parent Company makes annual contribution at a specified percentage of the employee's eligible salary. The contributions are made to the ICICI Prudential Life Insurance Company Limited. Superannuation is classified as defined contribution plan as the Company has no further obligations beyond making the contribution. The Parent Company's contribution to defined contribution plan is charged to Statement of Profit and Loss as incurred.

The Group 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.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

recognised immediately in OCI. Net interest expense / (income) on the net defined liability / (assets) is computed by applying the discount rate, used to measure the net defined liability / (asset), to the net defined liability / (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in statement of profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

### 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 or discounted present value method carried out at each balance sheet date. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary as at 1 January / 31 March every year as applicable using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognised in the period in which the absences occur.

### Voluntary retirement scheme benefits

Voluntary retirement scheme benefits are recognised as an expense in the year they are incurred.

### Share based payments

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

## m Provisions and Contingencies

- i. A provision is recognized when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the notes to the financial statements.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

- ii. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying benefits is remote, no provision or disclosure is made.

### Onerous contracts

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

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.

### n Leases

At the inception of a lease, the lease arrangement is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

#### Assets taken on finance lease

A finance lease is recognized as an asset and a liability at the commencement of the lease, at the lower of the fair value of the asset and the present value of the minimum lease payments. Initial direct costs, if any, are also capitalized and, subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

#### Assets taken on operating lease

Leases other than finance leases are operating leases, and the leased assets are not recognized on the Group's balance sheet. Payments made under operating leases are recognized in the statement of profit and loss on a straight-line basis over the term of the lease unless the payments are expected to increase in line with the expected general inflation to compensate for the lessor's expected inflationary cost increases.

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

### o Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign exchange, forward contracts.

#### i. Financial assets

##### Classification

On initial recognition, a financial asset is classified as, measured at:

- > Amortised cost
- > FVOCI equity investment
- > FVTPL

##### Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and;
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

### Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group decides to classify the same either as at FVOCI or FVTPL. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Also, the Group has elected to apply the exemption available under Ind AS 101 to continue the carrying value for its investments in subsidiaries and associates as recognised in the financial statements as at the date of transition to Ind ASs, measured as per the previous GAAP as at the date of transition (April 1, 2015)

### Impairment of financial assets

Financial assets of the Group comprise of trade receivable and other receivables consisting of loans, deposits, and bank balance. Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. An impairment loss for trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Impairment losses if any, are recognised in statement of profit and loss for the period.

## ii. Financial liabilities

### Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable and incremental transaction cost. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### iii. Derivative financial instruments

The Group uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss.

### p Biological assets

The Group has biological assets in the form of tea leaves and coffee fruits. Biological assets are measured at fair value less costs to sell, with any change therein recognised in the statement of profit and loss under 'other income' / 'other expenses'.

### q Dividend distribution to equity holders of the Company

The Group recognises a liability to make cash or non-cash distributions to equity holders of the Group when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

### r Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprises of cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and short term highly liquid investments. Bank overdraft which are repayable on demand form an integral part of the Group's cash management, hence bank overdrafts are included as a component of cash and cash equivalents.

### s Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Group. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Group.

### t Events after reporting date

Where events occurring after the Balance sheet date provides evidence of condition that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

### u Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Grants that relate to revenue are recognised in the Statement of Profit and Loss on a systematic basis over the periods to which they relate. Grants that relate to an asset are treated as deferred income and recognised in the Statement of Profit and Loss on a systematic basis over the useful life of the asset.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### v Recent accounting pronouncements - Standards issued but not effective on balance sheet date:

#### i) Ind AS 116 - Leases

The Group is required to adopt Ind AS 116 Leases from 1 April 2019. Ind AS 116 replaces existing leases guidance, including Ind AS 17 Leases. Ind AS 116 introduces a single Balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

##### a) *Leases in which the Company is a lessee:*

Under the new standard, the Group will be required to recognise new assets and liabilities for its operating leases. The nature of expenses related to those leases will now change because the Group will recognise a depreciation charge for right-of-use assets and interest expense on lease liabilities. Previously, the Group recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised. The Group is in the process of evaluating the potential impact of the adoption of Ind AS 116 on accounting policies followed in its financial statements. The quantitative impact of adoption of Ind AS 116 on the financial statements in the period of initial application is not reasonably estimable as at present.

##### b) *Leases in which the Company is a lessor*

No impact is expected for leases in which the Group is a lessor.

##### c) *Transition*

The Group plans to apply Ind AS 116 using the modified retrospective method, with the effect of initially applying this standard recognised at the date of initial application (i.e. 1 April 2019) in retained earnings. As a result, the Group will not present individual line items appearing under comparative period presentation.

#### ii) Ind AS 12, Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The Group shall recognise the income tax consequences of dividends when it recognises a liability to pay a dividend. Therefore, the Group shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the Group originally recognised those past transactions or events. The Group does not expect any significant impact of this amendment on its financial statements.

The amendment to Appendix C of Ind AS 12 outlines the following:

- a) Whether an Group considers uncertain tax treatments separately - The Group shall use judgement to determine whether each tax treatment should be considered separately or together with one or more other uncertain tax treatments based on which approach better predicts the resolution of the uncertainty and in determining the approach the Group might consider how it prepares its income tax filings and supports tax treatments; or how the Group expects the taxation authority to make its examination and resolve issues that might arise from that examination.
- b) The assumptions the Group makes about the examination of tax treatments by taxation authorities- The Group shall assume that a taxation authority will examine amounts it has a right to examine and have full knowledge of all related information when making those examinations.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

- c) How the Group determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates - The Group shall consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the aforesaid probability.

The Group does not expect any significant impact of this amendment on its financial statements.

### iii) Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendment clarifies that when determining past service cost, or a gain or loss on settlement due to plan amendment, curtailment or settlement, the Group shall remeasure the net defined benefit liability / (asset) using the current fair value of plan assets and current actuarial assumptions, including current market interest rates and other current market prices, reflecting:

- a) The benefits offered under the plan and the plan assets before the plan amendment, curtailment or settlement; and
- b) The benefits offered under the plan and the plan assets after the plan amendment, curtailment or settlement. Further, if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Group does not expect any significant impact of this amendment on its financial statements.

### iv) Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendment clarifies that the Group shall be required to apply Ind AS 109 - “Financial Instruments”, to long-term interests in an associate or joint venture that form part of the Group’s net investment in the associate or joint venture but to which the equity method is not applied. The Group does not expect any significant impact of this amendment on its financial statements.

### v) Ind AS 103 – Business Combinations and Ind AS 111 - Joint Arrangements

The amendment clarifies that the Group shall be required to apply Ind AS 109 - “Financial Instruments”, to long-term interests in an associate or joint venture that form part of the Group’s net investment in the associate or joint venture but to which the equity method is not applied. The Group does not expect any significant impact of this amendment on its financial statements.

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

## List of subsidiaries and associate companies considered in the consolidated financial statements:

Name of Company	Country of Incorporation	Percentage holding	
		Current Year	Previous year
<b>Subsidiaries</b>			
Afco Industrial & Chemicals Limited.	India	100.00%	100.00%
DPI Products & Services of India Limited.	India	100.00%	100.00%
Sea Wind Investment & Trading Co. Limited	India	100.00%	100.00%
Leila Lands Senderian Berhad	Malaysia	100.00%	100.00%
<b>Sub-subsidiaries</b>			
<u>Subsidiary of DPI Products &amp; Services of India Limited.</u>			
Subham Viniyog Private Limited	India	100.00%	100.00%
<u>Subsidiaries of Leila Lands Senderian Berhad</u>			
Naira Holdings Ltd.	The British Virgin Islands	100.00%	100.00%
Island Horti-Tech Holding Pte. Limited	Singapore	100.00%	100.00%
Leila Lands Limited	Singapore	100.00%	100.00%
Restpoint Investments Limited	The British Virgin Islands	100.00%	100.00%
Baymanco Investments Limited	Mauritius	100.00%	100.00%
<u>Subsidiaries of Island Horti-Tech Holding Pte. Ltd.</u>			
Island Landscape & Nursery Pte. Limited	Singapore	100.00%	100.00%
Innovative Organics Inc.	USA	58.80%	58.80%
<u>Subsidiaries of Leila Lands Limited</u>			
Britannia Brands Limited	United Kingdom	100.00%	100.00%
ABI Holdings Limited	United Kingdom	100.00%	100.00%
Associated Biscuits International Limited	United Kingdom	100.00%	100.00%
Dowbiggin Enterprises Pte. Limited	Singapore	100.00%	100.00%
Nacupa Enterprises Pte. Limited	Singapore	100.00%	100.00%
Spargo Enterprises Pte. Limited	Singapore	100.00%	100.00%
Valletort Enterprises Pte. Limited	Singapore	100.00%	100.00%
Bannatyne Enterprises Pte. Limited	Singapore	100.00%	100.00%
Britannia Industries Limited	India	50.70%	50.72%
<u>Subsidiary of Innovative Organics Inc.</u>			
Granum Inc.	USA	58.80%	58.80%
<u>Subsidiaries of Britannia Industries Limited</u>			
Boribunder Finance and Investments Private Limited	India	100.00%	100.00%
Flora Investments Company Private Limited	India	40.53%	40.53%
Gilt Edge Finance and Investments Private Limited	India	46.13%	46.13%
Ganges Vally Foods Private Limited	India	97.20%	51.00%
International Bakery Products Limited	India	100.00%	100.00%
J B Mangharam Foods Private Limited	India	100.00%	100.00%
Manna Foods Private Limited	India	100.00%	100.00%

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

(₹ in Lakhs)

Name of Company	Country of Incorporation	Percentage holding	
		Current Year	Previous year
<u>Subsidiaries of Britannia Industries Limited</u>			
Sunrise Biscuit Company Private Limited	India	99.16%	99.16%
Daily Bread Gourmet Foods (India) Private Limited	India	100.00%	100.00%
Britannia Dairy Private Limited	India	100.00%	100.00%
Britannia Nepal Private Limited	Nepal	100.00%	100.00%
Britchip Foods Limited	India	60.00%	60.00%
Britannia and Associates (Mauritius) Private Limited	Mauritius	100.00%	100.00%
Britannia and Associates (Dubai) Private Co. Limited	Dubai, UAE	100.00%	100.00%
Al Sallan Food Industries Co. SAOC	Oman	65.46%	65.46%
Strategic Food International Co. LLC, Dubai	Dubai, UAE	100.00%	100.00%
Strategic Brands Holding Company Limited	Dubai, UAE	100.00%	100.00%
Britannia Dairy Holdings Private Limited	Mauritius	100.00%	100.00%
<b>Equity accounted investees (associates)</b>			
Lotus Viniyog Private Limited	India	50.00%	50.00%
Roshnara Investment & Trading Company Private Limited	India	50.00%	50.00%
Cincinnati Investment & Trading Company Private Limited	India	50.00%	50.00%
Lima Investment & Trading Company Private Limited	India	50.00%	50.00%
Shadhak Investment & Trading Private Limited	India	50.00%	50.00%
MSIL Investments Private Limited	India	50.00%	50.00%
Medical Microtechnology Limited	India	50.00%	50.00%
Harvard Plantations Limited	India	50.00%	50.00%
Placid Plantations Limited	India	50.00%	50.00%
The Bombay Dyeing & Manufacturing Company Limited	India	39.67%	39.67%
Klassik Foods Private Limited	India	26.02%	26.02%
Nalanda Biscuits Company Limited	India	35.00%	35.00%
Sunandaram Foods Private Limited	India	26.00%	26.00%

The following companies limited by guarantee, are also considered for consolidation:

- > Britannia Employees General Welfare Association Private Limited
- > Britannia Employees Medical Welfare Association Private Limited
- > Britannia Employees Educational Welfare Association Private Limited

The following subsidiary companies are excluded from consolidation as they are not significant:

Name of the entity	Relationship	Country of incorporation
Vasana Agrex and Herbs Private Limited	Subsidiary	India
Snacko Bisc Private Limited	Subsidiary	India

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

2 (a) Property, plant and equipment and capital work-in-progress  
(i) Property, plant and equipment

Particulars	Gross Block (Cost)					Accumulated Depreciation					Net Block	
	As at 1 April 2018	Additions	Effect of foreign exchange differences	Disposals	As at 31 March 2019	As at 1 April 2018	Charge for the year	Effect of foreign exchange differences	Elimination on disposal of assets	As at 31 March 2019	As at 31 March 2019	As at 31 March 2018
Freehold land	13,859.24	16.00	-	-	13,875.24	-	-	-	-	-	13,875.18	13,859.24
Leasehold land	12,521.78	3.00	0.01	-	12,524.79	108.20	157.45	-	-	285.65	12,259.14	12,413.58
Buildings	53,220.07	14,030.72	574.13	46.21	67,778.71	4,183.50	2,324.66	488.73	28.00	6,968.89	60,809.82	49,036.57
Leasehold buildings	845.65	-	65.33	-	910.98	369.53	86.34	50.09	-	505.96	405.08	476.12
Plant and equipment	72,739.21	35,037.47	4,676.03	1,265.39	111,187.32	24,821.87	12,632.96	4,366.88	1,190.57	40,631.14	70,556.18	47,917.34
Furniture and fixtures	3,397.44	253.80	122.97	13.30	3,760.91	1,063.34	427.45	104.64	11.03	1,584.40	2,176.51	2,334.10
Roads	298.75	-	-	-	298.75	98.91	66.08	-	-	164.99	133.76	199.84
Office equipment	2,498.44	657.80	97.00	53.21	3,200.03	1,203.42	562.31	94.00	53.11	1,806.62	1,393.41	1,295.02
Development plantations	3,747.88	119.61	103.01	99.81	3,870.69	710.37	99.74	100.74	95.95	814.90	3,055.79	3,037.51
Moulds & dies	447.81	161.10	-	-	608.91	192.78	106.05	-	-	298.83	310.08	255.03
Motor vehicles	479.72	71.65	14.37	7.42	558.32	195.04	85.37	12.37	7.00	285.78	272.54	284.68
Computer hardware	71.70	16.86	-	0.47	88.09	39.12	24.45	-	0.12	63.45	24.64	32.58
TOTAL	164,127.69	50,368.01	5,652.85	1,485.81	218,662.74	32,986.08	16,572.86	5,217.45	1,385.78	53,390.61	165,272.13	131,141.61

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Particulars	Gross Block (Cost)					Accumulated Depreciation					Net Block	
	As at 1 April 2017	Additions	Effect of foreign exchange differences	Disposals	As at 31 March 2018	As at 1 April 2017	Charge for the year	Effect of foreign exchange differences	Elimination on disposal of assets	As at 31 March 2018	As at 31 March 2018	As at 31 March 2017
Freehold land	11,455.29	2,404.00	-	0.05	13,859.24	-	-	-	-	-	13,859.24	11,455.29
Leasehold land	3,049.78	9,472.00	-	-	12,521.78	70.13	38.07	-	-	108.20	12,413.58	2,979.65
Buildings	39,337.68	13,863.26	41.45	22.32	53,220.07	2,356.56	1,805.78	33.19	12.03	4,183.50	49,036.57	36,981.12
Leasehold buildings	721.68	-	123.97	-	845.65	194.34	84.75	90.44	-	369.53	476.12	527.34
Plant and equipment	66,063.14	7,066.78	94.77	485.48	72,739.21	13,509.38	11,580.44	90.21	358.16	24,821.87	47,917.34	52,553.76
Furniture and fixtures	3,314.44	159.28	119.87	196.15	3,397.44	732.78	428.21	96.84	194.49	1,063.34	2,334.10	2,581.66
Roads	298.75	-	-	-	298.75	31.97	66.94	-	-	98.91	199.84	266.78
Office equipment	2,227.74	286.81	4.00	20.11	2,498.44	680.28	537.87	2.00	16.73	1,203.42	1,295.02	1,547.46
Development plantations	3,711.52	20.33	16.03	-	3,747.88	497.76	197.31	15.30	-	710.37	3,037.51	3,213.76
Moulds & dies	354.72	93.09	-	-	447.81	98.42	94.36	-	-	192.78	255.03	256.30
Motor vehicles	461.18	41.92	0.50	23.88	479.72	106.57	100.98	1.49	14.00	195.04	284.68	354.61
Computer hardware	61.60	15.07	-	4.97	71.70	24.09	16.25	-	1.22	39.12	32.58	37.51
TOTAL	131,057.52	33,422.54	400.59	752.96	164,127.69	18,302.28	14,950.96	329.47	596.63	32,986.08	131,141.61	112,755.24

(₹ in Lakhs)

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

### Notes:

(a) Building includes :

- i) ₹ 4.00 (31 March 2018: ₹ 4.00) in respect of which documents evidencing title are held in the name of the Company's nominee, which includes cost of 160 shares of ₹ 50/- each fully paid-up of the New Cosmopolitan Housing Society Limited.
  - ii) Fully paid unquoted shares in respect of ownership of flats in 1 Co-operative Housing Society (31 March 2018 : 1 Co-operative Housing Society); 10 shares (31 March 2018 : 10 shares) of ₹ 50/- each.
  - iii) Net carrying value ₹ 42.00 (31 March 2018: ₹ 72.00) constructed on a land leased from the government (UAE) which is renewable each year in relation to Strategic Food International Co. LLC., Dubai (SFIC). The lessor [Government (UAE)] would be required to give the tenant (SFIC) a notice of one year for termination of the lease.
  - iv) Net carrying value ₹ 1,133.00 (31 March 2018: ₹ 1,176.00) constructed on a land leased from the Public Establishment for Industrial Estates (Sohar Industrial Estate) for a period of 25 years from 1 January 1994. This is further renewed for a period of 30 years w.e.f.1 January 2019.
- (b) Vehicles as at 31 March 2019 include vehicles with a carrying amount of ₹ 31.42 (31 March 2018 : ₹ 36.31) on which the lender has a lien.
- (c) Refer Note 20 and 23 - Borrowings for assets pledged as security
- (d) Immovable properties (land and buildings) having gross block of ₹ 1,935.48 and net block of ₹ 1,730.63 is yet to be transferred in the name of the Company.
- (e) Development Plantations represent costs incurred for planting bearer plants pertaining to tea and coffee. Such bearer plants are expected to bear produce (tea leaves and coffee crop) for more than one accounting period.
- (f) Agreement in respect of leasehold land as at 31 March 2019 : one location (31 March 2018 : one location) is in the process of renewal.

(ii) Capital work-in-progress

Particulars	As at 31 March 2019	As at 31 March 2018
Opening carrying amount	20,720.02	3,320.55
Additions	10,455.81	18,922.10
Assets capitalized	<u>(20,415.08)</u>	<u>(1,522.63)</u>
Closing carrying amount	<u>10,760.75</u>	<u>20,720.02</u>



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

2. (b) Investment property (₹ in Lakhs)

Particulars	Gross Block (Cost)				Accumulated Depreciation				Net Block	
	As at 1 April 2018	Additions	Effect of foreign exchange differences	Disposals	As at 31 March 2019	As at 1 April 2018	Charge for the year	Effect of foreign exchange differences	As at 31 March 2019	As at 31 March 2018
Buildings	1,592.83	-	-	-	1,592.83	79.71	26.57	-	1,486.55	1,513.12
<b>Total</b>	1,592.83	-	-	-	1,592.83	79.71	26.57	-	1,486.55	1,513.12

Particulars	Gross Block (Cost)				Accumulated Depreciation				Net Block	
	As at 1 April 2017	Additions	Effect of foreign exchange differences	Disposals	As at 31 March 2018	As at 1 April 2017	Charge for the year	Effect of foreign exchange differences	As at 31 March 2018	As at 31 March 2017
Buildings	1,592.83	-	-	-	1,592.83	52.97	26.74	-	1,513.12	1,539.86
<b>Total</b>	1,592.83	-	-	-	1,592.83	52.97	26.74	-	1,513.12	1,539.86

## Notes

- i) Investment property comprises of office buildings. Fair value of investment property is ₹ 3,465.00 as on 31 March 2019 (31 March 2018: ₹ 3,300.00)
- ii) These valuations are performed by the management based on external valuation model.
- iii) The fair value of investment property held by the Parent Company is categorised as level 3 in the fair valuation hierarchy whereas the fair value of investment property held by the Subsidiary Company is categorised as level 2 in the fair valuation hierarchy.
- iv) Information regarding income and expenditure of investment properties

Particulars	As at 31 March 2019	As at 31 March 2018
Rental income derived from investment properties	7.00	12.00
Less: Depreciation relating to investment properties	26.57	26.74
<b>Net profit / (loss) from investment properties</b>	<b>(19.57)</b>	<b>(14.74)</b>

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## 2. (c) Other intangible assets and goodwill

(₹ in Lakhs)

Particulars	Gross Block (Cost)			Accumulated Depreciation					Net Block		
	As at 1 April 2018	Additions	Effect of foreign exchange differences	Disposals	As at 31 March 2019	As at 1 April 2018	Charge for the year	Effect of foreign exchange differences	Elimination on disposal of assets	As at 31 March 2019	As at 1 April 2018
<b>Other Intangible assets</b>											
Brands/trademarks	4.00	-	-	-	4.00	-	-	-	-	-	4.00
Computer softwares	2,222.89	322.01	8.79	-	2,553.69	1,336.81	368.00	6.96	-	1,711.77	886.08
Tenancy rights	28.92	-	-	-	28.92	1.80	0.60	-	-	2.40	27.12
<b>Total</b>	2,255.81	322.01	8.79	-	2,586.61	1,338.61	368.60	6.96	-	1,714.17	917.20
<b>Goodwill</b>	103,685.58	-	755.73	-	104,441.31	-	353.00	-	-	353.00	103,685.58

Particulars	Gross Block (Cost)				Accumulated Depreciation				Net Block		
	As at 1 April 2017	Additions	Effect of foreign exchange differences	Disposals	As at 31 March 2018	As at 1 April 2017	Charge for the year	Effect of foreign exchange differences	Elimination on disposal of assets	As at 31 March 2018	As at 1 April 2017
<b>Other Intangible assets</b>											
Brands/trademarks	4.00	-	-	-	4.00	-	-	-	-	-	4.00
Computer softwares	2,122.78	91.64	8.47	-	2,222.89	887.73	442.18	6.90	-	1,336.81	1,235.05
Tenancy rights	28.92	-	-	-	28.92	1.20	0.60	-	-	1.80	27.72
<b>Total</b>	2,155.70	91.64	8.47	-	2,255.81	888.93	442.78	6.90	-	1,338.61	1,266.77
<b>Goodwill</b>	106,171.81	-	(2,486.23)	-	103,685.58	-	-	-	-	-	106,171.81

(a) Goodwill on consolidation comprises goodwill of ₹ 1,04,193.31 (31 March 2018 : ₹ 1,03,790.58) and capital reserve of ₹ 105.00 (31 March 2018 : ₹ 105.00).

(b) Consequent to the initiation of the liquidation process of Daily Bread Gourmet Foods (India) Private Limited, the goodwill on consolidation recorded in the books was amortised amounting to ₹ 353.00 during the current year (31 March 2018 : Nil).

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## 2. (d) Intangible asset under development

(₹ in Lakhs)				
Particulars	As at 1 April 2018	Additions	Disposals / transfers	As at 31 March 2019
Intangible asset under development	19.17	25.54	-	44.71
Particulars	As at 1 April 2017	Additions	Disposals	As at 31 March 2018
Intangible asset under development	-	19.17	-	19.17

Intangible asset under development includes implementation of ERP software to be installed by the Company

## 2 (e) Reconciliation of depreciation / amortization charged during the year

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
<u>Depreciation / amortization charged during the year</u>		
Property, plant and equipment [Refer note 2 (a)]	16,572.86	14,950.96
Investment property [Refer note 2 (b)]	26.57	26.74
Intangible assets other than goodwill [Refer note 2 (c)]	368.60	442.78
Amortisation of Goodwill [Refer note 2 (c)]	353.00	-
Less : transfer from capital subsidy [Refer note 52]	(71.00)	(71.00)
<b>Depreciation and amortization charge as per statement of profit and loss</b>	<b>17,250.03</b>	<b>15,349.48</b>

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

(₹ in Lakhs)

	<b>As at 31 March 2019</b>	<b>As at 31 March 2018</b>
<b>3. Equity accounted investees*</b>		
Investment in equity accounted investees	<b>203,930.75</b>	170,885.51
Investments in participating interest	<b>117.84</b>	120.19
Investments in preference shares of equity accounted investees	<b>23.50</b>	23.50
Less: Provision for diminution in value of investments	<b>(1.00)</b>	(1.00)
<b>Total</b>	<b>204,071.09</b>	171,028.20
*Refer note 39		
<b>4. Non-current financial assets - Investments</b>		
<b>Measured at amortized cost</b>		
Investments in debentures and bonds	<b>42,817.02</b>	8,140.02
Investments in government / trust securities / others	<b>1,277.54</b>	1,248.78
<b>Measured at fair value through profit &amp; loss</b>		
Investments in mutual funds	<b>27,130.00</b>	11,437.00
Investments in insurance companies	<b>1,334.00</b>	1,249.75
Investments in equity instruments	<b>26.00</b>	-
Investments in co-operative societies	<b>0.05</b>	0.06
<b>Measured at fair value through other comprehensive income</b>		
Investments in quoted equity	<b>19.43</b>	18.17
Investments in unquoted equity	<b>404.70</b>	384.28
<b>Total</b>	<b>73,008.74</b>	22,478.06
Aggregate book value of quoted investments	<b>19.43</b>	18.17
Aggregate market value of quoted investments	<b>19.43</b>	18.17
Aggregate value of unquoted investments	<b>72,989.31</b>	22,459.89
Aggregate amount of impairment in value of investments	-	-

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

(₹ in Lakhs)

	<b>As at 31 March 2019</b>	<i>As at 31 March 2018</i>
<b>5 Non-current financial assets - Loans receivable</b>		
<b>Unsecured and considered good unless otherwise stated</b>		
Security deposits	<b>2,040.19</b>	<i>1,439.19</i>
Loans to key managerial persons	<b>12.00</b>	<i>12.00</i>
Loans to employees	<b>65.94</b>	<i>77.35</i>
Intercompany loans	<b>-</b>	<i>12,093.00</i>
Other loans	<b>20.00</b>	<i>51.00</i>
<b>Total</b>	<b><u>2,138.13</u></b>	<i><u>13,672.54</u></i>
<b>6 Non-current financial assets - Other financial assets</b>		
<b>Unsecured and considered good unless otherwise stated</b>		
Bank deposits with original maturity beyond 12 months	<b>3,022.37</b>	<i>253.16</i>
Other deposits	<b>101.64</b>	<i>1.64</i>
Interest accrued on deposits	<b>29.88</b>	<i>14.79</i>
Receivables from other than Related party	<b>480.18</b>	<i>431.73</i>
Less: Allowance for impairment	<b>(307.38)</b>	<i>(252.13)</i>
<b>Total</b>	<b><u>3,326.69</u></b>	<i><u>449.19</u></i>

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

**7 Movement in deferred tax balances**

**(a) Movement in deferred tax balances for 2018-19**

Particulars	(₹ in Lakhs)				
	1 April 2018	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Other
<b>Deferred tax assets / (liabilities)</b>					
Property, plant and equipment	(4,521.86)	(2,311.58)	-	-	(3.43)
Proposed dividend	(2,658.80)	(3,190.06)	-	-	2,658.80
Indexation benefit on land	923.82	-	-	-	-
Investment at fair value through profit and loss	(1,443.00)	114.00	-	-	(1,329.00)
Allowance for doubtful debts, advances and contingencies	285.00	-	-	-	285.00
Employee benefits, net	891.00	(323.00)	-	-	568.00
Statutory dues	4,823.00	940.00	-	-	5,763.00
Provisions	810.00	393.00	-	-	1,203.00
Unabsorbed business loss and depreciation (Refer Note below)	72.00	(38.96)	-	-	33.04
Other items	415.75	124.40	-	-	3,200.65
Minimum alternative tax credit	874.00	(258.00)	-	-	616.00
<b>Tax assets / (liabilities) [net]</b>	<b>470.91</b>	<b>(4,550.20)</b>	<b>-</b>	<b>-</b>	<b>5,315.87</b>
					<b>1,236.59</b>

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## 7 (b) Movement in deferred tax balances for 2017-18

(₹ in Lakhs)

Particulars	1 April 2017	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Other	31 March 2018
<b>Deferred tax assets / (liability)</b>						
Property, plant and equipment	(5,276.64)	758.26	-	-	(3.48)	(4,521.86)
Proposed dividend	(2,479.00)	(179.80)	-	-	-	(2,658.80)
Indexation benefit on land	415.00	508.82	-	-	-	923.82
Investment at fair value through profit and loss	-	(1,443.00)	-	-	-	(1,443.00)
Allowance for doubtful debts, advances and contingencies	254.00	31.00	-	-	-	285.00
Employee benefits, net	217.00	674.00	-	-	-	891.00
Statutory dues	4,866.00	(43.00)	-	-	-	4,823.00
Provisions	757.00	53.00	-	-	-	810.00
Unabsorbed business loss and depreciation (Refer Note below)	109.00	(37.00)	-	-	-	72.00
Other items	176.20	241.27	-	-	(1.72)	415.75
Minimum alternative tax credit	1,190.00	(316.00)	-	-	-	874.00
<b>Tax assets / (liabilities) [net]</b>	<b>228.56</b>	<b>247.55</b>	<b>-</b>	<b>-</b>	<b>(5.20)</b>	<b>470.91</b>

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income by each jurisdiction in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

As at 31 March 2019, undistributed earning of subsidiaries amounted to ₹ 3,06,384.96 (31 March 2018: ₹ 2,72,069.68). The corresponding deferred tax liability of ₹ 62,977.43 (31 March 2018: ₹ 55,393.39), was not recognised because the Company controls the dividend policy of its subsidiaries i.e. the Company controls the timing of reversal of the related taxable temporary differences and management is satisfied that they will not reverse in the foreseeable future.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(c) Tax losses carried forward	Nature of loss	Expiry Date	As at 31 March 2019	Expiry Date	As at 31 March 2018
1) Business loss					(₹ in Lakhs)
		-	-	FY 2018-19	0.88
		FY 2019-20	2.02	FY 2019-20	2.02
		FY 2020-21	1.59	FY 2020-21	1.59
		FY 2021-22	9.56	FY 2021-22	9.56
		FY 2022-23	22.85	FY 2022-23	23.18
		FY 2023-24	348.02	FY 2023-24	348.02
		FY 2024-25	702.71	FY 2024-25	701.79
		FY 2025-26	1,401.94	FY 2025-26	1,382.55
		FY 2026-27	2,103.57	-	-
		FY 2022-23	13.53	FY 2022-23	13.53
2) Long term capital loss		No Expiry	2,661.08	No Expiry	2,199.32
3) Unabsorbed depreciation			7,266.87		4,682.44



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

	As at 31 March 2019	As at 31 March 2018
<b>8 Current tax assets (net)</b>		
Advance income tax (net of provision for tax)	4,345.84	2,711.35
	<u>4,345.84</u>	<u>2,711.35</u>
<b>9 Other non-current assets</b>		
<i>Unsecured and considered good unless otherwise stated</i>		
Capital advances	5,339.48	4,083.53
Prepaid expenses	1,909.88	1,954.60
Balances with Government authorities	2,197.26	2,133.10
Less: allowance for impairment	(142.27)	(142.27)
Advances other than capital advances		
Considered good	1,127.00	980.00
Considered doubtful	893.00	893.00
Less: allowance for impairment	(893.00)	(893.00)
<b>Total</b>	<u>10,431.35</u>	<u>9,008.96</u>
<b>10 Inventories*</b>		
Raw materials	33,199.03	31,063.82
Work-in-progress	490.73	455.21
Finished goods	30,651.01	23,418.45
Goods-in-transit (finished goods)	1,142.00	956.00
Stock-in-trade	4,268.70	3,848.62
Consumable stores and spares including loose tools	15,413.35	10,116.09
Real estate under development	2,976.59	2,879.06
<b>Total</b>	<u>88,141.41</u>	<u>72,737.25</u>

\* For method of valuation for inventories Refer note 1.e (f). Inventories are subject to first charge against bank loans (Refer note 20 and 23)

The write down of inventories to net realisable value amounted to ₹ 296.64 (31 March 2018: ₹ 138.00). The write down is included in cost of materials consumed or changes in inventories of finished goods, work-in-progress and stock-in-trade.

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

## 11 Biological assets

### A Reconciliation of carrying amount

Particulars	2018-19		2017-18	
	Tea leaves	Coffee fruits	Tea leaves	Coffee fruits
<b>Opening Carrying value of biological assets as on 1 April</b>	<b>170.90</b>	-	228.67	-
<b>Add :</b>				
(i) Increase due to harvesting done	3,327.26	882.69	2,892.81	353.14
<b>Less :</b>				
(i) Production during the year changes due to biological transformation	(3,394.87)	(882.69)	(2,950.58)	(353.14)
(ii) Due to increase in production of leaves / fruits on the bushes due to favourable weather conditions	-	-	-	-
(iii) Due to increase in number of plantations	-	-	-	-
(iv) Increase due to seasonal produce	-	-	-	-
(v) Changes due to biological transformation for harvest	-	-	-	-
(vi) Changes due to currency fluctuations	0.59			
<b>Carrying value of biological assets as on 31 March</b>	<b>103.88</b>	-	170.90	-
<b>The reconciliation of fair value changes is analysed below:</b>				
<b>Opening Carrying value of biological assets as on 1 April</b>	<b>170.90</b>	-	228.67	-
Variance due to price/rate movements	5.12	-	(17.83)	-
Variance due to currency fluctuations	0.59			
Variance due to volume fluctuations:				
Due to increase in Produce on the bushes due to favourable weather conditions	(72.73)	-	(39.94)	-
<b>Carrying value of biological assets as on 31 March</b>	<b>103.88</b>	-	170.90	-
<b>Current portion</b>	<b>103.88</b>	-	170.90	-
<b>Non-current portion</b>	-	-	-	-

### B Measurement of fair value

#### i) Fair Value hierarchy

The fair value measurements for tea leaves and coffee fruits has been categorised as Level 3 fair values based on the inputs to valuation technique used.

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

(₹ in Lakhs)

**ii) Level 3 fair values**

The following table shows a break down of the total gains (losses) recognised in respect of Level 3 fair values

Particulars	31 March 2019	31 March 2018
(Loss) / gain included in (other expense) / other income	(67.61)	(57.77)
Change in fair value (realised)	-	-
Change in fair value (unrealised)	(67.61)	(57.77)

**iii) Valuation techniques and significant unobservable inputs**

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Tea leaves	Based on actual production of 11 days immediately succeeding the reporting date	Estimated trading price of tea leaves as at the reporting date 31 March 2019 is ₹ 21.67 per Kg (31 March 2018 : ₹ 20.44 per Kg)	The estimated fair valuation would increase/(decrease) if <ul style="list-style-type: none"> <li>- The production quantity for 11 days immediately after the reporting date changes</li> <li>- the trading prices of the tea leaves undergo a change</li> </ul>
Coffee fruits	Based on estimated amount of coffee fruits to be plucked during the months of January to March each year	Average of high and low prices determined by The Coffee Board of India as on the reporting dates	The estimated fair valuation would increase/(decrease) if <ul style="list-style-type: none"> <li>- The budgeted production and estimated quantity to be plucked changes</li> <li>- the prices determined by the Coffee Board of India changes</li> </ul>

**C Risk Management strategies related to agricultural activities**

The Company is exposed to the following risks relating to its plantation activity

**i) Regulatory and environmental risks**

The Company is subject to laws and regulations in the country in which it operates. It has established various environmental policies and procedures aimed at compliance with the local environmental and other laws.

**ii) Supply and demand risks**

The Company is exposed to risks arising from fluctuations in the price and sales volume of produce (tea and coffee). When possible, the Company manages this risk by aligning its produce to market supply and demand. Management regularly analyses industry trend, for projected produce and prices.

**iii) Climate and other risks**

The Company's plantations are exposed to the risk of damage from climatic changes, pests, forest fires and other natural forces. The Company has extensive processes in place aimed at monitoring and mitigating those risks, including regular estate health inspections and industrial pest surveys.

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

(₹ in Lakhs)

	<b>As at 31 March 2019</b>	<i>As at 31 March 2018</i>
<b>12 Current financial assets - Investments</b>		
<b><i>Measured at amortized cost</i></b>		
Investments in commercial paper	-	7,424.00
Investment in debentures or bonds	<b>12,903.23</b>	420.00
Investments in government securities	-	95.00
<b><i>Measured at fair value through profit and loss</i></b>		
Investment in mutual funds	<b>64,809.00</b>	77,741.00
<b><i>Measured at fair value through other comprehensive income</i></b>		
Investment in equity instruments	<b>1,981.22</b>	3,995.71
<b>Total</b>	<b>79,693.45</b>	89,675.71
Aggregate book value of quoted investments	<b>3,966.99</b>	7,223.72
Aggregate market value of quoted investments	<b>3,966.99</b>	7,223.72
Aggregate value of unquoted investments	<b>75,726.46</b>	82,451.99
Aggregate amount of impairment in value of investments	-	-
<b>13 Current financial assets - Trade receivables*</b>		
<b>Unsecured</b>		
Considered good	<b>45,937.12</b>	36,106.23
Considered doubtful	<b>1,511.32</b>	1,483.14
	<b>47,448.44</b>	37,589.37
Less: Allowance for impairment	<b>(1,511.32)</b>	(1,483.14)
<b>Total</b>	<b>45,937.12</b>	36,106.23
* Trade receivables are subject to first charge against bank loans (Refer note 20 and 23)		
The Group's exposure to credit and currency risk, and impairment losses related to trade receivables are disclosed in note 42		
<b>14. Cash and cash equivalents; and other bank balances</b>		
<b>(a) Cash and cash equivalents</b>		
Cash in hand	<b>22.10</b>	32.90
Cheques on hand	<b>2,568.00</b>	9,111.00
	<b>2,590.10</b>	9,143.90
<b>Balance with banks</b>		
In current accounts	<b>9,440.98</b>	8,903.14
In EEFC accounts	<b>140.88</b>	-
In deposit accounts	<b>1,337.29</b>	1,046.39
In foreign bank accounts held by foreign branches	<b>400.57</b>	408.57
	<b>11,319.72</b>	10,358.10
<b>Total</b>	<b>13,909.82</b>	19,502.00

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

	As at 31 March 2019	As at 31 March 2018
<b>(b) Other bank balances</b>		
Unpaid dividend accounts #	1,254.31	505.15
Unclaimed debenture interest #	6.00	43.00
In deposit accounts	3,686.00	5,109.00
Unclaimed debenture redemption proceeds #	121.00	109.00
Balances held as margin money against guarantees and other commitments	210.42	203.56
<b>Total</b>	<b>5,277.73</b>	<b>5,969.71</b>

# Refer note 50

**15 Current financial assets - Loans receivable****Unsecured and Considered good unless otherwise stated**

Security deposits	443.97	449.30
Group companies and associates	50.76	24.81
Loans due from key managerial persons	5.42	5.63
Loan to employees	14.57	38.12
Intercompany loans#	130,714.00	96,221.00
Loans to others	66.00	79.00
<b>Total</b>	<b>131,294.72</b>	<b>96,817.86</b>

# Includes deposits given to related parties other than subsidiaries amounting to ₹ 79,290.00 (31 March 2018 : ₹ 47,280.00)

**16 Current financial assets - Other financial assets****Unsecured and considered good unless otherwise stated**

Interest accrued but not due	4,885.93	2,896.50
Balances with government authorities	237.57	149.82
Receivables from other than related parties	1,659.60	1,758.53
Receivables from related parties #	14.83	75.07
Incentives recoverable ##	7,763.00	7,197.00
<b>Total</b>	<b>14,560.93</b>	<b>12,076.92</b>

# Includes amount recoverable from Managing Director of Parent Company is Nil (31 March 2018 : ₹ 39.27).

## Incentives recoverable in accordance with the State Industrial Policy of certain states.

**17 Other current assets\*****Unsecured and considered good unless otherwise stated**

Advances	5,093.00	13,887.52
Prepaid expenses	1,925.05	1,768.38
Balances with Government authorities	5,743.66	2,912.82
Other advances		
Considered good	4,628.31	3,711.17
Considered doubtful	290.00	290.00
Less: allowance for impairment	(290.00)	(290.00)
<b>Total</b>	<b>17,390.02</b>	<b>22,279.89</b>

\* Other current assets are subject to first charge against bank loans (Refer note 23)

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

	As at 31 March 2019	As at 31 March 2018
<b>18 Equity share capital</b>		
<b>(a) Authorised share capital</b>		
75,000,000 equity shares of ₹ 2/- each (31 March 2018 : 75,000,000 of ₹ 2/- each)	<b>1,500.00</b>	<b>1,500.00</b>
<b>TOTAL</b>	<b>1,500.00</b>	<b>1,500.00</b>
<b>(b) Issued, subscribed and paid-up</b>		
69,771,900 Equity shares of ₹ 2/- each (31 March 2018 : 69,771,900 of ₹ 2/- each)	<b>1,395.44</b>	<b>1,395.44</b>
Forfeited shares amount paid-up	<b>0.83</b>	<b>0.83</b>
<b>TOTAL</b>	<b>1,396.27</b>	<b>1,396.27</b>
<b>(c) Reconciliation of the shares outstanding at the beginning and at the end of reporting year.</b>		
<b>Number of Equity Shares</b>		
Outstanding at the beginning of the year	<b>6,97,71,900</b>	<b>6,97,71,900</b>
Shares issued during the year	-	-
Outstanding at the end of the year	<b>6,97,71,900</b>	<b>6,97,71,900</b>
<b>Value of Equity Shares</b>		
Outstanding at the beginning of the year	<b>1,395.44</b>	<b>1,395.44</b>
Shares issued during the year	-	-
Outstanding at the end of the year	<b>1,395.44</b>	<b>1,395.44</b>

## (d) Terms / Rights attached to each classes of shares :

The Company has only one class of equity shares with voting rights having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the ensuing Annual General Meeting, except in case of interim dividend.

In the event of liquidation of the Company, the shareholders of equity shares will be entitled to receive 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.

## (e) Shareholders holding more than 5% shares in the Company is set out below

Equity shareholders	As at 31 March 2019		As at 31 March 2018	
	No. of shares	% Holding	No. of shares	% Holding
Nowrosjee Wadia & Sons Limited #	21,352,927	30.60%	20,852,927	29.89%
The Bombay Dyeing & Manufacturing Company Limited	7,538,600	10.80%	7,538,600	10.80%
Mr. Nusli Neville Wadia	6,846,505	9.81%	6,846,505	9.81%
Wallace Brothers Trading & Industrial Limited	5,660,700	8.11%	5,660,700	8.11%
Sunflower Investments & Textiles Private Limited #	2,000,298	2.87%	2,000,298	2.87%
Naperol Investments Limited	4,208,400	6.03%	4,208,400	6.03%
N.W. Exports Limited #	-	-	500,000	0.72%

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

(₹ in Lakhs)

# N. W. Exports Limited and Sunflower Investments and Textiles Private Limited were amalgamated with Nowrosjee Wadia & Sons Limited pursuant to scheme of arrangement during the previous year. Share transfer in the name of the amalgamated company is pending on the balance sheet date in case of Sunflower Investments and Textiles Private Limited.

<b>19 Other equity</b>	<b>As at 31 March 2019</b>	<b>As at 31 March 2018</b>
<b>Summary of reserves</b>		
<b>Capital reserve</b>	<b>127,585.41</b>	<b>127,585.44</b>
The reserve comprises of profits/losses of capital nature earned by the Company and credited directly to such reserve.		
<b>Securities premium</b>	<b>7,973.25</b>	<b>6,081.35</b>
Securities premium reserves represents the premium charged to the shareholders at the time of issuance of shares. The securities premium reserves can be utilised based on the relevant requirements of the Companies' Act, 2013.		
<b>General reserves</b>	<b>58,675.52</b>	<b>53,260.70</b>
General reserve forms part of the retained earnings and is permitted to be distributed to shareholders as part of dividend, subject to the relevant provisions of the Companies Act, 2013.		
<b>Retained earnings</b>	<b>258,811.39</b>	<b>193,091.74</b>
<b>Foreign currency translation reserve</b>	<b>14,225.92</b>	<b>5,214.39</b>
The reserve represents exchange differences arising on account of conversion of foreign operations to the Company's functional currency.		
<b>Equity instruments through other comprehensive income</b>	<b>6,346.07</b>	<b>8,802.23</b>
This reserve represents the cumulative gains and losses arising on revaluation of equity instruments measured at fair value through Other Comprehensive Income, net of amounts reclassified to retained earnings when those assets are disposed off.		
<b>Capital redemption reserve</b>	<b>201.76</b>	<b>201.96</b>
The Company had purchased its own shares and as per the provisions of the applicable laws, a sum equal to the nominal value of the shares so purchased is required to be transferred to the capital redemption reserve.		
<b>Employee stock option reserve</b>	<b>1,009.63</b>	<b>580.18</b>
The share options outstanding account is used to recognise the grant date fair value of options issued under Britannia Industries Limited Employee Stock Option Scheme.		
<b>Statutory reserve fund</b>	<b>150.15</b>	<b>150.15</b>
<b>Total</b>	<b>474,979.10</b>	<b>394,968.14</b>

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

	As at 31 March 2019	As at 31 March 2018
<b>20 Non-current financial liabilities - Borrowings</b>		
<b>Secured borrowings</b>		
Term loans from banks (Refer note a to f)	32,186.46	45,993.65
Long term maturities of finance lease obligations [Refer note g]	47.02	68.21
Loan against vehicle (Refer note h)	13.89	20.69
Non-convertible debentures (Refer note i)	14,958.11	14,935.35
<b>Total</b>	<b>47,205.48</b>	<b>61,017.90</b>

The Group's exposure to liquidity risk and interest risk related to borrowings is disclosed in Note 42.

- a) Rupee loan from Kotak Mahindra Bank Limited of ₹ 5,000.00 (current outstanding - ₹ 599.29) which is repayable in quarterly instalments of ₹ 150.00 each upto March 2020. The loan is secured by extension of charge of an equitable mortgage by deposit of title deeds of Akurdi Land together with buildings and structures thereon in favour of Kotak Mahindra Bank Limited. The rate of interest on the loan is ranging from 9.10% to 11.00%.
- b) Rupee loan from The Federal Bank Limited of ₹ 2,500.00, (current outstanding - ₹ 1,109.96) is repayable by quarterly instalments of ₹ 138.89 each till January 2021. The loan is secured by extension of pari passu charge of an equitable mortgage by deposit of title deeds of Mudis estates together with buildings and structures thereon in favour of said bank. The rate of interest on the loan is ranging from 9.10% to 10.50%.
- c) ₹ 1,763.00 (31 March 2018 : ₹ 1,580.00) taken from HSBC Bank by one of the subsidiaries, repayable in 24 equal quarterly instalments starting from 27 April 2017. The rate of interest is one year MCLR. This includes additional loan of ₹ 500.00 taken from HSBC bank during the year with same term of repayment starting from 24 April 2019 at an interest rate of 6 months T-Bill plus spread. The outstanding term loan is secured by an exclusive charge on existing and future moveable assets, current assets and negative lien on immovable property, plant and equipment of the subsidiary.

Out of the above loan, ₹ 400.00 (31 March 2018 : ₹ 317.00) is repayable within 1 year and classified under "Other financial liabilities" (Refer note 25) and balance of ₹ 1,363.00 (31 March 2018: ₹ 1,263.00) has been classified under "Borrowings".

- d) ₹ 6,176.00 (31 March 2018 : ₹ 7,550.00) taken from Standard Chartered Bank by few subsidiaries, repayable in 24 equal quarterly instalments starting from 28 December 2017. The rate of interest is 6% p.a. The outstanding term loan is secured by an exclusive charge on property, plant and equipment of the subsidiaries.

Out of the above loan, ₹ 1,373.00 (31 March 2018 : ₹ 1,373.00) is repayable within 1 year and classified under "Other financial liabilities" (Refer note 25) and balance of ₹ 4,803.00 (31 March 2018 : ₹ 6,177.00) has been classified under "Borrowings".

- e) Interest free soft loan of NIL (31 March 2018 : ₹ 1,525.00) taken from Government of Oman through Oman Development Bank by one of the subsidiaries, repayable in 13 annual instalments from 1 August 2006. Loan was repaid in full during the current year.



**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

(₹ in Lakhs)

Out of the above loan, NIL (31 March 2018: 538.00) is repayable within 1 year and classified under "Other financial liabilities" (Refer note 25) and balance of ₹ NIL (31 March 2018: 987.00) has been classified under "Borrowings".

- f) In April 2016, one of the subsidiary Company entered into a facility agreement with BNP Paribas, Singapore branch for USD 55,250,000.00 to refinance the outstanding loan from Standard Chartered Bank of USD 54,000,000.00. The loan is secured by corporate guarantees from fellow subsidiaries and the Parent Company, The Bombay Burmah Trading Corporation, Limited. The Subsidiary Company repaid USD 15,000,000.00 in the current year. In March 2017, the Subsidiary Company took an additional loan of USD 40,000,000.00 and entered into an Amendment and Restatement Agreement dated 15 March 2017 for an aggregate facility of USD 85,250,000.00. The additional loan is secured by guarantees given by the fellow subsidiaries and a letter of support from the Parent Company. The interest rate of the loan is the percentage rate per annum equal to the aggregate of the applicable margin and LIBOR. The Subsidiary Company shall repay the loan in full in five annual instalments commencing from 15 September 2017, by repaying on each repayment date, an amount as set out in the Amendment and Restatement Agreement.
- g) Rate of interest for finance lease obligations ranges from 15.54% to 19.02% per annum. Number of repayment instalments (quarterly) for lease obligations ranges from 3 to 15. Period of maturity for the lease obligations ranges from 5 months to 3 years.
- h) Loan against vehicles are secured by lien on vehicle purchased. The rate of interest on the loan is ranging from 5.00% to 10.00% and is repayable in 60 equal instalments. Outstanding amount in respect of loan against vehicles is ₹ 20.68 out of which ₹ 6.79 is repayable within one year and is classified under "Other current financial liabilities" (Refer note 25)
- i) Non-convertible debentures (NCD's) aggregating to ₹ 15,000.00 (current outstanding – ₹ 15,000.00) were issued to mutual fund house and listed on Wholesale Debt Market segment of BSE Limited. NCD's are repayable on 30 April 2020 and are secured by extension of pari passu charge of an Equitable Mortgage by deposit of title deeds of Elkhill estates together with buildings and structures thereon in favour of the debenture trustee (IDBI Trusteeship Services Limited). The coupon rate of NCD is 8.44% p.a. payable quarterly.

	<b>As at 31 March 2019</b>	<i>As at 31 March 2018</i>
<b>21 Non-current financial liabilities - Others</b>		
Security deposits received	<b>2,748.80</b>	<i>2,576.23</i>
Expenses payable to other than related parties	<b>3,336.02</b>	<i>84.61</i>
Others	<b>13.77</b>	<i>-</i>
<b>Total</b>	<b>6,098.59</b>	<i>2,660.84</i>
<b>22 Non-current provisions</b>		
Provision for employee benefits	<b>1,327.06</b>	<i>1,120.20</i>
<b>Total</b>	<b>1,327.06</b>	<i>1,120.20</i>

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

	As at 31 March 2019	As at 31 March 2018
<b>23 Current financial liabilities - Borrowings</b>		
<b>Secured-Loans repayable on demand</b>		
From banks (Refer note a to d)	7,782.06	3,837.64
<b>Unsecured-Loans repayable on demand</b>		
From banks (Refer note e and g)	12,110.00	12,964.00
From other parties	0.28	0.25
Bank overdraft (Refer note h)	-	901.00
Commercial paper (Refer note f)	12,401.39	9,838.46
<b>Total</b>	<b>32,293.73</b>	<b>27,541.35</b>

## Notes

The Group's exposure to liquidity risk and interest risk related to borrowings is disclosed in note 42

- Cash credit from Axis Bank Limited ₹ 1,462.26 (previous year ₹ 61.18) is secured by hypothecation of present and future stocks, trade receivables (book debts) and other current assets on pari-passu basis and a collateral on Elkhill Estates. The rate of interest on the loan is ranging from 9.00% to 11.00%.
- Cash credit from HDFC Bank Limited ₹ 1,565.32 (previous year Nil) is secured by hypothecation of present and future stocks, book debts and other current assets on pari-passu basis. The rate of interest on the loan is ranging from 9.00% to 11.00%.
- Packing Credit/ Cash Credit / WCDL from The Hongkong and Shanghai Banking Corporation Limited of ₹ 3,007.61 (previous year ₹ 1,000.00) is secured by hypothecation of present and future stocks, book debts and other current assets on pari-passu basis and a collateral on Mudis Estates. The rate of interest on the loan is ranging from 7.00% to 11.00%.
- Packing credit/ WCDL/ short term loan from Federal Bank Limited of ₹ 1,746.87 (previous year ₹ 2,776.46) is secured by hypothecation of present and future stocks, book debts and other current assets on pari-passu basis. The rate of interest on the packing credit is 6 Months LIBOR + 1 - 3 % and other loan is 9.00% to 11.00%.
- Outstanding unsecured loan of ₹ 4,500.00 (previous year ₹ 4,500.00) is payable to BNP Paribas. The tenure of loan is short term and it is repayable on demand. The rate of interest on the loan is ranging from 7.00% to 11.50%.
- The Group has issued commercial paper of ₹ 12,500.00 (previous year ₹ 10,000.00) which carries coupon 7.00% to 9.00% for a tenure of 90 days. It is an unsecured facility.
- Unsecured-loans repayable on demand from banks include loan availed by one of the subsidiaries to support working capital requirement of its step down subsidiaries. The loan is secured by an irrevocable and unconditional corporate guarantee from Britannia Industries Limited and carries an interest rate of applicable USD 1 month LIBOR + markup as agreed with the bank. The date of maturity of the loan is 11 October 2019.
- Bank overdraft carries interest at the prevailing MCLR.

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

(₹ in Lakhs)

	<b>As at 31 March 2019</b>	<i>As at 31 March 2018</i>
<b>24 Current financial liabilities - Trade payables</b>		
Total outstanding dues of micro and small enterprises	<b>178.00</b>	<i>450.71</i>
Total outstanding dues of creditors other than micro enterprises and small enterprises	<b>117,053.12</b>	<i>101,945.33</i>
<b>Total</b>	<b>117,231.12</b>	<i>102,396.04</i>

Note : There are no material dues owed by the Group to Micro and Small enterprises, which are outstanding for more than 45 days during the year and as at 31 March 2019. This information as required under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Group and has been relied upon by the auditors.

The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year:		
- Principal	<b>178.00</b>	<i>443.70</i>
- Interest	-	<i>7.01</i>
The amount of interest paid by the Group in terms of Section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed date during the year.	-	<i>7.01</i>
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	<i>7.01</i>
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	<i>7.01</i>
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purposes of disallowance as a deductible expenditure under the MSMED Act, 2006	-	<i>7.01</i>

All trade payables are current. The Group's exposure to liquidity risk and currency risk related to trade payables is disclosed in note 42.

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

	As at 31 March 2019	As at 31 March 2018
<b>25 Current financial liabilities - Other financial liabilities</b>		
Current maturities of long term debt (Refer note 20)	16,101.86	13,755.94
Current maturities of finance lease obligations (Refer note 20)	45.47	38.32
Creditors for capital goods	3,891.70	3,259.80
Interest accrued	444.88	122.04
Unpaid dividends #	1,254.31	505.15
Unpaid debenture redemption balance	121.00	109.00
Unpaid debenture interest	6.00	43.00
Security deposits received	327.76	327.32
Expenses payable to		
Related parties	54.39	48.35
Other than Related Parties	15,228.13	13,476.24
Employee Benefits	6,628.63	4,934.25
Book overdraft	160.00	1,306.00
<b>Total</b>	<b>44,264.13</b>	<b>37,925.41</b>

# There are no amounts due and outstanding to be credited to 'Investor Education and Protection Fund'.  
The Group's exposure to liquidity risk and currency risk related to trade payables is disclosed in note 42.

<b>26 Other current liabilities</b>		
Advances received from customer	4,073.62	3,089.89
Deferred revenue #	334.00	473.00
Statutory liabilities	5,334.76	5,668.99
<b>Total</b>	<b>9,742.38</b>	<b>9,231.88</b>

# The deferred revenue relates to loyalty credit points granted to the customers as part of a sales transactions and has been estimated with reference to the fair value of the products for which they could be redeemed. Closing balance represents the estimated liability towards unredeemed points. The reconciliation is presented below.

Opening balance	473.00	1,088.15
Deferred during the year	1,257.00	1,304.00
Released to the Statement of Profit and Loss	(1,396.00)	(1,919.15)
Closing balance	334.00	473.00

<b>27 Current provision</b>		
Employee benefits	3,619.72	2,390.16
Trade and other issues	2,120.08	2,097.01
Excise duty and service tax related issues	2,344.00	4,878.00
Sales tax and other issues	12,927.00	9,221.00
<b>Total</b>	<b>21,010.80</b>	<b>18,586.17</b>

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

(₹ in Lakhs)

	<b>As at 31 March 2019</b>	<b>As at 31 March 2018</b>
<b>28 Current tax liabilities (net)</b>		
Provision for tax (net of advance tax)	<b>7,431.66</b>	<b>5,659.90</b>
<b>Total</b>	<b>7,431.66</b>	<b>5,659.90</b>
<b>29 Government grants</b>		
<b>Current</b>		
Capital subsidy #	<b>71.00</b>	<b>71.00</b>
Deferred government grant from Oman Government	<b>-</b>	<b>65.00</b>
<b>Total</b>	<b>71.00</b>	<b>136.00</b>
<b>Non-current</b>		
Capital subsidy #	<b>-</b>	<b>72.00</b>
Deferred government grant from Oman Government	<b>-</b>	<b>122.00</b>
<b>Total</b>	<b>-</b>	<b>194.00</b>

#Refer note 52

	<b>For the year ended 31 March 2019</b>	<b>For the year ended 31 March 2018</b>
<b>30 Revenue from operations</b>		
<b>Sale of products and services</b>		
Sale of Products	<b>1,133,659.14</b>	<b>1,022,171.18</b>
Sale of services	<b>0.04</b>	<b>1.34</b>
Customer loyalty programme	<b>139.00</b>	<b>587.00</b>
	<b>1,133,798.18</b>	<b>1,022,759.52</b>
<b>Other operating revenue</b>		
Export benefits and other incentives *	<b>5,904.00</b>	<b>5,765.20</b>
Sale of scrap	<b>2,369.10</b>	<b>2,782.22</b>
Royalty	<b>236.00</b>	<b>245.00</b>
Others	<b>13.10</b>	<b>29.52</b>
	<b>8,522.20</b>	<b>8,821.94</b>
<b>Total</b>	<b>1,142,320.38</b>	<b>1,031,581.46</b>

\*Includes incentives recognised in accordance with the state industrial policy of certain states.

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

(₹ in Lakhs)

	<b>For the year ended 31 March 2019</b>	<i>For the year ended 31 March 2018</i>
<b>31 Other income</b>		
Interest Income from financial assets at amortised cost	<b>15,126.90</b>	12,148.03
Net gain on financial assets measured at fair value through profit and loss *	<b>6,385.00</b>	5,524.00
Net gain on disposal of property, plant and equipment etc.	<b>233.87</b>	1,363.30
Dividend on long-term investments	<b>13.58</b>	15.23
Net gain on sale of long-term investments/Current investments	<b>31.23</b>	56.54
Fair trade premium received	<b>85.48</b>	328.84
Other non-operating income	<b>640.32</b>	662.30
<b>Total</b>	<b>22,516.38</b>	20,098.24
*Includes net gains on fair value changes of ₹ 3,736.00 (31 March 2018: ₹ 3,212.00)		
<b>32 Cost of materials consumed and purchase of stock-in-trade</b>		
Raw materials consumed	<b>563,014.04</b>	499,491.43
Purchase of Stock in trade	<b>115,450.17</b>	123,557.73
<b>33 Changes in inventories of finished goods, work in progress and stock-in-trade</b>		
<b>Inventories at the beginning of year</b>		
Finished goods (including stock-in-trade of traded goods)	<b>28,223.07</b>	27,998.33
Work in progress	<b>455.21</b>	182.87
	<b>28,678.28</b>	28,181.20
<b>Inventories at the end of year</b>		
Finished goods (including stock-in-trade of traded goods)	<b>36,061.71</b>	28,223.07
Work in progress	<b>490.73</b>	455.21
<b>Total closing balance of inventories</b>	<b>36,552.44</b>	28,678.28
Excise duty on (increase) /decrease in stock	-	925.23
Changes (increase)/decrease in inventories of work in progress, stock in trade and finished goods	<b>(7,874.16)</b>	428.15

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>34 Employee benefits expense</b>		
Salaries and wages	50,475.24	47,034.53
Contributions to provident and other funds	3,607.25	2,853.43
Staff welfare expenses	2,163.19	2,300.68
Share based payment expense	1,612.00	864.00
<b>Total</b>	<b>57,857.68</b>	<b>53,052.64</b>
<b>35 Finance costs</b>		
Interest on bank borrowings and others	6,022.00	5,487.40
Finance lease	15.22	17.27
<b>Total</b>	<b>6,037.22</b>	<b>5,504.67</b>
<b>36 Other expenses</b>		
Consumption of stores and spare parts	4,832.31	3,325.96
Power and fuel	18,744.74	13,880.97
Rent including lease rentals (Refer note 41)	4,216.01	4,119.90
Repairs and maintenance		
Buildings	691.40	596.38
Plant and machinery	3,930.08	2,235.44
Others	3,159.43	3,102.58
Insurance	577.48	651.40
Rates and taxes	1,271.49	1,610.49
Freight and forwarding	55,996.70	49,276.17
Advertisement and sales / business promotion / selling expenses	50,992.01	41,819.85
Legal and professional	1,392.11	1,308.58
Payments to auditors [refer note 47]	259.88	262.66
Bad trade and other receivables, loans and advances written off	2.40	64.68
Allowance for impairment for trade and other receivables, loans and advances (net)	111.82	56.37
Sub-contracting	1,393.17	1,194.80
Processing / conversion charges	51,343.00	41,261.00
Corporate social responsibility expenditure [refer note 46]	2,560.97	2,290.99
Fair trade premium paid	85.48	328.84
Loss on disposal of property, plant & equipment	0.21	-
Loss on fair valuation of biological assets	67.61	57.77
Loss on foreign exchange	2,844.45	2,490.06
Miscellaneous expenses	41,120.05	33,473.25
<b>Total</b>	<b>245,592.80</b>	<b>203,408.14</b>

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

37 Earnings per share (EPS)

Basic EPS amount is calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amount is calculated by dividing the profit attributable to equity holders of the parent by the weighted average number of equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

	31 March 2019	31 March 2018
Profit attributable to equity shareholders of the parent	88,867.05	27,739.76
Issued ordinary shares as at 1 April	69,771,900	69,771,900
Weighted average number of equity shares outstanding at the end of the year	69,771,900	69,771,900
Basic earnings per share	127.37	39.76
Diluted earnings per share	127.37	39.76



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	31 March 2019	31 March 2018
<b>38 Tax expense</b>		
<b>(a) Amounts recognised in profit and loss</b>		
Current tax		
Current year	60,617.04	54,149.65
Income tax refund relating to prior years	-	(0.02)
<b>Current tax expense</b>	<b>60,617.04</b>	<b>54,149.63</b>
<b>Deferred income tax liability / (asset), net</b>		
Origination and reversal of temporary differences	4,550.20	(247.55)
<b>Deferred tax expense</b>	<b>4,550.20</b>	<b>(247.55)</b>
<b>Tax expense for the year</b>	<b>65,167.24</b>	<b>53,902.08</b>
<b>(b) Amounts recognised in other comprehensive income</b>		
	31 March 2019	31 March 2018
	Before tax	Before tax
	Tax (expense)	Tax (expense)
	benefit	benefit
	Net of tax	Net of tax
<b>Items that will not be reclassified subsequently to the statement of profit and loss</b>		
Equity Instruments through other comprehensive income	(282.93)	(185.77)
Remeasurement of the defined benefit plans	(1,012.31)	(132.52)
	(1,295.24)	(318.29)
<b>Items that will be reclassified subsequently to the statement of profit and loss</b>		
Exchange differences in translating the financial statements of a foreign operation	(1,281.40)	644.24
	(1,281.40)	644.24
<b>Total other comprehensive income</b>	<b>(2,576.64)</b>	<b>325.95</b>
		(9.22)
		316.73

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

	31 March 2019	31 March 2018
<b>(c) Reconciliation of effective tax rate</b>		
<b>Profit before tax</b>	<b>210,886.54</b>	<b>131,167.24</b>
Tax using the Company's domestic tax rate		
(Current year 34.94% and Previous Year 34.61%)	<b>73692.19</b>	<b>45,394.35</b>
<b>Tax effect of:</b>		
Permanent differences	<b>678.44</b>	<b>462.19</b>
Share of profit of associates	<b>(15,166.32)</b>	<b>4,119.76</b>
Temporary differences on which no deferred tax asset is recognised	<b>12.30</b>	<b>73.27</b>
Dividend income exempt from income-tax	<b>(3,530.84)</b>	<b>(0.27)</b>
Portion of income/loss chargeable to tax under Tamil Nadu and Karnataka state laws (laws abolished in the respective states)	<b>273.68</b>	<b>371.92</b>
Current period's losses for which no deferred tax asset is recognised	<b>7,575.98</b>	<b>2,223.55</b>
Deferred tax assets on indexation benefit	-	<b>(508.56)</b>
Difference in tax rates of subsidiaries	<b>(1,615.19)</b>	<b>(642.93)</b>
Weighted deduction on R&D expenditure	<b>(409.00)</b>	<b>(250.00)</b>
Deferred tax on proposed dividend	<b>3,656.00</b>	<b>2,658.80</b>
<b>Tax as per Statement of Profit and Loss</b>	<b>65,167.24</b>	<b>53,902.08</b>

## 39 Equity accounted Investees

Information of interest of the Group in its equity accounted investees:

Particular	Accounting method	31 March 2019	31 March 2018
Interest in associates	Equity Method	<b>204,071.09</b>	<b>171,028.20</b>

### Interest in associate

#### List of material associate of the Group

#### Proportion of ownership interest

Sr No	Name of the Company	Country of Incorporation	31 March 2019	31 March 2018
1	The Bombay Dyeing & Manufacturing Company Limited ('BDMC')	India	<b>39.67%</b>	<b>39.67%</b>

The principal place of business is the same as the country of incorporation.

Note : BDMC is engaged primarily in the business of Real Estate, Polyester Staple Fibre and Retail -Textiles.

#### Quoted fair value of listed associate

Sr No	Name of the Company	31 March 2019	31 March 2018
1	The Bombay Dyeing & Manufacturing Company Limited	<b>110,636.03</b>	<b>195,835.19</b>

The following table comprises the financial information of the Corporation's material associate and its carrying amount. Carrying amount has been amended to reflect adjustments made by the entity using equity method, including fair value adjustments made at the time of acquisition and modification for the differences in accounting policies if any.

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

(₹ in Lakhs)

<b>Summarized Financial information</b>	<b>31 March 2019</b>	<b>31 March 2018</b>
Percentage ownership interest	<b>39.67%</b>	39.67%
<b>Summarised financial information</b>		
Non current assets	<b>809,729.88</b>	680,164.38
Current assets (excluding cash and cash equivalent)	<b>339,797.00</b>	229,600.00
Cash and cash equivalents	<b>7,686.00</b>	13,338.00
Non current liabilities (non current liabilities other than trade payables and provisions)	<b>(395,574.00)</b>	(224,548.00)
Current liabilities (current liabilities other than trade payables and provisions)	<b>(50,166.00)</b>	(75,973.00)
Trade payables and provisions	<b>(54,078.00)</b>	(41,410.00)
Deferred tax liability on fair value adjustments	<b>(143,685.13)</b>	(150,520.06)
<b>Net assets</b>	<b>513,709.75</b>	430,651.32
<b>Groups share of net assets</b>	<b>203,763.48</b>	170,818.27
Consolidation adjustment	<b>(214.70)</b>	(198.63)
<b>Carrying amount of interest in associate</b>	<b>203,548.78</b>	170,619.64
<b>Summarised financial information</b>	<b>31 March 2019</b>	<b>31 March 2018</b>
Revenue	<b>442,976.00</b>	269,999.00
Interest income	<b>4,022.00</b>	4,401.00
Depreciation and amortisation	<b>22,301.33</b>	49,961.99
Interest expense	<b>48,970.00</b>	41,251.00
Other expense	<b>73,160.00</b>	197,335.00
Profit or loss from continuing operations	<b>104,030.66</b>	(44,643.99)
Income tax expense	<b>6,255.94</b>	15,038.80
Post tax Profit or (Loss) from continuing operations	<b>110,286.60</b>	(29,605.19)
Other Comprehensive Income	<b>(633.89)</b>	1,171.54
<b>Total Comprehensive Income</b>	<b>121,098.59</b>	(1,129.18)
<b>Group's share of profit</b>	<b>43,745.29</b>	(11,742.93)
Consolidation adjustment	<b>239.96</b>	143.13
<b>Group's share of profit</b>	<b>43,505.33</b>	(11,886.06)
<b>Group's share of OCI</b>	<b>(251.43)</b>	464.69
<b>Group's share of total comprehensive income</b>	<b>43,253.90</b>	(11,421.37)
<b>Dividend received from the associate</b>	<b>987.62</b>	690.17

The Group also has interest in a number individually immaterial associates.

The following table analyses, in aggregate, the carrying amount and share of profit and OCI of these associates.

	<b>31 March 2019</b>	<b>31 March 2018</b>
Carrying value in interest of associates	<b>522.31</b>	408.56
i) share of profit / (loss)	<b>(97.00)</b>	(18.00)
ii) Share of Other Comprehensive Income	<b>1.34</b>	113.88
iii) Share of total comprehensive income	<b>(95.66)</b>	95.88

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

### 40 Employee benefits (Ind AS 19)

#### (a) Defined contribution plans

The Group has recognised the following amounts as expenses under the defined contribution plans in the statement of profit and loss for the year:

	31 March 2019	31 March 2018
Employer's Contribution to Government Provident Fund *	1,052.96	814.66
Employer's Contribution to Superannuation Fund	71.50	76.62
Employer's Contribution to Family Pension Fund	335.00	275.56
Pension Fund / Scheme	110.10	63.04
<b>Total</b>	<b>1,569.56</b>	<b>1,229.88</b>

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

For the Parent, eligible employees are entitled to receive post employment benefits in respect of provident fund, in which both the employees and the Company make monthly contributions at a specified percentage of the employees' eligible salary (currently 12% of employees' eligible salary). 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. In respect of contribution to RPFC, the Company has no further obligations beyond making the contribution, and hence, such employee benefit plan is classified as defined contribution plan. In respect of contribution to trust set up by the Company, such employee benefit plan is classified as defined benefit plan.

#### (b) Defined benefit plans- Gratuity:

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

The Parent Company has The Bombay Burmah Trading Corporation Limited Covenanted Staff Gratuity Fund, The Bombay Burmah Trading Corporation Limited Employees' Gratuity Fund and the Parent Company has taken a qualifying gratuity policy from LIC of India (Insurance Company) in respect of Dental Products of India - division which are funded defined benefit plans for qualifying employees.

- (i) In respect of covenanted staff covered under The Bombay Burmah Trading Corporation, Limited Covenanted Staff Gratuity Fund. The gratuity scheme provides for lump sum payment to vested employees based on a combination of factors such as length of service and manner of cessation of service viz. retirement, death/ disability, termination. In case of resignation where the service is 5 years or more, the gratuity is computed based on 15 days salary for every completed year or part thereof in excess of 6 months subject to the maximum amount payable as per the Payment of Gratuity Act, 1972.
- (ii) In respect of non-covenanted staff covered under The Bombay Burmah Trading Corporation, Limited Covenanted Staff Gratuity Fund and employees of the Dental Products of India - division for whom the Company has taken a gratuity policy from the LIC of India. The gratuity scheme 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.

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

(₹ in Lakhs)

**Britannia Industries Limited**

The Company has two funds: Britannia Industries Limited Covenanted Staff Gratuity Fund and Britannia Industries Limited Non Covenanted Staff Gratuity Fund, which are funded defined benefit plans for qualifying employees.

- (i) The Scheme in relation to Britannia Industries Limited 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 basic 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.
- (ii) 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.

Vesting under the above scheme occurs only upon completion of five years of service, except in case of death or 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.

Aforesaid post-employment benefit plans typically expose the Company to actuarial risks such as ~ investment risk, interest rate risk, longevity risk and salary risk.

Investment Risk	The present value of the defined benefit liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.
Interest Risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's investments.
Longevity Risk	The present value of the defined benefit liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary Risk	The present value of the defined benefit liability is calculated by reference to the future salaries of plan participants. As such, an increase in salary of the plan participants will increase the plan's liability.

The following tables summarise the components of defined benefit expense recognised in the statement of profit or loss / OCI and the funded status and amounts recognised in the Balance Sheet for gratuity plans:

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

(₹ in Lakhs)

	31 March 2019	31 March 2018
<b>1. Reconciliation of net defined benefit asset / (liability)</b>		
(a) Reconciliation of present value of defined benefit obligation		
Obligations at 1 April	5,921.44	5,481.02
Service cost	587.13	423.89
Interest cost	400.09	371.41
Benefits settled	(891.88)	(679.50)
Actuarial loss / (gain) due to demographic assumption changes	(1.76)	(0.09)
Actuarial loss due to financial assumptions	69.97	16.38
Actuarial loss / (gain) due to experience adjustments	954.64	308.33
<b>Obligations at the year end 31 March</b>	<b>7,039.63</b>	<b>5,921.44</b>
(b) Reconciliation of present value of plan asset		
Plan assets at 1 April at fair value	5,544.68	5,253.47
Expected return on plan assets	392.05	386.12
Return on assets excluding interest income	20.85	(20.50)
Employer direct benefit payment	12.46	-
Contributions	661.62	605.07
Benefit settled	(891.88)	(679.48)
<b>Plan assets as at 31 March at fair value</b>	<b>5,739.78</b>	<b>5,544.68</b>
(c) Reconciliation of net defined benefit asset/ (liability):		
Present value of obligation as at 31 March	7,039.63	5,921.44
Plan assets at 31 March at fair value	5,739.78	5,544.68
<b>Amount recognised in balance sheet asset / (liability)</b>	<b>(1,299.85)</b>	<b>(376.76)</b>
<b>2. Expenses recognised in the statement of profit and loss under</b>		
Current service cost	587.13	423.89
Interest cost	400.09	371.41
Interest income	-	-
Expected return on plan assets and contribution	(392.05)	(386.12)
<b>Amount charged to the statement of profit and loss</b>	<b>595.17</b>	<b>409.18</b>
<b>3. Remeasurements recognised in statement of other comprehensive income</b>		
Actuarial loss / (gain) on defined benefit obligation	1,022.85	324.62
Return on plan assets excluding interest income	(20.85)	20.50
<b>Loss / (gain) recognised in statement of other comprehensive income</b>	<b>1,002.00</b>	<b>345.12</b>

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

(₹ in Lakhs)

	31 March 2019	31 March 2018
<b>4 Investment details: (% Invested)</b>		
<b>A] The Bombay Burmah Trading Corporation, Limited</b>		
Central government securities	1.52%	1.74%
Public sector bonds	0.00%	1.66%
Insurer managed funds	98.26%	96.44%
Others (including bank balances)	0.22%	0.16%
	<u>100.00%</u>	<u>100.00%</u>
<b>B] Britannia Industries Limited and its subsidiaries</b>		
Government of India securities	2.36%	2.63%
State Government securities	37.48%	27.44%
Public sector securities	28.70%	36.77%
Mutual funds	5.76%	3.50%
Special deposit scheme	1.96%	2.19%
Others	23.74%	27.47%
	<u>100.00%</u>	<u>100.00%</u>
<b>5 Principal actuarial assumptions:</b>		
<b>A] The Bombay Burmah Trading Corporation, Limited</b>		
Discount factor [Refer note (a) below]	7.69%	7.68%
Estimated rate of return on plan assets [Refer note (b) below]	7.69%	7.68%
Attrition rate	3.67%	3.00%
Salary escalation rate (p.a.)	5.67%	4.67%
Retirement age (in years)	58	58
<b>B] Britannia Industries Limited and its subsidiaries</b>		
Discount factor [Refer note (a) below]	7.70%	7.50%
Estimated rate of return on plan assets [Refer note (b) below]	7.70%	7.50%
Attrition rate:		
Age related (service related):		
5 years and above	4.00%	4.00%
Below 5 years	25.00%	23.00%
Salary escalation rate (p.a.)	7.00%	6.00%
Retirement age (in years)	58	58

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

	31 March 2019	31 March 2018
<b>6 Maturity profile of defined benefit obligation</b>		
Within 1 year	<b>847.02</b>	689.83
1-5 years	<b>2,867.52</b>	2,523.78
5 years and above	<b>4,088.33</b>	3,480.60
	<b>7,802.87</b>	6,694.21
<b>7 Weighted average duration of defined benefit obligation (years)</b>	<b>11.48</b>	11.89

## Notes:

- 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.
- 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 Group's policy for plan asset management.
- 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.
- 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.
- The charge for retirement benefits of Al Sallan Food Industries Co. SAOC and Strategic Food International Co. LLC, Dubai, being subsidiaries of Britannia Industries Limited have been calculated in accordance with the laws applicable in their countries of incorporation which amounts to ₹ 386.00 (31 March 2018 : ₹ 296.00).

## 8 Sensitivity analysis

### A] The Bombay Burmah Trading Corporation, Limited

The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

	31 March 2019	31 March 2018
<b>i) Discount rate</b>		
Discount rate + 100 basis points	<b>3,142.54</b>	2,749.18
Impact on defined benefit obligation	<b>-4.97%</b>	-4.75%
Discount rate -100 basis points	<b>3,502.56</b>	3,058.32
Impact on defined benefit obligation	<b>8.46%</b>	5.33%
<b>ii) Salary increase rate</b>		
Salary rate + 100 basis points	<b>3,506.07</b>	3,061.24
Impact on defined benefit obligation	<b>8.42%</b>	5.44%
Salary rate -100 basis points	<b>3,124.53</b>	2,744.15
Impact on defined benefit obligation	<b>-7.69%</b>	-4.93%



**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

(₹ in Lakhs)

	31 March 2019	31 March 2018
<b>iii) Attrition rate</b>		
Attrition rate + 100 basis points	<b>3,325.73</b>	2,910.52
Attrition rate -100 basis points	<b>3,284.35</b>	2,877.41
<b>B] Britannia Industries Limited</b>		

The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

	31 March 2019	31 March 2018
<b>i) Discount rate</b>		
Discount rate +50 basis points	<b>3,633.00</b>	2,906.00
Impact on defined benefit obligation	<b>8.20%</b>	8.00%
Discount rate -50 basis points	<b>3,797.00</b>	3,124.00
Impact on defined benefit obligation	<b>7.20%</b>	7.00%
<b>ii) Salary increase rate</b>		
Salary rate +50 basis points	<b>3,832.00</b>	3,119.00
Impact on defined benefit obligation	<b>7.50%</b>	6.50%
Salary rate -50 basis points	<b>3,597.00</b>	2,913.00
Impact on defined benefit obligation	<b>6.50%</b>	5.50%
<b>iii) Attrition rate</b>		
Attrition rate +50 basis points	<b>3,721.00</b>	3,035.00
Attrition rate -50 basis points	<b>3,700.00</b>	2,987.00

**(c) Defined benefit plans- Provident fund:****The Bombay Burmah Trading Corporation, Limited**

The Provident fund assets and liabilities are managed by 'The Bombay Burmah Trading Corporation Limited Employees Provident Fund Trust' in line with The Employees' Provident Fund and Miscellaneous Provisions Act, 1952.

The plan guarantees minimum interest at the rate notified by the provident fund authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of separation from the Company or retirement, whichever is earlier. The benefit vests immediately on rendering of the services by the employee. In terms of the guidance note issued by the Institute of Actuaries of India for measurement of provident fund liabilities, the actuary has provided a valuation of provident fund liability and based on the assumptions provided below, there is no shortfall as at 31 March 2019.

The Parent Company contributed ₹ 84.57 (31 March 2018 : ₹ 75.13) towards Bombay Burmah Employees Provident Fund Trust during the year ended 31 March 2019.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

The details of the Bombay Burmah Trading Corporation Limited Employees Provident Fund obligation and plan assets position as at 31 March is given below:

	31 March 2019	31 March 2018
Present value of benefit obligation at period end	1,041.50	996.34
Plan assets at period end, at fair value, restricted to	1,041.50	996.34
Asset recognized in Balance Sheet	-	-

Assumptions used in determining the present value obligation of the interest rate guarantee under the Projected Unit Credit Method (PUCM):

	31 March 2019	31 March 2018
Discounting rate	7.58%	7.40%
Estimated rate of return on plan assets	8.65%	8.65%
Salary increase	5.00%	5.00%
Attrition rate	3.00%	3.00%
Expected guaranteed interest rate <sup>#</sup>	8.65%	8.55%

<sup>#</sup>Rate mandated by EPFO for the FY 2017-18 and the same is used for valuation purpose.

### Britannia Industries Limited

Provident fund - Contribution made by Britannia Industries Limited during the year to the self administered Trust fund is ₹ 632.00 (31 March 2018 : ₹ 474.00). With regard to the assets of the fund and the return on the investments, Britannia Industries Limited does not expect any deficiency in the foreseeable future.

### (d) Other Long term employee benefits- Compensated absences:

The Parent Company's liability on account of compensated absences is not funded and hence the disclosures relating to the planned assets are not applicable. Expenses incurred towards compensated absences are included in Note 34 under "Employee benefits expense" in the statement of profit and loss of ₹ 120.36 (31 March 2018: ₹ 59.29).

## 41 Leases

### A] Operating lease

The Group has certain operating leases for land, office facilities, residential / commercial premises and plant and machinery (cancellable as well as non cancellable leases). Such lease agreements are generally renewable on expiry. Rental expenses of ₹ 578.97 (31 March 2018 : ₹ 955.20) and ₹ 457.00 (31 March 2018 : ₹ 19.00) 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 Co. SAOC, Oman, the Company has taken on lease a plot of land for factory premises at Sohar from the Public Establishment for Industrial Estates ("PEIE") for an initial period of 25 years from 1 January 1994. This is further renewed for a period of 30 years wef from 1 January 2019.

The Group has certain cancellable arrangements with contract packers (which conveys a right to use an asset in return for a payment or a series of payment) identified to be in the nature of lease and have been classified as operating lease arrangements. Rental expenses of ₹ 2,694.00 (31 March 2018 : ₹ 2,655.00) in respect of obligation under operating leases have been recognised in the statement of profit and loss.

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

(₹ in Lakhs)

Future obligations of lease rentals applicable to above leased assets aggregate to ₹ 1485.44 (31 March 2018 : ₹ 1323.12) and are due:

	<b>31 March 2019</b>	<i>31 March 2018</i>
(i) Not later than one year	<b>372.50</b>	<i>352.19</i>
(ii) Later than one year and not later than five years	<b>743.94</b>	<i>970.93</i>
(iii) More than five years	<b>369.00</b>	<i>-</i>
	<b><u>1,485.44</u></b>	<i><u>1,323.12</u></i>

**Sub-lease income**

One of the leased properties that is no longer required for use by the Group has been sublet. Sublease receipts recognised in the statement of profit and loss account is ₹ 7.16 (31 March 2018 : ₹ 9.10)

**B] Finance lease**

The Group has taken motor vehicles on finance lease. The total minimum lease payments and present value of minimum lease payments are as follows.

	<b>31 March 2019</b>		<i>31 March 2018</i>	
	<b>Minimum Lease Payments (MLP)</b>	<b>Present Value of MLP</b>	<i>Minimum Lease Payments (MLP)</i>	<i>Present Value of MLP</i>
(i) Not later than one year	<b>54.00</b>	<b>45.47</b>	<i>46.67</i>	<i>38.32</i>
(ii) Later than one year and not later than five years	<b>51.64</b>	<b>47.02</b>	<i>72.29</i>	<i>68.21</i>
(iii) More than five years	<b>-</b>	<b>-</b>	<i>-</i>	<i>-</i>
	<b><u>105.64</u></b>	<b><u>92.49</u></b>	<i><u>118.96</u></i>	<i><u>106.53</u></i>

The difference between minimum lease payments and the present value of minimum lease payments of ₹ 13.15 (31 March 2018 : ₹ 12.43) represent interest not due. The lease liability is secured by the relevant vehicles acquired under lease.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## 42 Financial instruments – Fair values and risk management

## 1 Financial instruments – Fair values and risk management

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

## A. Accounting classification and fair values

(₹ in Lakhs)

31 March 2019	FVTPL	Carrying amount		Total	Level 1	Level 2	Fair value		Total
		FVTOCI	Amortised Cost				Level 3		
Financial assets									
Cash and cash equivalents	-	-	13,909.82	13,909.82	-	-	-	-	-
Bank balances other than above	-	-	5,277.73	5,277.73	-	-	-	-	-
Non-current investments	28,490.05	424.13	44,094.56	73,008.74	28,483.43	404.75	26.00		28,914.18
Current investments	64,809.00	1,981.22	12,903.23	79,693.45	66,790.22	-	-		66,790.22
Non-current loans receivable	-	-	2,138.13	2,138.13	-	2,138.13	-		2,138.13
Current loans receivable	-	-	131,294.72	131,294.72	-	-	-		-
Trade and other receivables	-	-	45,937.12	45,937.12	-	-	-		-
Other Non-current financial asset	-	-	3,326.69	3,326.69	-	3,326.69	-		3,326.69
Other Current financial asset	-	-	14,560.93	14,560.93	-	-	-		-
	93,299.05	2,405.35	273,442.93	369,147.33	95,273.65	5,869.57	26.00		101,169.22
Financial liabilities									
Long term borrowings	-	-	47,205.48	47,205.48	-	47,205.48	-		47,205.48
Short term borrowings	-	-	32,293.73	32,293.73	-	-	-		-
Trade and other payables	-	-	117,231.12	117,231.12	-	-	-		-
Other Non-Current financial liabilities	-	-	6,098.59	6,098.59	-	6,098.59	-		6,098.59
Other Current financial liabilities	-	-	44,264.13	44,264.13	-	-	-		-
	-	-	247,093.05	247,093.05	-	53,304.07	-		53,304.07

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

31 March 2018	Carrying amount		Fair value				₹ in Lakhs
FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>							
Cash and cash equivalents	-	19,502.00	19,502.00	-	-	-	-
Bank balances other than above	-	5,969.71	5,969.71	-	-	-	-
Non-current investments	12,686.81	402.45	22,478.06	12,704.92	384.34	-	13,089.26
Current investments	77,741.00	3,995.71	89,675.71	81,736.71	-	-	81,736.71
Non-current loans receivable	-	-	13,672.54	-	13,672.54	-	13,672.54
Current loans receivable	-	-	96,817.86	-	-	-	-
Trade and other receivables	-	-	36,106.23	-	-	-	-
Other Non-current financial asset	-	-	449.19	-	449.19	-	449.19
Other Current financial asset	-	-	12,076.92	-	-	-	-
	<b>90,427.81</b>	<b>4,398.16</b>	<b>296,748.22</b>	<b>94,441.63</b>	<b>14,506.07</b>	<b>-</b>	<b>108,947.70</b>
<b>Financial liabilities</b>							
Long term borrowings	-	-	61,017.90	-	61,017.90	-	61,017.90
Short term borrowings	-	-	27,541.35	-	-	-	-
Trade and other payables	-	-	102,396.04	-	-	-	-
Other Non-Current financial liabilities	-	-	2,660.84	-	2,660.84	-	2,660.84
Other Current financial liabilities	-	-	37,925.41	-	-	-	-
	<b>-</b>	<b>-</b>	<b>231,541.54</b>	<b>-</b>	<b>63,678.74</b>	<b>-</b>	<b>63,678.74</b>

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

(₹ in Lakhs)

**B. Measurement of fair values**

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

**Financial instruments measured at fair value**

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Equity Securities	Net asset valuation: This valuation technique derives the value of an investment by reference to the value of its net assets. This technique is used for investments whose value is derived mainly from the underlying fair value of their assets.	Net assets of the underlying investment	Not applicable
Non current financial assets and liabilities measured at amortised cost	Discounted cash flow technique : The valuation model considers present value of expected payments discounted using an appropriate discounting rate.	Not applicable	Not applicable

**C. Financial risk management**

The Group has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

**Risk management framework**

The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board of Directors is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

(₹ in Lakhs)

The audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

**i) Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities.

The carrying amount of following financial assets represents the maximum credit exposure:

**Trade receivables**

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

An impairment loss for trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Impairment losses if any, are recognised in statement of profit and loss for the period.

At 31 March 2019, the maximum exposure to credit risk for trade and other receivables by geographic region was as follows.

	<b>Carrying amount</b>	
	<b>31 March 2019</b>	<i>31 March 2018</i>
India	<b>29,198.09</b>	<i>25,638.65</i>
Other regions	<b>16,739.03</b>	<i>10,467.58</i>
	<b>45,937.12</b>	<i>36,106.23</i>

None of the Group's customers are individually significant.

**Cash and cash equivalents**

The Group held cash and cash equivalents (other than cash on hand) of ₹ 17,784.14 at 31 March 2019 (31 March 2018 : ₹ 24,781.66). The cash and cash equivalents are held with banks with good credit ratings and financial institution counterparties with good market standing.

**ii) Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

### Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments.

31 March 2019	Carrying amount	Contractual cash flows				
		Total	Less than 1 year	1-2 years	2-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
Non-current borrowings (principal)	48,302.21	48,304.07	16,103.47	15,155.20	17,045.40	-
Interest on term loans	-	2,492.47	1,454.86	795.29	242.32	-
Non-convertible debentures	14,958.11	15,000.00	-	15,000.00	-	-
Interest on non-convertible debentures	-	1,372.38	1,268.61	103.77	-	-
Non-current financial liabilities - Others	6,098.59	6,098.59	-	3,334.63	2,724.00	39.96
Finance lease obligations	92.49	92.50	45.47	47.03	-	-
Short term borrowings	32,293.73	32,293.73	32,293.73	-	-	-
Other current financial liabilities	28,116.80	28,116.80	28,116.80	-	-	-
Trade and other payables	117,231.12	117,231.12	117,231.12	-	-	-

31 March 2018	Carrying amount	Contractual cash flows				
		Total	Less than 1 year	1-2 years	2-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
Non-current borrowings (principal)	59,770.28	59,813.41	13,758.99	15,434.62	30,619.80	-
Interest on term loans	-	5,361.25	2,272.38	1,605.63	1,483.24	-
Non-convertible debentures	14,935.35	15,000.00	-	-	15,000.00	-
Interest on non-convertible debentures	-	2,638.38	1,266.00	1,268.61	103.77	-
Non-current financial liabilities - Others	2,660.84	2,660.84	-	2,604.61	-	56.23
Finance lease obligations	106.53	68.32	38.32	30.00	-	-
Short term borrowings	27,541.35	27,541.35	27,541.35	-	-	-
Other current financial liabilities	24,131.15	24,131.15	24,131.15	-	-	-
Trade and other payables	102,396.04	102,396.04	102,396.04	-	-	-

### (iii) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The Group is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of its investments. Thus, the Group's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in foreign currency revenues and costs.



**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

(₹ in Lakhs)

The Group is exposed to the following components of market risks:

- a) Currency risk
- b) Interest risk and
- c) Price risk

**a) Currency risk**

The Group is exposed to currency risk on account of its borrowings and other payables and receivables in foreign currency. The functional currency of the Group is Indian Rupee (₹). The Group uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date.

**Exposure to currency risk**

The currency profile of financial assets and financial liabilities as at 31 March 2019 and 31 March 2018 are as below:

<b>31 March 2019</b>	<b>USD-₹ equivalent</b>	<b>SGD-₹ equivalent</b>	<b>RM-₹ equivalent</b>	<b>GBP-₹ equivalent</b>	<b>EURO-₹ equivalent</b>
<b>Financial assets</b>					
Cash and cash equivalents	562.86	685.33	-	0.20	11.15
Non-current investments	-	90.36	-	2,301.10	-
Trade and other receivables	754.07	-	-	229.35	62.02
Other current financial assets	20,899.42	577.15	-	6,266.46	-
(A)	<u><b>22,216.35</b></u>	<u><b>1,352.84</b></u>	<u><b>-</b></u>	<u><b>8,797.11</b></u>	<u><b>73.17</b></u>
<b>Financial liabilities</b>					
Current borrowings	25.92	693.66	1,567.56	5,456.32	-
Trade and other payables	20.36	50.05	9.16	-	20.00
(B)	<u><b>46.28</b></u>	<u><b>743.71</b></u>	<u><b>1,576.72</b></u>	<u><b>5,456.32</b></u>	<u><b>20.00</b></u>
<b>Net exposure for financial instruments (A-B)</b>	<u><b>22,170.07</b></u>	<u><b>609.13</b></u>	<u><b>(1,576.72)</b></u>	<u><b>3,340.79</b></u>	<u><b>53.17</b></u>

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

31 March 2018	USD-₹ equivalent	SGD-₹ equivalent	RM-₹ equivalent	GBP-₹ equivalent	EURO-₹ equivalent
<b>Financial assets</b>					
Cash and cash equivalents	460.27	33.99	-	0.20	11.50
Non-current investments	-	87.81	-	2,330.48	-
Trade and other receivables	574.70	-	-	201.10	90.88
Other current financial assets	18,735.12	560.86	-	6,340.80	
(A)	<b>19,770.09</b>	<b>682.66</b>	<b>-</b>	<b>8,872.58</b>	<b>102.38</b>
<b>Financial liabilities</b>					
Current borrowings	24.85	679.76	1,557.65	5,576.43	-
Trade and other payables	14.52	36.01	4.76	-	3.00
(B)	<b>39.37</b>	<b>715.77</b>	<b>1,562.41</b>	<b>5,576.43</b>	<b>3.00</b>
<b>Net exposure for financial instruments (A-B)</b>	<b>19,730.72</b>	<b>(33.11)</b>	<b>(1,562.41)</b>	<b>3,296.15</b>	<b>99.38</b>

The Group has used forward exchange contracts to hedge the currency exposure and therefore, not exposed to significant currency risk at the respective reporting dates.

## Sensitivity analysis

The impact of strengthening/weakening of currency on the Group is not material as Group hedges 95.00% to 100.00% of the foreign currency exposure.

## b) Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

## Exposure to interest rate risk

The Group is exposed to interest rate risks arising from variable rate financial instruments. The Group has various debt obligations, the rates of interest of which are variable.

	31 March 2019	31 March 2018
<b>Fixed-rate instruments</b>		
Financial assets	133,640.60	1,10,777.35
Financial liabilities	(37,081.43)	(38,217.43)
	<b>96,559.17</b>	<b>72,559.92</b>
<b>Variable-rate instruments</b>		
Financial assets	-	-
Financial liabilities	(19,892.06)	(64,135.84)
	<b>(19,892.06)</b>	<b>(64,135.84)</b>
<b>Total</b>	<b>76,667.11</b>	<b>8,424.08</b>

## Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

(₹ in Lakhs)

**Cash flow sensitivity analysis for variable-rate instruments**

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Profit or loss			
	31 March 2019		31 March 2018	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
<b>Variable-rate instruments</b>				
Financial assets	-	-	-	-
Financial liabilities	(198.92)	198.92	(641.36)	641.36
<b>Cash flow sensitivity (net exposure)</b>	<b>(198.92)</b>	<b>198.92</b>	<b>(641.36)</b>	<b>641.36</b>

The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

**c) Price risk**

Price risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market prices not related to interest rate risk or currency exchange risk, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

**Exposure to price risk**

The Group's listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions. The entity's exposure to equity securities price arises from investments held by the entity and classified in the balance sheet either as fair value through OCI or at fair value through profit and loss. The quoted equity investments of the entity are publicly traded.

Particulars	Nominal Amount (₹)	
	31 March 2019	31 March 2018
<b>Instruments exposed to price risk</b>		
Financial assets	3,986.42	7,241.89
Financial liabilities	-	-
	<b>3,986.42</b>	<b>7,241.89</b>

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

### Cash flow sensitivity analysis - Equity price risk

The table below summarizes the impact of increases/decreases of the index on the group's equity and profit for the period. The analysis is based on the assumption equity index had increased or decreased by 5%, with all other variables held constant, and that all the entity's equity instruments moved in line with the index.

Particulars	Profit or loss	
	31 March 2019	31 March 2018
Market risk on stock index (5% Increase)	199.32	362.09
Market risk on stock index (5% decrease)	(199.32)	(362.09)

### 43 Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Group monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings and obligations under finance leases, less cash and cash equivalents. Adjusted equity comprises all components of equity other than amounts accumulated in the hedging reserve.

The Group's policy is to keep the ratio below 2.00. The Group's adjusted net debt to equity ratio at 31 March was as follows:

	31 March 2019	31 March 2018
Total borrowings	95,646.54	102,353.51
Less : Cash and cash equivalent	13,909.82	19,502.00
<b>Adjusted net debt</b>	<b>81,736.72</b>	<b>82,851.51</b>
<b>Total / adjusted equity</b>	<b>690,716.45</b>	<b>566,682.69</b>
Adjusted net debt to adjusted equity ratio	12.00%	15.00%

### 44 Contingent liabilities and commitments (to the extent not provided for)

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

	31 March 2019	31 March 2018
b) Disputed demands (net of deposit) of Central Excise Department not provided for in respect of :		
(i) Erstwhile building products division (excise duty)	3,769.34	3,769.34
c) Damages and interest on alleged unauthorized occupation of residential premises determined by the Estate Officer of Life Insurance Corporation of India up to 31 March 2019 and disputed by the Company ₹ 162.13 (31 March 2018: ₹ 152.14).		
d) Matters under dispute relating to Income tax in respect of the erstwhile Electromags Automotive Products Private Limited A.Y. 2005-06 ₹ 3.48 (31 March 2018 : ₹ 3.48), A.Y. 2006-07 ₹ 0.37 (31 March 2018 : ₹ 0.37), A.Y.2009-10 ₹ 0.87 (31 March 2018 : ₹ 0.87) and for A.Y 2011-12 ₹ 1.80 (31 March 2018 : ₹ 1.80).		

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

(₹ in Lakhs)

- e) Claims / demands against the Group not acknowledged as debts including excise, income tax, sales tax and trade and other demands of ₹ 7,690.00 (31 March 2018 : ₹ 7,738.00).
- f) Bank guarantee and letter of credit for ₹ 7,231.00 (31 March 2018 : ₹ 2,481.00).
- g) The Group has received a demand notice during the previous year for differential lease rent in respect of Singampatti estate rent being arrears of ₹ 22,396.38 for the period from 1958 to 2018. Further demand of ₹ 796.20 for the year 2019 has been received during the current year. The Group has challenged the said demand by way of writs before Madras High Court and the said demand has been stayed by the Honorable High Court.
- h) The Supreme court of India in the month of February, 2019 had passed a judgement relating to definition of wages under the Provident Fund Act, 1952. However, considering that there are numerous interpretative issues relating to this judgement and in the absence of reliable measurement of the provision for the earlier periods, the Group has not made a provision for provident fund contribution for the current year. The Group will evaluate its position and make provision, if required, on receiving further clarity on the subject. The Group does not expect any material impact of the same.

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

**Commitments**

	<b>31 March 2019</b>	<i>31 March 2018</i>
Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances, tangible assets	<b>14,004.51</b>	<i>14,182.77</i>

- For other commitments – Non-cancellable operating and finance leases refer Note 41 on 'Leases'
- The Group is committed to operationally, technically and financially support the operations of its subsidiaries.

**45 Dividend**

After the reporting dates, the following dividends were proposed by the directors subject to the approval at the annual general meeting.

	<b>31 March 2019</b>	<i>31 March 2018</i>
Dividend proposed to equity shareholders @ ₹ 1 per share (31 March 2018 : ₹ 1 per share)	<b>697.72</b>	<i>697.72</i>
Dividend distribution tax (DDT) on equity dividend proposed	<b>143.42</b>	<i>143.20</i>
<b>Total</b>	<b>841.14</b>	<i>840.92</i>

The following dividends were paid by the Company during the year:

	<b>31 March 2019</b>	<i>31 March 2018</i>
Final dividend for FY 2017-18 ₹ 1 per equity share (FY 2016-17 : ₹ 1 per equity share)	<b>697.72</b>	<i>697.72</i>
Dividend distribution tax (DDT) on equity dividend paid	<b>143.20</b>	<i>143.20</i>
	<b>840.92</b>	<i>840.92</i>

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

### 46 Corporate social responsibility (CSR)

During the year, the amount required to be spent on corporate social responsibility activities amounted to ₹ 2,560.97 (31 March 2018 : ₹ 2,290.99) in accordance with Section 135 of the Companies Act, 2013. The following amounts were spent during the year:

	31 March 2019	31 March 2018
Amount spent other than for construction/ acquisition of any asset	2,560.97	2,290.99
<b>Total</b>	<b>2,560.97</b>	<b>2,290.99</b>

### 47 Payment to auditors

	31 March 2019	31 March 2018
Statutory audit fee*	213.79	211.30
Certification fees and other services	32.73	35.00
For reimbursement of expenses	13.36	16.36
<b>Total</b>	<b>259.88</b>	<b>262.66</b>

\*Including branch auditors fees ₹ 3.47 (31 March 2018: ₹ 3.07)

### 48 Research and development expenditure

Research and development expenditure incurred by Britannia Industries Limited and its subsidiaries

	31 March 2019	31 March 2018
Capital expenditure	77.00	186.00
Revenue expenditure	3,383.00	2,668.00
<b>Total</b>	<b>3,460.00</b>	<b>2,854.00</b>

### 49 Provisions, contingent liabilities and contingent assets

In accordance with Ind AS 37 - "Provisions, Contingent Liabilities and Contingent Assets", notified under Section 133 of the Act, certain classes of liabilities have been identified as provisions which have been disclosed as under:

Particulars	1 April 2018	Additions *	Utilisation*	Reversals / adjustments *	31 March 2019
a) Excise duty and service tax related issues	4,878.00	106.00	-	(2,640.00)	2,344.00
b) Sales tax and other issues	9,221.00	6,312.00	(647.00)	(1,959.00)	12,927.00
c) Trade and other issues	2,097.00	13.00	-	10.00	2,120.00

Particulars	1 April 2017	Additions *	Utilisation*	Reversals / adjustments *	31 March 2018
a) Excise duty and service tax related issues	5,596.00	1,880.00	-	(2,598.00)	4,878.00
b) Sales tax and other issues	9,047.00	2,395.00	(1,081.00)	(1,140.00)	9,221.00
c) Trade and other issues	2,084.00	13.01	-	-	2,097.01

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

(₹ in Lakhs)

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

(c) represents provisions made for probable liabilities / claims arising out of commercial transactions with vendors / others. Further disclosures as required in Ind AS 37 are not made since it can be prejudicial to the interests of the Group.

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

- 50** During the year ended 31 March 2016, based on queries received from Securities Exchange Board of India ('SEBI'), Britannia Industries Limited (BIL) conducted a preliminary internal investigation and discovered certain irregularities by M/s Sharepro Services (India) Private Limited ('Sharepro'), BIL's erstwhile Registrar and Share Transfer Agent. Subsequently, BIL filed a criminal complaint against Sharepro and its employees. Pursuant to the directions issued by SEBI in its interim order dated 22 March 2016, BIL appointed an independent external agency to conduct an audit of the records and systems of Sharepro with respect to past transactions. The report of the external agency was submitted to SEBI by the Company vide its letter dated 12 July 2016. BIL will evaluate additional steps, if any, based on the directions of SEBI or any other regulatory authorities. Based on consultations with its legal counsel, BIL has been advised that the liability will not devolve on BIL and thus no provision is considered necessary. Further, BIL has a right to claim losses, if any, from Sharepro and accordingly BIL does not plan to make good the losses on its own account.
- 51** With respect to Al Sallan Food Industries Co. SAOC, the Company's income tax assessments for the tax years 2012 to 2015 have not been finalised by the Secretariat General for Taxation at the Ministry of Finance, Oman. The Group believes that additional taxes, if any, that may become payable on finalisation of the assessments in respect of these open years would not be material to the Company's financial position as at 31 March 2019.

**52 Government Grants**

During the year ended 31 March 2013, an amount of ₹ 500.00 was received towards capital subsidy for the Hajipur Factory, Bihar in accordance with the State Industrial Policy of Bihar. Out of this, an amount of ₹ 71.00 (31 March 2018: ₹ 71.00) has been credited to the Statement of Profit and Loss (by reducing the depreciation charge for the year) and the outstanding amount of ₹ 71.00 (31 March 2018: ₹ 143.00) has been classified as government grant in the balance sheet [Refer note 29].

**53 Issue of secured non-convertible debentures**

For Britannia Industries Limited ('BIL'), the Board of Directors at their Meeting held on 6 August 2018 approved the issue of secured non-convertible redeemable fully paid-up debentures as Bonus Debentures of ₹ 60 each out of the Accumulated Profits of the BIL, in the ratio of 1 Bonus Debenture for every 1 equity share of ₹ 2 each held by the shareholders on a Record date as may be decided by the Board. Further, the Board of Directors at their Meeting held on 7 October 2018 approved the Scheme of Arrangement of Britannia Industries Limited and their Members for issue of bonus debentures in accordance with Sections 230 to 232 of the Companies Act, 2013 read with the rules made thereunder. Following the approval of sub-division of equity shares of face value of ₹ 2 each into 2 equity shares of face value of Re. 1 each by the Members, the Bonus Debenture Committee constituted by the Board of Directors for Issue of Bonus Debentures, approved the revision in the Scheme of Arrangement to give effect to the aforementioned sub-division changing the value of Bonus Debenture to ₹ 30 per Debenture. The Company has obtained necessary approvals from BSE Limited, National Stock Exchange of India Limited, SEBI and filed an application with the National Company Law Tribunal (NCLT), Kolkata for approval of the Scheme of Arrangement. The NCLT has, by its order dated 10 April 2019 directed convening of a meeting of the Shareholders of the Company on 27 May, 2019 for approval of the said Scheme, the notice for which has been issued to the Shareholders along with necessary newspaper publication. The NCLT has also appointed the Chairperson and Scrutinizer for the meeting and prescribed the procedures to be followed for obtaining approval of the Shareholders.

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

(₹ in Lakhs)

**54 Discontinued operation of subsidiary**

Considering the economic viability of the business, the operations of Daily Bread Gourmet Foods (India) Private Limited have been discontinued during the year and the process of voluntary liquidation has been initiated.

**55 Disclosures as per Ind AS 115 - Revenue from contracts with customers**

**A. Revenue streams**

The Group is primarily involved in manufacturing and sale of various food products. Other sources of revenue include scrap sales and royalty income.

	<b>31 March 2019</b>	<i>31 March 2018</i>
Sale of goods	<b>1,133,798.18</b>	<i>1,022,759.52</i>
Others	<b>8,522.20</b>	<i>8,821.94</i>
Revenue from contracts with customers	<b><u>1,142,320.38</u></b>	<i><u>1,031,581.46</u></i>

**B. Disaggregation of revenue from contracts with customers**

In the following table, revenue from contracts with customers is disaggregated by primary geographical market

	<b>31 March 2019</b>	<i>31 March 2018</i>
India	<b>1,044,892.61</b>	<i>945,334.07</i>
Others	<b>88,905.57</b>	<i>77,425.45</i>
Revenue from contracts with customers	<b><u>1,133,798.18</u></b>	<i><u>1,022,759.52</u></i>

**C. Revenue streams**

The Group is primarily involved in manufacturing and sale of various food products. Other sources of revenue include scrap sales and royalty income.

	<b>31 March 2019</b>	<i>31 March 2018</i>
Revenue as per Contracted Price	<b>1,194,199.39</b>	<i>1,069,075.94</i>
Add : Customer loyalty programme	<b>139.00</b>	<i>587.00</i>
Less : Sales Return	<b>(10,515.07)</b>	<i>(8,396.64)</i>
Less : Trade discounts, promotions & channel margins	<b>(50,025.14)</b>	<i>(38,506.78)</i>
Revenue from contracts with customers	<b><u>1,133,798.18</u></b>	<i><u>1,022,759.52</u></i>



**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

(₹ in Lakhs)

**56 Related party relationships, transactions and balances****List of Related parties****a) Key management personnel:****For The Bombay Burmah Trading Corporation, Limited**

1	Mr. Nusli N. Wadia	Chairman, Non-executive Director
2	Mr. Anil Kumar Hirjee	Vice Chairman, Non-executive Director
3	Mr. Madhav L. Apte	Non-executive Director
4	Mr. Darius E. Udawadia	Non-executive Director
5	Mr. Jehangir N. Wadia	Non-executive Director
6	Dr. (Mrs) Minnie Bodhanwala	Non-executive Director
7	Mr. Rajesh Batra	Non-executive Director
8	Dr. Y. S. P. Thorat	Non-executive Director (w.e.f. 4 February 2019)
9	Mr. Vinesh Kumar Jairath	Non-executive Director (w.e.f. 4 February 2019)
10	Mrs. Gauri Atul Kirloskar	Non-executive Director (w.e.f. 4 February 2019)
11	Mr. Ness Wadia	Managing Director
12	Mr. Dibakar Chatterjee	Chief Executive Officer (w.e.f. 5 September 2018)
13	Mr. Nitin H. Datanwala	Chief Financial Officer (w.e.f. 14 November 2018)
14	Mr. Hoshi Bhagwagar	Company Secretary (upto 31 March 2019)
15	Mr. Amit Chhabra	Chief Financial Officer (upto 30 April 2018)

**For Britannia Industries Limited**

1	Mr. Nusli N. Wadia	Chairman, Non-executive Director
2	Mr. Anil Kumar Hirjee	Vice Chairman, Non-executive Director
3	Mr. Keki Elavia	Non-executive Director (w.e.f. 7 August 2017)
4	Mr. Nimesh N Kampani	Non-executive Director
5	Mr. Avijit Deb	Non-executive Director
6	Mr. Jeh N Wadia	Non-executive Director
7	Mr. Keki Dadiseth	Non-executive Director
8	Dr. Ajai Puri	Non-executive Director
9	Mr. Ness N Wadia	Non-executive Director
10	Mrs. Ranjana Kumar	Non-executive Director
11	Dr. Y. S. P. Thorat	Non-executive Director
12	Mr. Ajay Shah	Non-executive Director
13	Mrs. Tanya Arvind Dubash	Non-executive Director (w.e.f. 7 February 2019)
14	Mr. S S Kelkar	Non-executive Director (upto 23 August 2018)
15	Mr. Nasser Munjee	Non-executive Director (upto 25 May 2017)
16	Mr. Varun Berry	Managing Director
17	Mr. N. Venkataraman	Chief Financial Officer (w.e.f. 1 December 2016)

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

(₹ in Lakhs)

18	Mr. T. V. Thulsidass	Company Secretary and Compliance Officer (w.e.f 15 October 2018)
19	Mr. Jairaj Bham	Company Secretary and Compliance Officer (w.e.f 15 May 2018 and upto 12 October 2018)
20	Mr. Rajesh Arora	Company Secretary and Compliance Officer (upto 30 June 2017)

**For other foreign subsidiaries**

1	Mr. Jayant Gadgil	Director
2	Ms. Saridah Binti Ismail	Director
3	Ms. Marlina Budin	Director
4	Mr. Patrick Kennedy Cassels	Director
5	Ms. Teresa Chin	Director

**b) Associate companies:**

- 1 Lotus Viniyog Private Limited
- 2 Lima Investment and Trading Private Limited
- 3 Roshnara Investment and Trading Private Limited
- 4 Cincinnati Investment and Trading Private Limited
- 5 Shadhak Investment and Trading Private Limited
- 6 MSIL Investment Private Limited
- 7 Medical Microtechnology Limited
- 8 Harvard Plantations Limited
- 9 Placid Plantations Limited
- 10 The Bombay Dyeing & Manufacturing Company Limited
- 11 Klassik Foods Private Limited
- 12 Nalanda Biscuits Company Limited
- 13 Sunandaram Foods Private Limited

**c) Other related parties:**

- 1 Go Airlines (India) Limited
- 2 Macrofil Investments Limited
- 3 Udwardia & Co.
- 4 Nowrosjee Wadia and Sons Limited (w.e.f. 2 August 2017)
- 5 BRT Limited (w.e.f. 2 August 2017)
- 6 Wadia Techno- Engineering Services Limited
- 7 Panella Foods and Beverages Private Limited

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

(₹ in Lakhs)

**d) Post employment-benefit plan entities**

- 1 The Bombay Burmah Trading Corporation Limited Covenanted Staff Gratuity Fund
- 2 The Bombay Burmah Trading Corporation Limited Employees' Gratuity Fund
- 3 The Bombay Burmah Trading Corporation Limited Employees' Superannuation Fund
- 4 The Bombay Burmah Trading Corporation Limited Employees' Exempt Provident Fund
- 5 Britannia Industries Limited Management Staff Provident Fund
- 6 Britannia Industries Limited Covenanted Staff Gratuity Fund
- 7 Britannia Industries Limited Non-Covenanted Staff Gratuity Fund
- 8 Britannia Industries Limited Covenanted Staff Pension Fund
- 9 Britannia Industries Limited Officers Pension Fund

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

(₹ in Lakhs)

**A Transactions during the year**

Sr. No.	Name of the related party	Relationship	Transaction values for the year ended 31 March	
			2019	2018
<b>1</b>	<b>Expenses charged by related party</b>			
	The Bombay Dyeing & Manufacturing Company Limited	Associate	<b>92.69</b>	82.66
	Nowrosjee Wadia and Sons	Other related party	<b>153.09</b>	178.93
<b>2</b>	<b>Expenses charged to related party</b>			
	The Bombay Dyeing & Manufacturing Company Limited	Associate	<b>3.10</b>	28.72
	Medical Microtechnology Limited	Associate	-	0.06
	Panella Foods and Beverages Private Limited	Other related party	<b>1.67</b>	-
	Macrofil Investments Limited	Other related party	<b>0.09</b>	-
<b>3</b>	<b>Professional fees paid</b>			
	Udwadia & Co.	Other related party	<b>11.34</b>	8.39
<b>4</b>	<b>Interest received</b>			
	Go Airlines (India) Limited	Other related parties	<b>3,745.25</b>	468.34
	Macrofil Investments Limited	Other related party	<b>215.36</b>	858.00
	BRT Limited	Other related party	-	8.01
	Nowrosjee Wadia and Sons	Other related party	<b>46.64</b>	132.69
	The Bombay Dyeing & Manufacturing Company Limited	Associate	<b>3,507.00</b>	3,932.00
	Varun Berry	Key Management Personnel	<b>40.00</b>	-
	Mr. Amit Chhabra	Key Management Personnel	-	0.31
	Mr. Nitin H Datanwala	Key Management Personnel	<b>0.36</b>	0.36
<b>5</b>	<b>Interest on loan given to KMP's recovered</b>			
	Mr. Amit Chhabra	Key Management Personnel	<b>0.27</b>	-

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

(₹ in Lakhs)

Sr. No.	Name of the related party	Relationship	Transaction values for the year ended 31 March	
			2019	2018
<b>6</b>	<b>Dividend Paid</b> Mr. Ness Wadia	Key Management Personnel	<b>0.05</b>	<i>0.05</i>
<b>7</b>	<b>Loan given to</b> Mr. Varun Berry	Key Management Personnel	<b>2,979.00</b>	-
<b>8</b>	<b>Loan repaid by</b> Mr. Amit Chhabra	Key Management Personnel	<b>0.21</b>	<i>2.48</i>
	Mr. Varun Berry	Key Management Personnel	<b>2,979.00</b>	-
<b>9</b>	<b>Inter-corporate deposits placed</b> Go Airlines (India) Limited	Other related party	<b>42,920.00</b>	-
	The Bombay Dyeing & Manufacturing Company Limited	Associate	-	<i>10,000.00</i>
<b>10</b>	<b>Inter-corporate deposits redeemed</b> Macrofil Investments Limited	Other related party	<b>6,880.00</b>	-
	Nowrosjee Wadia and Sons	Other related party	<b>1,530.00</b>	-
	The Bombay Dyeing & Manufacturing Company Limited	Associate	-	<i>10,000.00</i>
	Go Airlines (India) Limited	Other related party	<b>2,500.00</b>	-
<b>11</b>	<b>Purchase of property from related parties</b> The Bombay Dyeing & Manufacturing Company Limited	Associate	-	<i>18,923.00</i>
<b>12</b>	<b>Payment made to Post employment-benefit plan entities</b> Britannia Industries Limited Officers Pension Fund	Post employment-benefit plan entities	-	<i>114.00</i>

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

(₹ in Lakhs)

Sr. No.	Name of the related party	Relationship	Transaction values for the year ended 31 March	
			2019	2018
<b>13</b>	<b>Purchase of securities/investments</b>			
	Britannia Industries Limited Covenanted Staff Pension Fund	Post employment-benefit plan entities	-	2,143.00
	Britannia Industries Limited Officers Pension Fund	Post employment-benefit plan entities	-	1,281.00
<b>14</b>	<b>Contributions during the year (includes Employees' share and contribution)</b>			
	The Bombay Burmah Trading Corporation Limited Covenanted Staff Gratuity Fund	Post employment-benefit plan entities	96.65	17.14
	The Bombay Burmah Trading Corporation Limited Employees' Gratuity Fund	Post employment-benefit plan entities	23.97	240.93
	The Bombay Burmah Trading Corporation Limited Employees' Superannuation Fund	Post employment-benefit plan entities	71.14	76.62
	The Bombay Burmah Trading Corporation Limited Employees' Exempt Provident Fund	Post employment-benefit plan entities	84.57	75.13
	Britannia Industries Limited Management Staff Provident Fund	Post employment-benefit plan entities	1,282.00	878.00
	Britannia Industries Limited Covenanted Staff Gratuity Fund	Post employment-benefit plan entities	165.00	122.00
	Britannia Industries Limited Non Covenanted Staff Gratuity Fund	Post employment-benefit plan entities	287.00	195.00
	Britannia Industries Limited Covenanted Staff Pension Fund	Post employment-benefit plan entities	27.00	27.00
	Britannia Industries Limited Officers Pension Fund	Post employment-benefit plan entities	30.00	30.00
<b>15</b>	<b>Advance repaid</b>			
	BRT Limited	Other related party	32.14	93.00
<b>16</b>	<b>Reimbursement of Travelling &amp; other expenses</b>			
	The Bombay Dyeing & Manufacturing Company Limited	Associate	112.00	197.00
<b>17</b>	<b>Recovery of Guest house expenses</b>			
	The Bombay Dyeing & Manufacturing Company Limited	Associate	28.00	12.00
	Go Airlines (India) Limited	Other related party	3.00	-

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

(₹ in Lakhs)

Sr. No.	Name of the related party	Relationship	Transaction values for the year ended 31 March	
			2019	2018
<b>18</b>	<b>Traveling expenses</b>			
	Go Airlines (India) Limited	Other related party	<b>77.00</b>	<i>48.00</i>
<b>19</b>	<b>Remuneration of Britannia Industries Limited - Key managerial personnel</b>			
	Short-term employee benefits	Key Management Personnel	<b>1,125.00</b>	<i>1,035.00</i>
	Post-employment defined benefit	Key Management Personnel	<b>41.00</b>	<i>35.00</i>
	Other long term benefits	Key Management Personnel	<b>12.00</b>	<i>9.00</i>
	Share-based payments	Key Management Personnel	<b>1,612.00</b>	<i>864.00</i>
	Sitting fees	Key Management Personnel	<b>95.00</b>	<i>110.00</i>
	Commission	Key Management Personnel	<b>1,000.00</b>	<i>900.00</i>
	Travelling expenses & others	Key Management Personnel	<b>27.00</b>	<i>34.00</i>
<b>20</b>	<b>Shares allotted under employee stock option scheme for consideration received during the year</b>			
	Mr. Varun Berry	Key Management Personnel		
	Equity shares		<b>2.00</b>	<i>1.00</i>
	Securities premium		<b>2,977.00</b>	<i>1,505.00</i>
<b>21</b>	<b>Sitting fees of foreign subsidiaries - Key managerial personnel</b>			
	Ms. Saridah Binti Ismail	Key Management Personnel	<b>0.51</b>	<i>0.47</i>
	Ms. Marlina Budin	Key Management Personnel	<b>0.51</b>	<i>0.47</i>
	Mr. Patrick Kennedy Cassels	Key Management Personnel	-	<i>0.48</i>

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

(₹ in Lakhs)

Sr. No.	Name of the related party	Relationship	Transaction values for the year ended 31 March	
			2019	2018
<b>22</b>	<b>Sitting fees for board and committee meetings of The Bombay Burmah Trading Corporation, Limited</b>			
	Mr. Nusli N. Wadia	Key Management Personnel	<b>1.20</b>	1.20
	Mr. Anil Kumar Hirjee	Key Management Personnel	<b>5.35</b>	3.40
	Mr. Madhav L. Apte	Key Management Personnel	<b>4.75</b>	3.40
	Mr. Darius E. Udawadia	Key Management Personnel	<b>4.40</b>	2.00
	Mr. Jehangir N. Wadia	Key Management Personnel	<b>1.00</b>	1.20
	Mr. Rajesh Batra	Key Management Personnel	<b>1.60</b>	1.20
	Dr. (Mrs) Minnie Bodhanwala	Key Management Personnel	<b>0.80</b>	1.00
<b>23</b>	<b>Retainer Fees</b>			
	Mr. Nitin H. Datanwala	Key Management Personnel	<b>84.05</b>	96.25
<b>24</b>	<b>Purchase of finished goods:</b>			
	Nalanda Biscuits Company Limited	Associate	<b>9,016.00</b>	8,988.00
	Sunandaram Foods Private Limited	Associate	<b>8,339.00</b>	8,175.00
<b>25</b>	<b>Purchase of material:</b>			
	The Bombay Dyeing & Manufacturing Company Limited	Associate	-	5.00
<b>26</b>	<b>Conversion charges</b>			
	Klassik Foods Private Limited	Associate	<b>67.00</b>	362.00



**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

(₹ in Lakhs)

Sr. No.	Name of the related party	Relationship	Transaction values for the year ended 31 March	
			2019	2018
<b>27</b>	<b>Sale of goods / consumables and ingredients:</b>			
	Nalanda Biscuits Company Limited	Associate	<b>136.00</b>	162.00
	Sunandaram Foods Private Limited	Associate	<b>253.00</b>	236.00
	Go Airlines (India) Limited	Other related party	<b>13.00</b>	-
<b>28</b>	<b>Recovery of excess remuneration</b>			
	Mr. Ness Wadia	Key Management Personnel	-	39.27

**B Outstanding balances**

Sr. No.	Name of the related party	Relationship	Outstanding Balance as at 31 March	
			2019	2018
<b>1</b>	<b>Outstanding amount payable</b>			
	The Bombay Dyeing & Manufacturing Company Limited	Associate	<b>20.00</b>	17.69
	Nowrosjee Wadia and Sons Limited	Other related party	<b>11.78</b>	11.24
	Klassik Foods Private Limited	Associate	-	1.00
	Nalanda Biscuits Company Limited	Associate	<b>154.00</b>	-
<b>2</b>	<b>Security deposit payable</b>			
	The Bombay Dyeing & Manufacturing Company Limited	Associate	<b>300.00</b>	300.00
<b>3</b>	<b>Outstanding amount receivable</b>			
	Go Airlines (India) Limited	Other related party	<b>44,302.00</b>	3,942.00
	Macrofil Investments Limited	Other related party	-	6,880.00
	Nowrosjee Wadia and Sons Limited	Other related party	-	1,530.00
	BRT Limited	Other related party	-	32.14
	Medical Microtechnology Limited	Associate	<b>1.71</b>	1.52
	Panella Foods and Beverages Private Limited	Other related party	<b>1.75</b>	-
	The Bombay Dyeing & Manufacturing Company Limited	Associate	<b>35,308.00</b>	35,440.00
	Klassik Foods Private Limited	Associate	<b>4.00</b>	-
	Nalanda Biscuits Company Limited	Associate	-	7.00
	Sunandaram Foods Private Limited	Associate	<b>417.00</b>	304.00

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

(₹ in Lakhs)

Sr. No.	Name of the related party	Relationship	Outstanding Balance as at 31 March	
			2019	2018
4	Mr. Ness Wadia	Key Management Personnel	-	39.27
	Mr Amit Chhabra	Key Management Personnel	5.42	5.63
	Mr. Nitin H Datanwala	Key Management Personnel	12.00	12.00
	<b>Investments (including goodwill/capital reserve)</b>			
	Lotus Viniyog Private Limited	Associate	35.92	35.53
	Roshnara Investment & Trading Company Private Limited	Associate	2.47	2.85
	Cincinnati Investment & Trading Company Private Limited	Associate	2.53	2.88
	Lima Investment & Trading Company Private Limited	Associate	3.75	4.00
	Shadhak Investment & Trading Private Limited	Associate	3.73	3.93
	MSIL Investments Private Limited	Associate	2.45	2.77
	Medical Microtechnology Limited	Associate	4.29	4.29
	Harvard Plantations Limited	Associate	4.13	4.31
	Placid Plantations Limited	Associate	4.12	4.31
	The Bombay Dyeing & Manufacturing Company Limited	Associate	203,548.78	170,619.64
	Klassik Foods Private Limited	Associate	-	104.00
	Nalanda Biscuits Company Limited	Associate	83.84	64.00
	Sunandaram Foods Private Limited	Associate	20.03	33.00

**C Compensation paid to Key Managerial Personnel**

For the year ended	31 March 2019	31 March 2018
<b>Mr. Ness Wadia</b>		
Salary	311.02	282.75
Contribution to provident fund and other funds	65.95	59.95
Perquisites in cash or in kind	7.24	7.24
	<b>384.21</b>	<b>349.94</b>

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

(₹ in Lakhs)

**Mr. Dibakar Chatterjee**

Salary	<b>96.63</b>	-
Contribution to provident fund and other funds	<b>5.06</b>	-
Perquisites in cash or in kind	-	-
	<b>101.69</b>	-

**Mr. Hoshi Bhagwagar**

Salary	<b>19.74</b>	-
Contribution to provident fund and other funds	<b>1.22</b>	-
Perquisites in cash or in kind	-	-
	<b>20.96</b>	-

**Mr. Amit Chhabra**

Salary	<b>5.47</b>	82.04
Contribution to provident fund and other funds	<b>0.34</b>	5.57
Perquisites in cash or in kind	<b>3.35</b>	5.74
	<b>9.16</b>	93.35

**Mr. Jayant Gadgil**

Salary	<b>16.27</b>	64.60
Contribution to provident fund and other funds	<b>1.31</b>	7.01
Perquisites in cash or in kind	<b>7.82</b>	29.73
	<b>25.40</b>	101.34

**Ms. Teresa Chin**

Salary	<b>80.92</b>	65.76
Contribution to provident fund and other funds	<b>0.51</b>	6.76
Perquisites in cash or in kind	<b>3.10</b>	2.94
	<b>84.53</b>	75.46

Some of the key management personnel of the parent company are also covered under the Company's Gratuity plan along with the other employees of the Company. Proportionate amounts of gratuity accrued under the Company's gratuity plan have not been separately computed or included in the above disclosures.

**Terms and conditions of transactions with related parties**

All the transactions with the related parties were made on normal commercial terms and conditions and at market rates.

All the outstanding balances are unsecured and repayable in cash.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

### 57 Share based payments

During the financial year 2008-09, Britannia Industries Limited ('BIL') introduced Britannia Industries Limited Employee Stock Option Scheme ('the Scheme'). As per the Scheme, the Remuneration / Compensation Committee grants options to the employees and Executive Directors of BIL. The vesting period of the option is one to three years from the date of grant. Options granted under the Scheme can be exercised within a period of three years from the date of vesting.

Under the Scheme, BIL granted 15,000 options on 29 October 2008 at an exercise price of ₹1,125.30/-; 15,000 options on 27 May 2009 at an exercise price of ₹1,698.15/-; 20,000 options on 27 May 2010 at an exercise price of ₹ 1,668.55/-; 125,000 options on 27 May 2011 at an exercise price of ₹ 391.75/-; 100,000 options on 28 May 2012 at an exercise price of ₹528.75/-; 50,000 options on 26 May 2014 at an exercise price of ₹870.35/-, 75,000 options on 21 May 2015 at an exercise price of ₹2,332.05/-, 100,000 options on 30 June 2016 at an exercise price of ₹2,771.40/- and 125,000 options on 25 May 2017 at an exercise price of ₹3,533.30/- and 1,50,000 options on 15 May 2018 at an exercise price of ₹5,464.10/- to the Managing Director of BIL. Each option represents one equity share of ₹ 10/- each (for options granted between the years 2008 to 2010) and one equity share of ₹ 2/- each (for options granted after the year 2010). The said price was determined in accordance with the pricing formula approved by the shareholders of BIL i.e. the latest available closing price, prior to the date of the meeting of the Board of Directors or Remuneration / Compensation Committee in which options were granted, on the stock exchange having higher trading volume.

Exercise prices as stated above are adjusted downwards by ₹ 170/- per share for options granted on 29 October 2008 and 27 May 2009, being the face value of bonus debentures issued pursuant to the Scheme of Arrangement approved by the Honourable Calcutta High Court on 11 February 2010.

The number of options have been appropriately adjusted, consequent upon the sub-division of the equity shares [Refer note (a) below]

<b>Movement in the options under the scheme #</b>	<b>31 March 2019</b>	<b>31 March 2018</b>
Options outstanding at the beginning of the year	<b>433,334</b>	300,000
Options granted during the year	<b>300,000</b>	250,000
Options vested during the year	<b>199,998</b>	116,666
Options exercised during the year	<b>199,998</b>	116,666
Shares allotted against options exercised during the year	<b>199,998</b>	116,666
Options lapsed during the year	-	-
Options outstanding at the end of the year	<b>533,336</b>	433,334
Options exercisable at the end of the year	-	-
Weighted average price per option (₹ )	<b>2,262.07</b>	1,518.92

#### Fair Value Measurement:

The fair value at grant date is determined using the Black Scholes valuation option-pricing model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

(₹ in Lakhs)

The key assumptions used in Black-Scholes model for calculating fair value of options under the scheme as on the date of grant are as follows:

	<b>31 March 2019</b>	<i>31 March 2018</i>
No. of options granted	<b>300,000</b>	<i>250,000</i>
Date of grant	<b>15 May 2018</b>	<i>25 March 2017</i>
Vesting period	<b>1 to 3 years</b>	<i>1 to 3 years</i>
Expected life of option	<b>3 years</b>	<i>3 years</i>
Expected volatility	<b>22.12%</b>	<i>22.12%</i>
Risk free rate	<b>7.66%</b>	<i>6.66%</i>
Expected dividends expressed as a dividend yield	<b>0.46%</b>	<i>0.62%</i>
Weighted-average fair values of options per share (₹)	<b>687.58</b>	<i>361.26</i>

# Disclosures for 31 March 2019 and 31 March 2018 have been made after giving effect to the share split.

**Note : (a)**

In the Annual General Meeting held on 9 August 2010, the shareholders of BIL approved the sub-division of equity shares, where in each equity share with a face value of ₹ 10 has been subdivided into 5 equity shares with a face value of ₹ 2 each. The effective date for the sub-division was 10 September 2010. Further, the Board of Directors at their meeting held on 23 August 2018 approved the sub-division of each equity share of face value of ₹ 2 fully paid up into 2 equity shares of face value of ₹1 each fully paid. The same has been approved by the members on 15 October 2018 through postal ballot and e-voting. The effective date for the sub-division was 30 November 2018.

**58 Goodwill****Impairment testing of Goodwill**

For the purposes of impairment testing, goodwill is allocated to the Group's operating divisions which represent the lowest level within the Group at which goodwill is monitored for internal management purposes, which is not higher than the Group's operating segments.

- The goodwill on consolidation (₹ 1,04,441.31) largely comprises of the excess of cost to the Group of its investment in Britannia Industries Limited (BIL) over the Group's portion of equity in Britannia Industries Limited (which represents the 'food - bakery and dairy products' cash generating unit (Food - CGU) of the Group. Goodwill also includes ₹ 13,300.00 arising on acquisition of certain businesses by BIL in earlier years. Goodwill is monitored for internal management purposes at the level of this CGU.
- Goodwill is tested for impairment annually. The recoverable amount of the Food - CGU is determined as higher of its fair value less cost to sell and its value in use. Since the goodwill largely pertains to a listed entity, the fair value of the CGU is determined based on market capitalisation.
- Consequent to the initiation of the liquidation process of Daily Bread Goumet Foods (India) Private Limited a subsidiary of BIL, the goodwill on consolidation recorded in the books was amortised amounting to ₹3.53 during the current year (31 March 2018: Nil).

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

### 59 Non-Controlling Interests (NCI)

Below is the list of partly owned subsidiary of the Company and the share of the non-controlling interests.

Name	Country of Incorporation	31 March 2019	31 March 2018
Britannia Industries Limited	India	49.35%	49.30%

The principal place of business of the entity listed above is the same as its country of incorporation.

The following table comprises the information relating to each of the Group's subsidiary that has material NCI, before any intra group eliminations.

	31 March 2019	31 March 2018
<b>NCI percentage</b>	<b>49.35%</b>	<b>49.30%</b>
Non-Current Assets	271,548.00	203,664.00
Current Assets	352,634.00	315,128.00
Non-Current Liabilities	10,448.00	12,058.00
Current Liabilities	185,141.00	164,797.00
Net Assets	428,593.00	341,937.00
<b>Net assets attributable to NCI</b>	<b>211,510.65</b>	<b>168,574.94</b>
Revenue	1,126,112.00	1,015,647.00
Profit	115,546.00	100,396.00
Other Comprehensive Income (OCI)	384.00	(21.00)
Total Comprehensive Income	115,930.00	100,375.00
<b>Profit allocated to NCI</b>	<b>57,021.95</b>	<b>49,495.23</b>
<b>OCI allocated to NCI</b>	<b>189.50</b>	<b>(10.35)</b>
<b>Total comprehensive income allocated to NCI</b>	<b>57,211.45</b>	<b>49,484.88</b>
Cash flow from operating activities	115,577.97	124,877.00
Cash flow from investing activities	(85,553.00)	(95,626.00)
Cash flow from financing activities	(35,267.66)	(23,175.00)
<b>Net Increase / (decrease) in cash and cash equivalents</b>	<b>(5,242.69)</b>	<b>6,076.00</b>
<b>Dividends paid to Non-controlling interest</b>	<b>(14,812.48)</b>	<b>(13,022.46)</b>

### 60 Specified bank notes

The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made since it does not pertain to financial year ended 31 March 2019.

### 61 Managerial remuneration

Pursuant to the notification no. S.O. 4823(E) dated 12 September 2018 issued by the Ministry of Corporate Affairs, the provisions of Section 66 to 70 of the Companies (Amendment) Act, 2017 dealing with Managerial Remuneration have come into effect from that date. In view thereof, the Central Government (CG) has informed the Parent Company that the applications made to them for approval of the payment of remuneration of ₹ 289.98 (excluding retiral of ₹ 59.96) for each of the financial years 2016-17 and 2017-18 to the Managing Director (of Parent Company), Mr. Ness Wadia, which was in excess of the limits specified in Schedule V shall abate and is closed. The amended provisions do not require companies to seek the Central Government approval but require companies to obtain the approval of the Members by way of special resolution.

Further, the Parent Company during the year 2018-19 has paid remuneration of ₹ 318.26 (excluding retiral of ₹ 65.95) to the Managing Director, Mr. Ness Wadia which is in excess of the limits specified in Schedule V of the Companies Act, 2013.

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

(₹ in Lakhs)

In view of the above, the Parent Company shall seek the approval of its Members by way of a special resolution at the ensuing Annual General Meeting for payment of the aforesaid remuneration for the financial years 2016-17, 2017-18 and 2018-19, which is within the limits approved by the Members at their Annual General Meeting held on 5 August 2016.

- 62** The Parent Company was having a Company Secretary during the year, as required by Section 203 of the Companies Act, 2013, who has resigned with effect from closing hours of 31 March 2019. Accordingly, the consolidated financial statements of the Company have not been authenticated by the Company Secretary, as required by Section 134 of the Companies Act, 2013.

**63 Segment information****A] General Information**

For management purposes, the Group is organised into business units based on its products and services and has six reportable segments, as follows:

1	Plantation - Tea	Segment produces/trades in Tea business
2	Plantation - Coffee	Segment produces/trades in Coffee business
3	Health Care	Segment manufactures/trades in Dental products.
4	Auto Electric Components (AEC)	Segment manufactures, solenoids, switches, valves, slip rings etc. for automobile and other industries.
5	Investments	Segment invests in various securities listed as well as unlisted mainly on a long term basis.
6	Horticulture	Segment deals with decorative plants and landscaping services
7	Food - Bakery & dairy products	Segment represents bakery and dairy products
8	Others	Segment manufactures/trades in analytical, precision balances and weighing scales and property development

Based on above, following are reportable segments as per Ind AS 108 (Operating Segments)

<b>Primary Segment (Operating Segment): Based on product lines of Group</b>	<b>Secondary Segment (Geographical Segment) Based on geographical area of operation</b>
Plantation- Tea	India and Outside India
Plantation- Coffee	
Auto Electrical Components ('AEC')	
Investments	
Horticulture	
Healthcare	
Food - Bakery & dairy products	
Others	

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

## B] i) Information about reportable segments

Particulars	Year	Reportable Segments						Total
		Plantation- Tea	Plantation- Coffee	Health Care	AEC	Investments	Horticulture	
External sales	2018-19	15,109.36	2,056.71	2,191.21	11,083.16	11,351.46	6,408.74	1,153,949.53
	2017-18	13,401.35	1,267.78	2,448.11	9,904.05	9,712.83	5,526.60	1,041,601.34
Other income	2018-19	93.83	13.05	7.63	54.71	2,896.95	236.29	10,275.35
	2017-18	357.70	6.39	3.07	34.45	1,731.24	154.24	8,525.75
Total segment revenue	2018-19	15,203.19	2,069.76	2,198.84	11,137.87	14,248.41	6,645.03	1,164,224.88
	2017-18	13,759.05	1,274.17	2,451.18	9,938.50	11,444.07	5,680.84	1,050,127.09
Segment results	2018-19	(1,194.92)	756.84	257.30	520.30	14,248.41	869.38	177,753.59
	2017-18	(1,737.72)	(466.90)	408.04	780.06	11,444.11	197.20	150,941.75
Segment assets	2018-19	12,481.45	7,341.35	1,188.53	7,126.41	296,928.43	12,139.45	844,978.23
	2017-18	11,422.57	4,833.52	1,545.19	7,314.34	231,981.95	10,694.90	693,998.96
Segment liabilities	2018-19	2,225.25	426.57	155.08	1,645.44	-	1,815.64	201,899.34
	2017-18	2,479.80	236.82	345.15	1,820.66	-	1,445.69	183,224.02
Capital expenditure (included in segment assets)	2018-19	698.67	231.14	21.12	286.05	-	27.58	60,236.56
	2017-18	243.17	57.42	18.70	271.54	-	110.17	52,355.63
Depreciation/ Amortisation	2018-19	300.13	239.59	11.28	252.00	-	216.95	17,215.58
	2017-18	396.64	233.16	11.71	231.15	-	210.29	15,298.55



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## ii) Reconciliation of reportable segments with the financial statements

(₹ in Lakhs)

Particulars	Year	Revenues	Results / Net Profit	Assets	Liabilities	Capital Expenditure	Depreciation/ Amortisation
Total of reportable segments	2018-19 2017-18	1,164,224.88 1,050,127.09	177,753.59 150,941.75	844,978.23 693,998.96	201,899.34 183,224.02	60,236.56 52,355.63	17,215.58 15,298.55
Corporate / Unallocated segment	2018-19 2017-18	611.88 1,552.61	(4,231.63) (2,365.78)	133,397.01 141,812.22	85,759.45 85,904.47	934.81 99.82	34.45 50.93
Finance cost	2018-19 2017-18	- -	(6,037.22) (5,504.67)	- -	- -	- -	- -
Share of (loss)/ profit of associates	2018-19 2017-18	- -	43,401.80 (11,904.06)	- -	- -	- -	- -
Taxes	2018-19 2017-18	- -	65,167.24 53,902.08	- -	- -	- -	- -
As per financial statement	2018-19 2017-18	1,164,836.76 1,051,679.70	145,719.30 77,265.16	978,375.24 835,811.18	287,658.79 269,128.49	61,171.37 52,455.45	17,250.03 15,349.48

## C Secondary segment reporting - Geographic information

The geographic information analyses the Group's revenue and total assets by the Group's country of domicile and other countries. In presenting the geographical information, segment revenue has been based on geographic location of customers and segment assets were based on the geographic location of the respective non-current assets.

Particulars	Year	Geographical segment		Total
		India	Outside India #	
Revenue	2018-19 2017-18	1,146,870.51 1,034,527.95	17,966.25 17,151.75	1,164,836.76 1,051,679.70
Total assets	2018-19 2017-18	695,773.94 588,566.60	282,601.30 247,244.58	978,375.24 835,811.18
Capital expenditure	2018-19 2017-18	60,223.70 52,273.64	947.67 181.81	61,171.37 52,455.45

# It includes revenues and assets of foreign branches

D There is no transaction with single external customer which amounts to 10% or more of the Group's revenue.

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

**64 Additional information pursuant to para 2 of general instructions for the preparation of Consolidated Financial Statements:**

Name of the Entity	Net Assets		Share in Profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As a % of Consolida- dated Net Assets	Amount (₹)	As a % of consoli- dated profit or loss	Amount (₹)	As a % of consoli- dated other comprehen - sive income	Amount (₹)	As a % of total comprehen- sive income	Amount (₹)
<b>Parent</b>								
The Bombay Burmah Trading Corporation, Limited	2.30%	25,702.37	-1.19%	(1,969.64)	-0.85%	(573.04)	-1.09%	(2,542.68)
<b>Indian subsidiaries</b>								
Afco Industrial & Chemicals Limited.	0.01%	64.92	0.00%	(1.05)	0.00%	(0.45)	0.00%	(1.50)
DPI Products & Services of India Limited.	0.03%	372.05	0.00%	(0.19)	-0.41%	(275.64)	-0.12%	(275.83)
Sea Wind Investment & Trading Co. Limited	0.02%	216.56	0.00%	(0.49)	0.01%	6.80	0.00%	6.31
Subham Viniyog Private Limited	0.00%	21.56	0.00%	(1.73)	0.00%	0.51	0.00%	(1.22)
Britannia Industries Limited	36.17%	403,945.00	67.85%	112,220.18	-0.31%	(209.00)	48.18%	112,011.18
Boribunder Finance and Investments Private Limited	0.01%	136.00	0.00%	3.00	0.00%	-	0.00%	3.00
Flora Investments Company Private Limited	0.02%	224.00	0.01%	12.00	0.00%	-	0.01%	12.00
Glit Edge Finance and Investments Private Limited	0.02%	230.00	0.01%	13.00	0.00%	-	0.01%	13.00
Ganges Vally Foods Private Limited	0.13%	1,397.00	-0.04%	(62.00)	0.00%	-	-0.03%	(62.00)

(₹ in Lakhs)

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

Name of the Entity	Net Assets		Share in Profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As a % of Consol- dated Net Assets	Amount (₹)	As a % of consoli- dated profit or loss	Amount (₹)	As a % of consoli- dated other comprehensive - sive income	Amount (₹)	As a % of total comprehensive income	Amount (₹)
International Bakery Products Limited	0.09%	1,051.00	0.17%	280.00	0.01%	3.86	0.12%	283.86
JB Mangharam Foods Private Limited	0.06%	678.00	0.10%	161.00	-0.05%	(34.30)	0.05%	126.70
Manna Foods Private Limited	0.11%	1,194.00	0.21%	353.00	0.00%	1.13	0.15%	354.13
Sunrise Biscuit Company Private Limited	0.20%	2,239.00	0.16%	264.00	-0.03%	(17.93)	0.11%	246.07
Daily Bread Gourmet Foods (India) Private Limited	0.03%	371.00	-0.01%	(9.00)	0.00%	-	0.00%	(9.00)
Britannia Dairy Private Limited	2.00%	22,335.00	2.52%	4,163.00	-0.01%	(9.74)	1.79%	4,153.26
Britchip Foods Limited	0.68%	7,577.00	-0.51%	(843.00)	0.00%	-	-0.36%	(843.00)
Britannia Employees General Welfare Association Private Limited	0.00%	29.00	0.00%	(1.00)	0.00%	-	0.00%	(1.00)
Britannia Employees Medical Welfare Association Private Limited	0.00%	27.00	0.00%	(1.00)	0.00%	-	0.00%	(1.00)
Britannia Employees Educational Welfare Association Private Limited	0.00%	30.00	0.00%	(1.00)	0.00%	-	0.00%	(1.00)

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

Name of the Entity	Net Assets		Share in Profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As a % of Consol- dated Net Assets	Amount (₹)	As a % of consoli- dated profit or loss	Amount (₹)	As a % of consoli- dated other comprehen- sive income	Amount (₹)	As a % of total comprehen- sive income	Amount (₹)
<b>Foreign Subsidiaries</b>								
Leila Lands Senderian Berhad	1.45%	16,246.89	0.42%	693.58	0.00%	-	0.30%	693.58
Island Horti-Tech Holding Pte. Ltd.	0.65%	7,299.70	0.23%	381.58	0.00%	-	0.16%	381.58
Leila Lands Ltd.	8.62%	96,249.33	7.71%	12,757.49	0.00%	-	5.49%	12,757.49
Naira Holdings Ltd.	2.66%	29,747.01	-0.78%	(1,286.31)	-5.18%	(3,472.20)	-2.05%	(4,758.51)
Island Landscape & Nursery Pte. Ltd.	0.44%	4,886.26	0.23%	388.02	0.00%	-	0.17%	388.02
Restpoint Investments Ltd.	0.42%	4,660.84	0.00%	(6.14)	0.00%	-	0.00%	(6.14)
Innovative Organics Inc.	0.38%	4,292.03	0.00%	(0.10)	0.00%	-	0.00%	(0.10)
Granum Inc.	0.29%	3,204.18	0.02%	37.16	0.00%	-	0.02%	37.16
ABI Holdings Limited	1.95%	21,817.16	9.61%	15,895.09	0.00%	-	6.84%	15,895.09
Associated Biscuits International Ltd.	-0.04%	(434.52)	7.81%	12,909.82	0.00%	-	5.55%	12,909.82
Britannia Brands Limited	0.63%	7,004.11	4.80%	7,945.74	0.00%	-	3.42%	7,945.74
Dowbiggin Enterprises Pte. Limited	7.80%	87,077.78	0.15%	242.44	21.37%	14,330.46	6.27%	14,572.90
Nacupa Enterprises Pte. Limited	7.80%	87,069.76	0.15%	243.13	21.37%	14,330.46	6.27%	14,573.58
Spargo Enterprises Pte. Limited	7.80%	87,059.93	0.15%	242.30	21.37%	14,330.46	6.27%	14,572.76
Valletort Enterprises Pte. Limited	7.80%	87,073.70	0.15%	253.43	21.37%	14,330.46	6.27%	14,583.89

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

Name of the Entity	Net Assets		Share in Profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As a % of Consoli- dated Net Assets	Amount (₹)	As a % of consoli- dated profit or loss	Amount (₹)	As a % of consoli- dated other comprehensive - sive income	Amount (₹)	As a % of total comprehensive income	Amount (₹)
Bannatyne Enterprises Pre. Limited	7.78%	86,846.43	0.14%	237.76	21.35%	14,320.64	6.26%	14,558.40
Baymanco Investments Limited	0.07%	778.09	0.27%	444.63	0.00%	-	0.19%	444.63
Britannia and Associates (Mauritius) Private Limited	1.55%	17,280.00	0.07%	120.00	0.00%	-	0.05%	120.00
Britannia and Associates (Dubai) Private Co. Limited	-0.17%	(1,907.00)	0.03%	54.00	0.00%	-	0.02%	54.00
Al Sallan Food Industries Co. SAOC	-0.35%	(3,899.00)	-0.07%	(123.00)	0.00%	-	-0.05%	(123.00)
Strategic Food International Co. LLC, Dubai	0.10%	1,105.00	-0.38%	(633.00)	0.00%	-	-0.27%	(633.00)
Strategic Brands Holding Company Limited	0.00%	(4.00)	0.04%	73.00	0.00%	-	0.03%	73.00
Britannia Dairy Holdings Private Limited	0.00%	(39.00)	0.00%	(4.00)	0.00%	-	0.00%	(4.00)
Britannia Nepal Private Limited	0.49%	5,447.00	-0.03%	(46.00)	0.00%	-	-0.02%	(46.00)
	100.00%	1,116,702.15	100.00%	165,399.70	100.00%	67,062.46	100.00%	232,462.17

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Name of the Entity	Net Assets		Share in Profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As a % of Consoli- dated Net Assets	Amount (₹)	As a % of consoli- dated profit or loss	Amount (₹)	As a % of consoli- dated other comprehen - sive income	Amount (₹)	As a % of total comprehen- sive income	Amount (₹)
Adjustment arising out of Consolidation		(631,362.02)		(6,475.32)		(69,052.92)		(75,528.25)
Non-controlling interests in all Subsidiaries		(214,341.08)		(56,852.25)		(189.51)		(57,041.76)
Equity accounted investees								
Lotus Viniyog Private Limited		72.25		0.39		0.44		0.83
Roshnara Investment & Trading Company Private Limited		6.59		(0.38)		0.13		(0.25)
Cincinnati Investment & Trading Company Private Limited		6.81		(0.35)		0.26		(0.09)
Lima Investment & Trading Company Private Limited		7.01		(0.25)		0.26		0.01
Shadhak Investment & Trading Private Limited		6.89		(0.20)		0.26		0.06
MSIL Investments Private Limited		6.71		(0.32)		(0.01)		(0.33)
Medical Microtechnology Limited		-		-		-		-

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

Name of the Entity	Net Assets		Share in Profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As a % of Consoli- dated Net Assets	Amount (₹)	As a % of consoli- dated profit or loss	Amount (₹)	As a % of consoli- dated other comprehensive - sive income	Amount (₹)	As a % of total comprehensive income	Amount (₹)
Harvard Plantations Limited		3.18		(0.18)		-		(0.18)
Placid Plantations Limited		3.13		(0.19)		-		(0.19)
The Bombay Dyeing & Manufacturing Company Limited		203,763.48		43,745.29		(251.43)		43,493.86
Klassik Foods Private Limited		-		(103.57)		-		(103.57)
Nalanda Biscuits Company Limited		84.00		19.93		-		19.93
Sunandaram Foods Private Limited		20.00		(13.00)		-		(13.00)
		<b>474,979.10</b>		<b>145,719.30</b>		<b>(2,430.06)</b>		<b>143,289.24</b>

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

(₹ in Lakhs)

65 During the year ended 31 March 2019, no material foreseeable loss (31 March 2018 : Nil) was incurred for any long-term contract including derivative contracts.

**66 Other matters**

Comparative figures have been regrouped / reclassified wherever necessary to conform to current year's presentation.

As per our attached report of even date.  
For **B S R & Co.LLP**  
*Chartered Accountants*  
Firm's Registration No. 101248W/W-100022

**Vijay Mathur**  
*Partner*  
Membership No. 046476

**For and on behalf of the Board of Directors**  
**The Bombay Burmah Trading Corporation, Limited**  
CIN : L99999MH1863PLC000002

**Nusli N. Wadia**  
*Chairman*

**Ness Wadia**  
*Managing Director*

**D. E. Udhwadia**  
*Director*

**Jehangir N. Wadia**  
*Director*

**Dibakar Chatterjee**  
*Chief Executive Officer*

**Dr. Y. S. P. Thorat**  
*Director*

**Gauri Kirloskar**  
*Director*

Place : Mumbai  
Dated : 13 May 2019

**N H Datanwala**  
*Chief Financial Officer*

**Vinesh Kumar Jairath**  
*Director*

**Dr. Minnie Bodhanwala**  
*Director*



**FORM AOC - 1**  
**Statement under Section 129(3) of the Companies Act, 2013, as at 31 March 2019**

**Part A: Subsidiaries**

Sr. No.	Name of Subsidiary	Reporting Currency	Exchange Rate (closing rate)	Exchange Rate (average rate)	Equity Share Capital *	Other equity *	Total Assets (including investments) *	Total Liabilities (excluding shareholders funds) *	Investments (except investment in subsidiaries) *	Turnover (revenue from operations + other income) #	Profit Before Tax #	Provision for Tax #	Profit After Tax #	Proposed Dividend #	% Of Shareholding
1	Afco Industrial & Chemicals Ltd.	₹	1.00	1.00	76.05	(11.13)	110.71	45.79	63.54	1.04	(1.05)	-	(1.05)	-	100.00%
2	DPI Products & Services of India Ltd.	₹	1.00	1.00	20.00	214.43	318.36	83.93	230.78	2.82	(0.19)	-	(0.19)	-	100.00%
3	Sea Wind Investment & Trading Co. Ltd.	₹	1.00	1.00	5.98	210.58	216.89	0.33	156.12	0.27	(0.49)	-	(0.49)	-	100.00%
4	Subham Viniyog Pvt. Ltd.	₹	1.00	1.00	40.00	(18.44)	42.28	20.72	1.36	-	(1.73)	-	(1.73)	-	100.00%
5	Britannia Industries Limited	₹	1.00	1.00	2,403.00	401,542.00	565,297.23	161,352.00	134,677.00	953,610.00	144,520.17	49,730.96	94,789.21	30,037.50	50.65%
6	Boribunder Finance and Investments Private Limited	₹	1.00	1.00	267.10	(143.44)	139.35	15.69	-	4.28	(104.99)	-	(104.99)	-	100.00%
7	Britannia Dairy Private Limited	₹	1.00	1.00	578.00	21,159.00	30,014.00	8,277.00	15,518.00	31,049.00	6,095.00	1,932.00	4,163.00	-	100.00%
8	Britannia Employees' Educational Welfare Association Private Limited	₹	1.00	1.00	17.52	74.07	99.65	8.05	-	3.58	2.07	0.66	1.41	-	0.00%

The Bombay Burmah Trading Corporation, Limited

₹ in Lakhs															
Sr. No.	Name of Subsidiary	Reporting Currency	Exchange Rate (closing rate)	Exchange Rate (average rate)	Equity Share Capital *	Other equity *	Total Assets (including investments) *	Total Liabilities (excluding shareholders funds) *	Investments (except investment in subsidiaries) *	Turnover (revenue from operations + other income) #	Profit Before Tax #	Provision for Tax #	Profit After Tax #	Proposed Dividend #	% Of Shareholding
9	Britannia Employees' General Welfare Association Private Limited	₹	1.00	1.00	17.50 ■	73.70	99.32	8.12	-	3.54	2.73	0.66	2.07	-	0.00%
10	Britannia Employees' Medical Welfare Association Private Limited	₹	1.00	1.00	18.00 ■	70.77	96.73	7.95	0.40	3.47	2.67	0.66	2.01	-	0.00%
11	Daily Bread Gourmet Foods (India) Private Limited	₹	1.00	1.00	3,167.26	(2,796.60)	372.65	1.99	-	55.44	(9.25)	-	(9.25)	-	100.00%
12	Flora Investments Company Private Limited	₹	1.00	1.00	28.43	204.34	250.12	17.35	-	14.49	12.93	3.32	9.61	-	100.00%
13	Ganges Vally Foods Private Limited	₹	1.00	1.00	1,049.40	354.25	1,825.60	421.95	-	1,577.51	(90.81)	(29.62)	(61.19)	-	97.00%
14	Gilt Edge Finance and Investments Private Limited	₹	1.00	1.00	24.98	212.07	254.65	17.60	-	14.93	13.31	3.56	9.75	-	100.00%
15	International Bakery Products Limited	₹	1.00	1.00	145.00	1,461.65	4,685.44	3,078.80	-	4,555.20	382.09	104.90	277.19	-	100.00%
16	J B Mangharam Foods Private Limited	₹	1.00	1.00	45.02	646.63	5,441.11	4,749.46	0.26	23,467.04	222.99	57.16	165.83	-	100.00%

₹ in Lakhs															
Sr. No.	Name of Subsidiary	Reporting Currency	Exchange Rate (closing rate)	Exchange Rate (average rate)	Equity Share Capital *	Other equity *	Total Assets (including investments) *	Total Liabilities (excluding shareholders funds) *	Investments (except investment in subsidiaries) *	Turnover (revenue from operations + other income) #	Profit Before Tax #	Provision for Tax #	Profit After Tax #	Proposed Dividend #	% Of Shareholding
17	Manna Foods Private Limited	₹	1.00	1.00	487.50	686.98	6,131.18	4,956.70	15.09	4,248.43	442.48	93.80	348.68	-	100.00%
18	Sunrise Biscuit Company Private Limited	₹	1.00	1.00	1,419.95	865.78	4,003.20	1,717.47	-	6,042.47	251.97	(107.10)	359.07	-	99.00%
19	Britchip Foods Limited	₹	1.00	1.00	8,500.00	(924.00)	8,597.00	1,021.00	-	356.00	(1,140.00)	(296.00)	(844.00)	-	60.00%
20	Britannia Nepal Private Limited	NPR	0.62	0.62	5,474.34	(36.79)	6,039.22	601.67	-	21.96	(41.94)	(8.39)	(33.55)	-	100.00%
21	Al Sallan Food International Co. SAOC	OMR	179.60	181.50	3,591.90	(7,490.57)	5,255.27	9,153.94	-	15,762.66	(123.01)	-	(123.01)	-	65.00%
22	Strategic Food International Co. LLC, Dubai	AED	18.83	19.03	3,672.24	1,199.20	16,985.65	12,114.21	-	35,509.63	(632.74)	-	(632.74)	-	100.00%
23	Britannia and Associates (Dubai) Private Company Limited, Dubai	USD	69.18	69.91	0.19	(1,907.41)	23,058.82	24,966.04	-	475.79	54.23	-	54.23	-	100.00%
24	Britannia and Associates (Mauritius) Private Limited, Mauritius	USD	69.18	69.91	16,860.61	418.35	24,911.80	7,632.84	-	388.69	123.06	3.69	119.37	-	100.00%
25	Britannia Dairy Holdings Private Limited, Mauritius ##	USD	69.18	69.91	5,128.31	(3,564.33)	1,584.75	20.77	-	-	(270.36)	-	(270.36)	-	100.00%

The Bombay Burmah Trading Corporation, Limited

₹ in Lakhs															
Sr. No.	Name of Subsidiary	Reporting Currency	Exchange Rate (closing rate)	Exchange Rate (average rate)	Equity Share Capital *	Other equity *	Total Assets (including investments) *	Total Liabilities (excluding shareholders funds) *	Investments (except investment in subsidiaries) *	Turnover (revenue from operations + other income) #	Profit Before Tax #	Provision for Tax #	Profit After Tax #	Proposed Dividend #	% Of Shareholding
26	Strategic Brands Holding Company Limited, Dubai #	USD	69.18	69.91	0.19	(3.78)	0.47	4.06	-	78.38	73.27	-	73.27	-	100.00%
27	Vasna Agrex and Herbs Private Limited	₹	1.00	1.00	1.00	(1,055.96)	0.67	1,055.64	-	-	(0.37)	-	(0.37)	-	100.00%
28	Snacko Bisc Private Limited	₹	1.00	1.00	2,552.08	(4,203.55)	2.41	1,653.89	-	-	(0.30)	-	(0.30)	-	100.00%
29	Leila Lands Senderian Berhad	RM	16.97	16.88	7,995.87	8,251.02	16,248.40	1.51	-	189.20	693.58	-	693.58	-	100.00%
30	Island Horti-Tech Holding Pte. Ltd.	SGD	51.16	50.34	1,023.28	6,276.42	9,038.32	1,738.61	-	302.31	409.77	28.19	381.58	-	100.00%
31	Leila Lands Ltd.	USD	69.17	67.11	0.14	96,249.19	178,265.49	82,016.16	-	14,159.72	12,757.49	-	12,757.49	-	100.00%
32	Naira Holdings Ltd.	USD	69.17	67.11	691.71	29,055.30	52,502.89	22,755.87	-	199.44	(1,286.31)	-	(1,286.31)	-	100.00%
33	Island Landscape & Nursery Pte. Ltd.	SGD	51.16	50.34	1,125.61	3,760.65	6,560.94	1,674.68	-	6,374.09	452.88	64.86	388.02	-	100.00%
34	Restpoint Investments Ltd.	USD	69.17	67.11	0.91	4,659.93	4,661.73	0.89	-	-	(6.14)	-	(6.14)	-	100.00%
35	Innovative Organics Inc.	USD	69.17	67.11	1,643.03	2,649.00	4,292.03	-	-	-	(0.10)	-	(0.10)	-	58.80%
36	Granum Inc.	USD	69.17	67.11	4,290.38	(1,086.21)	4,178.71	974.54	-	6,253.68	49.76	12.60	37.16	-	58.80%
37	ABI Holdings Limited	GBP	90.48	91.39	4,519.97	17,297.19	24,154.63	2,337.47	-	15,811.96	15,895.09	-	15,895.09	15,900.36	100.00%

(₹ in Lakhs)

Sr. No.	Name of Subsidiary	Reporting Currency	Exchange Rate (closing rate)	Exchange Rate (average rate)	Equity Share Capital *	Other equity *	Total Assets (including investments) *	Total Liabilities (excluding shareholders funds) *	Investments (except investment in subsidiaries) *	Turnover (revenue from operations + other income) #	Profit Before Tax #	Provision for Tax #	Profit After Tax #	Proposed Dividend #	% Of Shareholding
38	Associated Biscuits International Ltd.	GBP	90.48	91.39	1,447.61	(1,882.13)	6,475.44	6,909.96	-	15,762.32	12,909.82	-	12,909.82	15,811.96	100.00%
39	Britannia Brands Limited	GBP	90.48	91.39	0.0027	7,004.11	7,913.13	909.02	-	7,950.18	7,945.74	-	7,945.74	7,950.18	100.00%
40	Dowbiggin Enterprises Pte. Limited	SGD	51.16	50.34	251.52	86,826.26	87,195.73	117.95	-	350.41	255.64	13.20	242.44	345.46	100.00%
41	Nacupa Enterprises Pte. Limited	SGD	51.16	50.34	251.53	86,818.24	87,188.91	119.15	-	350.41	256.32	13.19	243.13	345.46	100.00%
42	Spargo Enterprises Pte. Limited	SGD	51.16	50.34	251.59	86,808.34	87,171.53	111.60	-	350.40	255.50	13.20	242.30	345.46	100.00%
43	Valletort Enterprises Pte. Limited	SGD	51.16	50.34	251.60	86,822.10	87,157.07	83.36	-	350.40	253.43	-	253.43	345.46	100.00%
44	Bannatyne Enterprises Pte. Limited	SGD	51.16	50.34	243.34	86,603.08	86,988.54	142.11	-	350.17	250.94	13.19	237.76	345.46	100.00%
45	Baymanco Investments Limited	USD	69.17	67.11	0.69	777.38	35,819.22	35,041.14	-	456.25	444.64	-	444.64	-	100.00%

■ Represents Contribution

\* Converted using closing exchange rate.

# Converted using average exchange rate.

## Consolidated based on unaudited accounts.

Part B: Associates

Sr. No.	Name of Associates / Joint Ventures	Latest Audited Balance Sheet Date	Shares of Associates held by the Corporation at Year End				Networth attributable to Shareholding as per latest audited Balance Sheet	Profit / Loss For The Year		Description of how there is significant influence	Reason why the associate/ joint venture is not consolidated
			Share Type	Nos.	Amount of Investment in Associates/ JV (₹)	Holding (%)		Considered in Consolidation	Not Considered in Consolidation		
1	Lima Investment And Trading Company Private Limited	31 March 2019	Equity	4,999	4.99	50.00%	7.01	(0.25)	(0.24)	Associate	N.A.
2	Roshnara Investment And Trading Company Private Limited	31 March 2019	Equity	4,999	4.99	50.00%	6.59	(0.38)	(0.38)	Associate	N.A.
3	Cincinnati Investment And Trading Company Private Limited	31 March 2019	Equity	4,999	4.99	50.00%	6.81	(0.35)	(0.35)	Associate	N.A.
4	Lotus Vinayog Private Limited	31 March 2019	Equity	244,491	24.45	50.00%	7.01	(0.25)	(0.24)	Associate	N.A.
5	Shadhak Investments And Trading Private Limited *	31 March 2019	Equity	49,990	4.99	50.00%	6.89	(0.20)	(0.19)	Associate	N.A.
6	MSIL Investments Private Limited *	31 March 2019	Equity	4,999	4.99	50.00%	6.71	(0.32)	(0.32)	Associate	N.A.
7	Medical Microtechnology Limited *	31 March 2019	Equity	75,000	7.50	50.00%	-	-	-	Associate	Insignificant
8	Harvard Plantations Limited *	31 March 2019	Equity	4,751	4.75	50.00%	3.18	(0.18)	(0.17)	Associate	N.A.
9	Placid Plantations Limited *	31 March 2019	Equity	4,751	4.75	50.00%	3.13	(0.19)	(0.19)	Associate	N.A.
10	The Bombay Dyeing and Manufacturing Company Limited*	31 March 2019	Equity	81,927,273	56,839.58	39.67%	203,763.48	43,745.29	66,541.31	Associate	N.A.
11	Klassik Foods Private Limited	31 March 2019	Equity	3,390	31.98	26.02%	-	(103.81)	(291.29)	Voting Power	N.A.
12	Nalanda Biscuits Company Limited	31 March 2019	Equity	87,500	28.08	35.00%	241.34	19.60	36.40	Voting Power	N.A.
13	Sundaram Foods Private Limited	31 March 2019	Equity	459,800	1,450.00	26.00%	76.90	(13.00)	(37.00)	Voting Power	N.A.

\* Through wholly owned subsidiary

**10 YEARS' FINANCIAL REVIEW**

(₹ in Lakhs)

	2018-19 <sup>#</sup>	2017-18 <sup>#</sup>	2016-17 <sup>#</sup>	2015-16 <sup>#</sup>	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
<b>FINANCIAL POSITION</b>										
Share capital	<b>1,396.27</b>	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	<b>24,306.10</b>	27,689.92	31,317.66	26,054.00	24,398.65	25,198.69	25,459.42	25,572.97	12,983.60	6,479.00
Networth	<b>25,702.37</b>	29,086.19	32,713.93	27,450.27	25,794.92	26,594.96	26,855.69	26,969.24	14,379.87	7,875.27
Gross block	<b>14,457.04</b>	13,424.30	13,289.19	12,520.00	21,518.00	19,427.00	17,907.00	11,233.00	19,817.00	18,083.00
Net block	<b>11,771.81</b>	11,363.14	11,679.80	11,715.00	11,213.00	10,987.00	10,446.00	5,698.00	11,104.00	10,325.00
Investments	<b>28,727.63</b>	28,712.87	28,728.26	20,919.00	16,546.00	16,553.00	16,549.00	11,183.00	10,677.00	10,673.00
Total assets	<b>72,581.09</b>	69,852.53	70,650.70	65,011.27	67,359.05	51,337.93	50,114.72	47,169.07	49,174.53	41,736.10
Total liabilities	<b>46,878.72</b>	40,766.34	37,936.77	37,561.00	41,564.13	24,742.97	23,259.03	20,199.83	34,794.66	33,860.83
<b>OPERATING RESULTS</b>										
Total income	<b>27,678.09</b>	24,725.18	31,852.04	27,559.00	28,245.00	29,914.00	28,056.00	45,305.00	41,775.00	32,054.00
Total expenses	<b>29,544.91</b>	27,817.05	32,208.18	30,775.00	27,242.00	29,191.00	25,518.00	27,649.00	32,170.00	30,827.00
Profit / (loss) before tax	<b>(1,866.82)</b>	(3,091.87)	(356.14)	(3,216.00)	1,003.00	723.00	2,538.00	17,656.00	9,605.00	1,227.00
Taxation	<b>102.82</b>	(508.82)	(35.65)	55.00	300.00	210.00	645.00	4,007.00	1,951.00	(139.00)
Profit / (loss) after tax	<b>(1,969.64)</b>	(2,583.05)	(320.49)	(3,271.00)	703.00	513.00	1,893.00	13,649.00	7,654.00	1,366.00
<b>Dividend (\$)</b>	<b>841.14</b>	840.92	840.92	840.92	698.00	816.00	2,449.00	1,135.00	1,135.00	570.00
<b>Dividend %</b>	<b>50%</b>	50%	50%	50%	50%	50%	150%	70%	70%	35%
<b>Book Value (*)</b>	<b>36.84</b>	41.69	46.89	39.34	36.97	38.12	38.49	193.27	103.05	56.44

\$ includes dividend tax

# from the year 2015-16 onwards figures are provided under IndAS

\* from the year 2012-13 onwards, book values are computed based on face value of ₹ 2 per share post sub-division of shares from ₹ 10 per share to ₹ 2 per share from November 2012

Figures of previous years are regrouped wherever necessary

# The Bombay Burmah Trading Corporation, Limited

Route Map to the Venue of the 154<sup>th</sup> Annual General Meeting

**Venue:** Y. B. Chavan Auditorium, General Jagannath Bhosale Marg, Mumbai 400 021.

**Landmark:** Next to Sachivalay Gymkhana







# The Bombay Burmah Trading Corporation, Limited

[CIN: L99999MH1863PLC000002]

Regd. Office : 9, Wallace Street, Fort, Post Box No. 10077 Mumbai 400 001, India.

Tel. Nos.: +91 22 2219 7101 Fax :0091-22- 2207 1612 / 6772

• Email: writetous@bbtcl.com • Website: www.bbtcl.com

## **PROXY FORM**

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

Name of the member(s)	:	
Registered address	:	
E-mail ID	:	
Folio No./Client ID	:	
DP ID	:	

I/We, being the member(s) holding \_\_\_\_\_ shares of above named company, hereby appoint:

1. Name: ..... Email id : .....

Address : .....

.....

or failing him/ her

Signature

2. Name: ..... Email id : .....

Address : .....

.....

or failing him/ her

Signature

3. Name: ..... Email id : .....

Address : .....

.....

Signature

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 154<sup>th</sup> Annual General Meeting of the Corporation, to be held on Monday, the 12<sup>th</sup> day of August 2019, at 3.45 p.m. at Y B Chavan Auditorium, General Jagannath Bhosale Marg, Mumbai - 400021 and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No.	Description	FOR	AGAINST
<b>Ordinary Business</b>			
1	To receive, consider and adopt:  (a) the audited Financial Statements of the Corporation for the Financial Year ended 31 March 2019 together with the Reports of the Board of Directors and Auditors thereon; and  (b) the audited Consolidated Financial Statements of the Corporation for the Financial Year ended 31 March 2019 together with the Report of the Auditors thereon.		
2	Declaration of dividend on equity shares for the financial year ended 31 March 2019.		
3	Re-appointment of Dr.(Mrs.) Minnie Bodhanwala [DIN:00422067] as a Director, who retires by rotation and, being eligible, offers herself for re-appointment.		
4	Re-appointment of Statutory Auditors.		
5	Appointment of Branch Auditors.		
<b>Special Business</b>			
6	Ratification of the remuneration payable to the Cost Auditors of the Corporation for the Financial Year ending 31 March 2020.		
7	Approval for remuneration paid to Mr. Ness Wadia, Managing Director, for each of the financial years i.e. 2016-17, 2017-18 and 2018-19 pursuant to the amended Section 197 of the Companies Act, 2013.		
8	Approval for remuneration payable to Mr. Ness Wadia, Managing Director, for the remaining period of his tenure, i.e. 1 April 2019 upto 31 March 2021.		
9	Appointment of Dr. Y. S. P. Thorat (DIN: 00135258) as the Non-Executive Independent Director of the Corporation.		
10	Appointment of Mr. Vinesh Kumar Jairath (DIN: 00391684) as the Non-Executive Independent Director of the Corporation.		
11	Appointment of Mrs. Gauri Kirloskar (DIN: 03366274) as the Non-Executive Independent Director of the Corporation.		

Signed this .....day of .....2019

\_\_\_\_\_  
Signature of member

\_\_\_\_\_  
Signature of Proxyholder(s)

Affix  
Revenue  
stamp

**Note:**

This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



THE WADIA GROUP



**Bombay Burmah**

SINCE 1863



SINCE 1918



BOMBAY DYEING

SINCE 1879



SINCE 2011



SINCE 2005



SINCE 1954



- 1736 -  
THE WADIA GROUP

The Group has scaled great heights in innovation and entrepreneurship, inspired by the centuries-old legacy of goodwill and trust. The British Coat of Arms, granted to Nowrosjee Wadia, symbolises this legacy and the Wadia Group's commitment to advancement and innovation.

The crest is a representation of the Group, its philosophy, beliefs and businesses.

The crest and base of the shield represent the family origins in the shipbuilding industry during the 1700s. The middle and upper parts of the shield depict the Group's interest in cotton growing and its links with England in the form of the Lancastrian rose. The hand holding the hammer atop the shield signifies industriousness, together with workmanship and skill. The sun that surrounds the hand stands for global recognition and merit.

The moto, IN DEO FIDE ET PERSEVERANTIA means 'Trust in God and Perseverance'.

<http://www.wadiagroup.com/>