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CIN: L99999MH1863PLC000002



THE BOMBAY BURMAH TRADING CORPORATION, LIMITED

REGD. OFFICE : 9, WALLACE STREET, FORT,
MUMBAI 400 001, INDIA.

26th May, 2023

The Secretary
BSE Ltd.,
Phiroze Jeejeebhoy Towers,
Dalal Street,
MUMBAI 400 001.
Scrip Code: 501425

The Manager – Listing Department,
National Stock Exchange of India Ltd.,
Exchange Plaza, 5th Floor,
Plot No.C/1, 'G' Block,
Bandra-Kurla Complex,
Bandra (E),
MUMBAI 400 051.
Scrip Code: BBTC

Dear Sirs,

Sub: Intimation pursuant to Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 - Press Release

Pursuant to Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Press Release.

The Copy of same will also be uploaded on the Company's Website www.bbtcl.com

Thanking You,

Yours faithfully,
For The Bombay Burmah Trading Corporation, Limited

N. H. Datanwala
Chief Financial Officer

Encl: As above

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PRESS RELEASE

Bombay Burmah Trading Corporation Limited (BBTCL) reported Consolidated total income of Rs. 17,079 Crores and Net Loss of Rs. 533 Crores for the year ended March 31, 2023. The Reported loss is, after making a provision of Rs. 1,865.66 Crores in respect of its investments made in Go Airlines (GoAir) and other related financial obligations (excluding share of loss in Go Air during the year), pursuant to an application filed by Go Air before the National Company Law Tribunal (NCLT) under section 10 of the Insolvency and Bankruptcy Code (IBC).

BBTCL, as an Investment Company, has, over the years made several investments across diverse businesses and geographies, to further its shareholders' value. These investments have been strategic in nature with a long-term perspective such as investment in North Borneo Timber in which an investment of Rs. 23 Lakhs was originally made and was sold later for Rs. 167 Crores. Similarly, an investment of Rs. 2 Lakhs was made in PT Indo Java, Indonesia which was later divested at a profit of approximately Rs. 66 Crores. Further, BBTCL made a total investment of Rs. 951 Crores (in tranches between 1990 and 2010) for its equity stake in Britannia Industries Limited. The market value of this investment currently stands at approximately Rs. 55,000 Crores which is a 57-fold increase of the investment value. During the Financial Year 2022-23 itself, the investment value grew by approximately Rs. 13,000 Crores.

BBTCL identified airline business as a potential growth area particularly in the low-cost segment, given the rising personal income and the preference for time saving airline travel in a large country like India and therefore has been making investments in GoAir since 2005. The airline performance was at par with its competitors for several years till the onset of Covid. Even in FY 2021-22, the financial performance indicators of Go Air were better than that of its peers.

As part of its growth and expansion, GoAir opted to purchase 72 Airbus aircrafts powered by Pratt & Whitney (P&W) New Engine which promised substantial fuel saving and reliability. Unfortunately, the engines supplied were not upto the required standards, warranting substantial maintenance and leading to grounding of aircrafts. Recognizing this, P&W (subsidiary of the well-known Raytheon Corporation of US), provided the required services including compensation for the grounded aircrafts upto March 2020. However, they failed to provide spare engines and wrongly demanded substantial payments for the repair of the defective engines, thereafter. This resulted in 31% to 57% of GoAir fleet being grounded between 2020 and 2023, adversely impacting the financial position of GoAir. As a consequence of this, the revenue of Go Air shrank to 50% levels while the costs of the company remained at 100% levels.

Aggrieved by P&W's inaction, Go Air moved International Emergency Arbitration in Singapore, demanding delivery of spare (replacement) engines, repair of engines and compensation for the grounded aircrafts. The International Emergency Arbitrator passed an Award on 30th March 2023, whereby P&W was ordered to supply 10 engines to Go Air with immediate effect within 28 days from the Award and 10 engines per month until December 2023, making the entire fleet airworthy. In addition P&W was also mandated to induct 20 engines lying with its Maintenance Repair & Overhaul (MRO) immediately and also pick up 44

failed engines lying in India and induct into MRO immediately. P&W has not honoured the Award, resulting into reduction in Go Air's operational fleet to 26 aircraft while having to manage the full costs of 54 aircraft. Go Air further approached the Emergency Arbitrator vide a supplementary application and under the Supplementary Award the Emergency Arbitrator reconfirmed the Award. Given P&W has not honoured the Singapore International Arbitration Centre (SIAC) arbitration award, Go Air has filed for enforcement proceedings in Delaware, US on April 28, 2023.

Go Air, with a fast-deteriorating financial situation on account of more than 50% of its fleet on ground and P&W's refusal to provide the engines as per both international emergency arbitration awards, which was further compounded by the pressure from the lessors demanding recovery of their aircrafts, was left with no option but to file an application under section 10 of Insolvency and Bankruptcy Code, 2016 for initiation of corporate insolvency resolution process before the NCLT. The NCLT admitted the application and appointed an Interim Resolution Professional (IRP) with specific directive to take all steps to ensure execution of the Award and to ensure that Go Air is kept as "a going concern" and running its operations/services smoothly.

The NCLT's order was challenged before NCLAT by some of the lessors and NCLAT has upheld the order of NCLT on 22nd May 2023.

The IRP appointed by NCLT alongwith the CEO and the management are taking every possible step to revive the airline operations to meet its commitment to various stakeholders. The outcome will, of course, depend on delivery of engines by P&W, cooperation of lessors and the support of Ministry of Civil Aviation, Airports and Banks.

Despite these developments, BBTCCL, as a matter of abundant caution and prudence, has fully provided for its total exposure in GoAir, except for the investment of Rs. 290 Cr made, post the reporting period, in line with the provisions of Ind AS with respect to Events after the Reporting Period.