

Bombay Burmah Trading Corp. Ltd.

CMP : Rs. 1,115
A GEM FROM THE HOUSE OF WADIA'S...

Nifty	11,407
Sensex	37,930
Nifty PE	28.4
Sensex PE	27.8

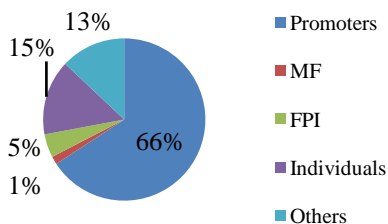
Stock Data

Sector	Holding Company
BSE Code	501425
NSE Code	BBTC
FV (Rs.)	2
Market Cap (INR Cr.)	7,779
Market Cap (US\$ Mn.)	1,111
Equity Cap (INR Cr.)	13.95

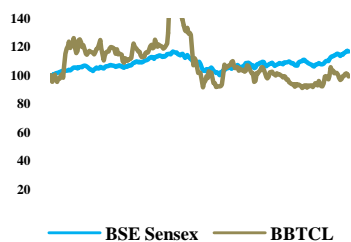
Stock Performance (%)

52-week Low / High Rs. 2,114 / 1,115

Shareholding Pattern (%) as on 31st March, 2019



Sensex & Stock Movement


17TH MAY, 2019

➤ **The Bombay Burmah Trading Corp. Ltd. (BBTCL)** is a part of the prestigious **“WADIA Group”** with a legacy of more than **One and Half Centuries**, having business interests in **Plantations, Foods, Laminates, Electronics and Light engineering, Health care, Real Estate and Horticulture** and is the **HOLDING COMPANY** of the Group.

➤ After immense success in the business of **Teak**, BBTCL diversified its interests in **Tea, Coffee, Dental Products and Formica Laminates**, the Company owns large **Tea, Coffee and Rubber plantations**, the controlling holding in the group listed arms **Britannia Industries** and substantial holdings in the **Flagship Bombay Dyeing & Manufacturing Company**.

➤ BBTCL through its step down subsidiaries holds **50.65%** in the **Biscuit Major - Britannia Industries**, a BSE and NSE listed Company with a Market Capitalization of Rs. 66,760 Crs.

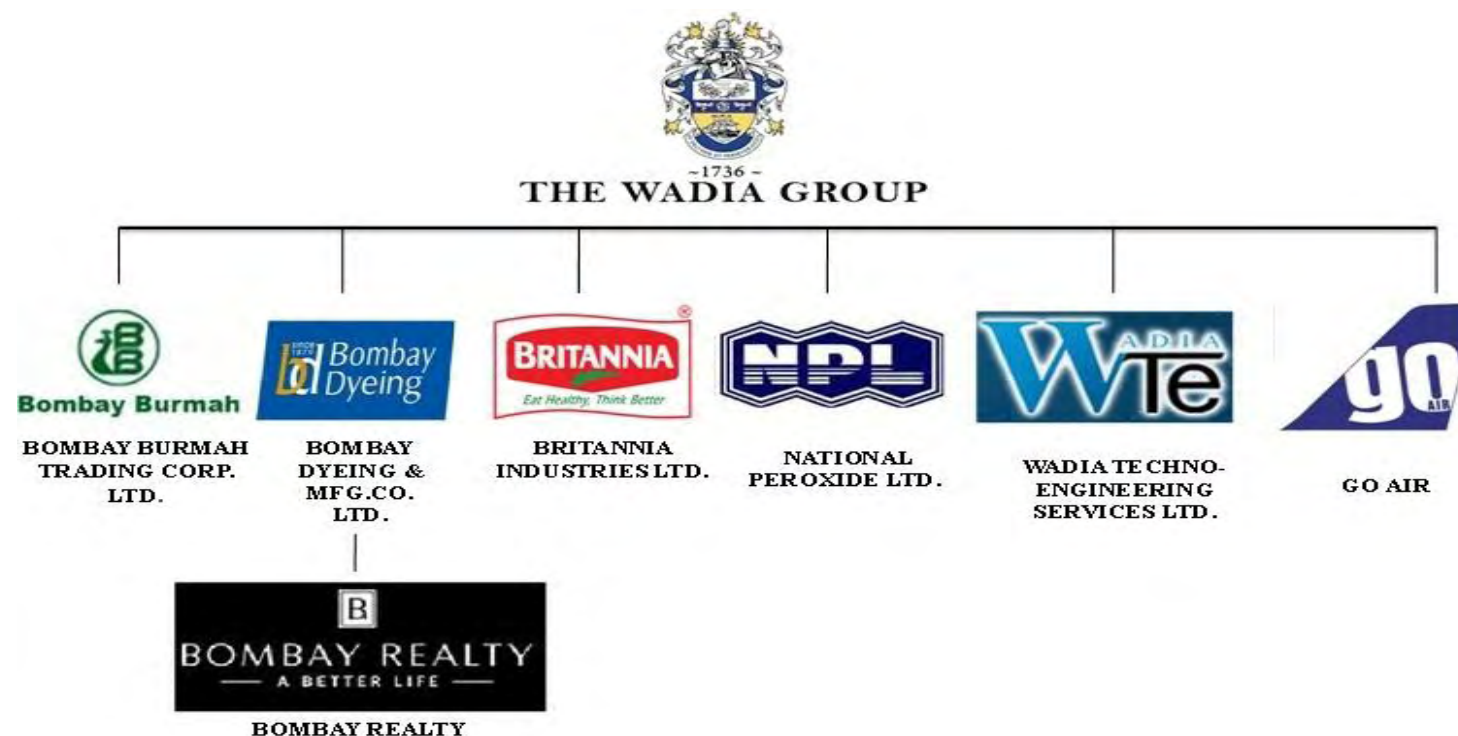
➤ BBTCL which has a tiny **Equity Share Capital of Rs. 13.95 Crs.** (Face Value Rs. 2) holds huge treasure in terms of **Wadia Group Shares** with an aggregated Market Capitalization of around Rs. 69,000 Crs. – ***THE MARKET VALUE OF BBTCL HOLDING AT A WHOPPING RS. 34,722 CRS.***

BBTCL intrinsic value of shares is pegged at Rs. 4,977 per share as against its CMP of only Rs. 1,115 per share... ***AN INCREDIBLE DISCOUNT OF OVER 77%.***

What it means is that you can indirectly buy **Britannia Industries** and **Bombay Dyeing and Manufacturing Company** shares which are currently quoting at Rs. 2,778 and Rs. 110 per Share respectively at a price of Rs. 623 per share and Rs. 25 per share respectively... ***AN UNBELIEVABLE DEAL.***

We strongly recommend the investment in shares of BBTCL at a CMP of Rs. 1,115, with a potential to double over next 18 months.

I. WADIA GROUP – A GLORIOUS PARENTAGE



- **Wadia Group** founded by **Lovji Nusserwanjee Wadia** in **1736** is **One of the Oldest Conglomerate in India**. **Wadia Group** with over **280 years** at the forefront of **Industry in India** is today broadly diversified in several growth industries that covers Textiles, Chemicals, Plantations, Foods, Electronics, Light engineering, Health, Laminates, Real estate and Consultancy. Consistently, the **group companies have emerged as market leaders in the field** they have entered and over the years the group has developed an **enviable record of successfully managing diverse technologies**.
- **The Group** has come to be known for its **Sound and Prudent Financial track record**. Building **Strong Fundamentals** forms the **basis of Growth** in each company, making them top pick of Indian bourses. Two of the Group's publicly listed Companies - **Bombay Dyeing & Manufacturing Company Ltd** and **Bombay Burmah Trading Corp. Ltd** have consistently rewarded its shareholders with **consistent dividend payouts** for over a hundred years, despite several recession in the Industry.
- **BBTCL**, the **Leading Wadia Group Company** is the **Second Oldest Publicly Listed Company in India** Listed in 1863 followed by **Britannia Industries Ltd.** which is the **Fifth Oldest Company to List in India** in 1892.
- **Wadia Group** through its **Flagship Company Bombay Dyeing & Manufacturing Company Ltd.** is carving a niche in the **Realty Sector** with rapid expansion plans. **Wadia Group** has access to over **10,000 acres** of **historically acquired land** at **rock bottom prices** belonging to **Britannia Industries Ltd.**, **National Peroxide Ltd.**, **Bombay Burmah Trading Corp. Ltd.**, **Bombay Dyeing & Manufacturing Company** and the **Wadia Trust**. Even if one excludes the agricultural land belonging to **Bombay Burmah Trading Corp. Ltd.**, a mammoth land bank available with the Group at some of the **Premium and affluent locations** across **Mumbai, Thane, Bengaluru** and other cities.

II. BBTCL – THE COMPANY PROFILE

- **BBTCL is One of the Oldest Company of Pre - Independence Era**, still flourishing with its core values, ethics and above all, **the competency in trade**. After **immense success in the business of teak**, the company has **diversified its interests in Tea, Coffee and Dental Products**.
- **The 150 years old BBTCL** entered the plantation business in 1913. Today its **plantations in the hills** of South India **cover 2,822 hectares under tea plantations** (around 7,000 acres). These plantations are located in prime plantation areas, producing around **5 Million Kgs of Tea annually**. **BBTCL hold the distinction of being amongst most eminent and reputed manufacturers and exporters of naturally grown “ Organic Tea”**. The **Organic Tea** which is manufactured at their **Oothu Facility** is appreciated across the globe and is also certified by **‘The Institut Für Marktökologie, Switzerland’** (accredited to EEC and associate members of the International Federation of Organic Agriculture Movements).
- **BBTCL’s group of eight estates** are situated in the district of **'Kodagu' (Coorg) in Karnataka State**, South India covering an area of approximately 4,105 sq.kms. (1585 sq. miles) covering Coffee and Pepper plantations.

III. BBTCL – TREASURE OF INVESTMENTS AND VALUE PROPOSITION

Investments	No. of Shares	CMP (Rs.) As on 17 th May, 2019	Current Value of Investment (Rs. in Crs.)
I) Direct Quoted Investment			
BBTCL holding in Bombay Dyeing & Manufacturing Company Ltd.	3,15,50,713	110	347
BBTCL holding in Bombay Dyeing & Manufacturing Company Ltd. via Subsidiaries	5,04,48,905	110	555
BBTCL holding in Citurgia Biochemicals Ltd.	4,704	156	0
TOTAL (I)			902
Value per Share (I)			129.3
II) Indirect Quoted Investment			
Britannia Industries Ltd. through Leila Lands and its Subsidiaries	12,17,32,190	2,778	33,817
TOTAL (II)			33,817
Value per Share (II)			4,847.0
III) Direct Unquoted Investments			
TOTAL (III)			3
Value per Share (III)			0.4
TOTAL INVESTMENTS (I + II + III)			34,722
INTRINSIC VALUE PER SHARE (I + II + III)			4,977
CMP OF BBTCL			1,115
HOLDING COMPANY DISCOUNT			77.6%

Note: We have not taken into computation the value of the landed properties like residential flats, commercial properties, Tea & Coffee plantations, Rubber Plantations held by the Company which has a substantial Value.

IV. BBTCL – PEER ANALYSIS AT A GLANCE (as on 17th May, 2019)

Particulars	Tata Investment Corp. Ltd.	JSW Holdings Ltd.	Bajaj Holdings & Investment Ltd.	Maharashtra Scooters Ltd.	BBTCL
The Value of Shareholdings in the Group and others	Rs. 9,141 Crs.	Rs. 5,065 Crs.	Rs. 86,435 Crs.	Rs. 12,571 Crs.	Rs. 34,722 Crs.
Intrinsic Value per Share	Rs. 1,807	Rs. 4,563	Rs. 7,767	Rs. 11,027	Rs. 4,977
CMP	Rs. 861	Rs. 2,899	Rs. 3,275	Rs. 3,951	Rs. 1,115
Discount to the CMP	52.3%	36.5%	57.8%	64.2%	77.6%
Market Capitalization	Rs. 4,356 Crs.	Rs. 3,218 Crs.	Rs. 36,447 Crs.	Rs. 4,504 Crs.	Rs. 7,779

V. BBTCL – RECOMMENDATION AND VALUATION

SCENARIO ANALYSIS THE BOMBAY BURMAH TRADING CORPORATION LTD.	
DISCOUNT RATE	MARKET PRICE PER SHARE
75%	1,244
70%	1,493
65%	1,742
60%	1,991
55%	2,240
50%	2,489
45%	2,737
40%	2,986
35%	3,235
30%	3,484
25%	3,733
20%	3,982
15%	4,230
10%	4,479
5%	4,728
0%	4,977

We strongly recommend the investment in shares of BBTCL – A GEM FROM THE HOUSE OF WADIA'S, at a CMP of Rs. 1,115, with a potential to double over next 18 months.

- As can be seen from the above table, one can observe that the holding companies shares are valued normally at a discount to their actual values and the discount ranges from 40% - 50%.

Compared to the peers **BBTCL is valued at a steep discount of 77.6% hinting that there is a deep embedded value in the shares waiting to be unlocked.** This is particularly true due to the fact that the underlying investment in **Britannia Industries and Bombay Dyeing and Mfg Co** has a tremendous potential for further appreciation and the values will soar further in the times to come.

- **Britannia Industries and Bombay Dyeing and Mfg Co**, both have a very strong quality of assets and we expect the stocks to get upgraded in coming time. The Investment Valuations of both the Companies remain robust and we strongly believe there is a huge possibility of value unlocking and huge wealth creation for the Investors.
- In the adjoining table we have shown as the discount rate for **BBTCL** goes down from **current 77.6%**, there will be appreciation in the price of the Shares
- Promoters of **BBTCL** already holds almost 66% on a tiny Equity Share Capital of Rs. 13.95 Crs. and there is a very low value of the floating stock. This gives all the more opportunity for a strong rise in the Share price.
- We believe, by all counts **BBTCL** is a **highly attractive Investment Opportunity** and a must for all portfolios.

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