

# BOMBAY SWADESHI STORES LIMITED

MD	✓		BKC	✓
CS	MD		DPY	MD
RO	✓		DIV	MD
TRA	✓		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		



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**91ST ANNUAL REPORT**  
**1996-97**

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## BOMBAY SWADESHI STORES LIMITED

### BOARD OF DIRECTORS

MR. MILAN B. DALAL —Chairman  
 MR. ASIM DALAL —Managing Director  
 MR. R.G. KAPADIA  
 MR. S.K. VIDWANS  
 MR. C.N. KANABAR  
 MR. PRATUL N. DALAL

### PRESIDENT

MR. VISHAL KAPOOR

### AUDITORS

M/s. M.D. PANDYA & ASSOCIATES

### BANKERS

NEW INDIA CO-OPERATIVE BANK LTD.  
 SYNDICATE BANK

### REGISTERED OFFICE

Western India House,  
 Sir Pherozeshah Mehta Road,  
 Fort, Mumbai 400 001.

### BRANCHES

PUNE, M. G. Road  
 PUNE, J. M. Road  
 SECUNDERABAD  
 BORIVALI, Mumbai  
 MUMBAI, Air Port ("Kiosk")

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



## NOTICE

NOTICE is hereby given that the **NINETY-FIRST ANNUAL GENERAL MEETING** of the Members of **BOMBAY SWADESHI STORES LIMITED** will be held on Saturday, December 27, 1997 at 10.00 a.m. at M.C.Ghia Hall, 2nd floor, Bhogilal Hargovindas Building, 18/20, Kaikushru Dubash Marg, Mumbai 400 023, to transact the following business :

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 30th June, 1997 and the Profit & Loss Account of the Company for the year ended on that date along with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sanjay K. Vidwans who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Mr. Rajesh G. Kapadia who retires by rotation and is eligible for re-appointment.
4. To appoint Auditors and to fix their remuneration.

### SPECIAL BUSINESS :

5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution.

"RESOLVED THAT pursuant to Section 94 and other applicable provisions, if any, of the Companies Act, 1956, the Authorised Share Capital of the Company be and is hereby increased to Rs.5.00 crores by the creation of 20,00,000 (Twenty Lacs) new equity shares of Rs.10/- (Rupees Ten Only) each and 20,00,000 (Twenty Lacs) preference shares of Rs.10/- (Rupees Ten Only) each."

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution.

"RESOLVED THAT pursuant to Section 16 and other applicable provisions, if any, of the Companies Act, 1956, Clause V of the Memorandum of Association of the Company be and is hereby altered by substituting the following clause in place and stead thereof."

"The Authorised Share Capital of the Company is Rs.5,00,00,000/- (Rupees Five Crores Only) divided into 30,00,000 (Thirty lacs) equity shares of Rs.10/- (Rupees Ten Only) each and 20,00,000 (Twenty lacs) preference shares of Rs.10/- (Rupees Ten Only) each. The Company has power, from time to time, to increase or reduce its capital and to divide the shares in the capital for the time being into other classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions or restrictions, as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such right, privilege, condition or restriction in such manner as may for the time being be permitted by the Articles of Association of the Company or the legislative provisions for the time being in force in that behalf."

7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution.

"RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be and are hereby altered and amended by substituting the existing Article 5 by the following."

Capital 'The Authorised Capital of the Company is Rs.5,00,00,000/- (Rupees Five Crores Only) divided into 30,00,000 (Thirty lacs) equity shares of Rs.10/- (Rupees Ten Only) each and 20,00,000 (Twenty lacs) preference shares of Rs.10/- (Rupees Ten Only) each.'

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

"RESOLVED THAT pursuant to the provisions of Section 81 of the Companies Act, 1956, other applicable provisions of the Act, the enabling provisions in the Memorandum and Articles of Association of the Company, and the Listing Agreement entered into with the Stock Exchange, Mumbai, and subject to the approval of the Securities and Exchange Board of India (SEBI) and/or such other authorities, and such other approvals as may be required and subject to the guidelines that are in force or to be issued from time to time by SEBI or any other applicable authority and subject to such condition(s) and modification(s) as may be prescribed or imposed in granting such approvals and as may be agreed by the Board of Directors (hereinafter referred to as the Board) or any duly constituted Committee thereof, exercising the powers in the same manner as the Board, consent of the Company be and is hereby accorded to the Board/ Committee to offer, issue and allot Preference Shares of the face value of Rs.10/- each for an aggregate amount not exceeding Rs.200.00 lacs, including such premium as may be fixed on the same; to the Shareholders, Directors, their relatives and associates, associate Companies and other interested party/parties, either in full or in part and either to all or any of them and where in full or in part, whether shareholders of the Company or not, by way of allotment, at such time as the Board/ Committee may deem appropriate and at such price(s) and on such terms and condition(s) that the Board/ Committee may consider appropriate in its absolute discretion and in the best interest of the Company, subject to the condition that the price at which the said preferential shares are to be issued shall not be less than Rs.10/- per preferential share.

FURTHER RESOLVED THAT the Board/Committee be and is hereby authorised to accept at its absolute discretion such other condition(s) and modification(s) in the terms of the issue as may be stipulated by SEBI or such other

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authorities, while according their sanction or consent to the proposed issue, and take consequential action thereon, including revision/adjustment in the value/ quantum of issue in such manner as may be considered appropriate by the Board/Committee in the event of such variation(s) being considered expedient, consequent to modification(s) effected by SEBI or such other authorities, or prevailing market conditions.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things and to execute such documents as may be considered necessary, proper or expedient for the purpose of giving effect to the aforesaid resolution and for matters connected therewith or incidental thereto."

**BY ORDER OF THE BOARD**

Mumbai:

**MILAN B. DALAL**

Dated : 27th November, 1997

*Chairman*

**NOTES :**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.**
2. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business is annexed and forms part of the Notice.
3. The proxies duly completed should be deposited with the Company at its Registered Office not later than 48 hours before the commencement of the Meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed on 27th December, 1997.
5. Members are requested to intimate change of address, if any, to the Company.

**ANNEXURE TO THE NOTICE**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.**

The following Explanatory Statement sets out in detail all material facts relating to Special Business as mentioned in the accompanying Notice convening the Ninety-First Annual General Meeting of the Company.

**Item Nos. 5 to 7**

The Authorised Capital of the Company is presently Rs. 1,00,00,000/- comprising 10,00,000 equity shares of Rs. 10/- each. In order to facilitate the proposed issue of preference shares, it is proposed to increase the Authorised Capital of the Company to Rs. 5,00,00,000/-.

Pursuant to Section 94 of the Companies Act, 1956, any alteration of share capital requires the approval of the shareholders by an Ordinary Resolution.

Further, Clause V of the Memorandum of Association of the Company and Article 5 of the Articles of Association need to be suitably altered. Any alteration of the Memorandum or the Articles requires approval of the shareholders by a Special Resolution.

Hence the Resolutions.

None of the Directors are interested or concerned in the above resolutions except to the extent of their shareholdings, if any.

**Item No. 8**

In order to meet the growing working capital requirements of the Company, the Board is planning to issue preference share

capital to the Shareholders, Directors, their relatives and associates, associate Companies and other interested party/ parties as and when the need arises.

The proposed issue, subject to the consent of the various authorities and on terms and conditions to be approved by the Board of Directors of the Company or any Committee constituted thereof, will not be for a term exceeding 10 years and the shares to be issued will not have any voting rights under the prevailing provisions of the Companies Act, 1956.

Any issue of shares to be made to persons other than the shareholders of the Company requires the approval of the Members through a Special Resolution.

Hence the Resolution.

None of the Directors are interested or concerned in the above resolutions except to the extent of their shareholdings, if any.

**BY ORDER OF THE BOARD**

Mumbai :

**MILAN B. DALAL**

Dated : 27th November, 1997

*Chairman*



## Report of the Directors to the Shareholders

Your Directors present the **NINETY FIRST ANNUAL REPORT** of the Company together with the Audited Statements of Accounts for the year ended 30th June, 1997.

### FINANCIAL RESULTS

	Year ended 30th June, 1997	15 month period ended 30th June, 1996Year
Profit/(Loss) for the year	10,53,346	(1,52,27,583)
Less : Provision for taxation	—	—
	10,53,346	(1,52,27,583)
Add/Less : Brought forward Balance of profit/(loss)	(1,37,65,008)	10,02,575
Add : Transferred from General Reserve	—	4,60,000
Balance profit available for appropriations	<u>(1,27,11,662)</u>	<u>(1,37,65,008)</u>
<b>APPROPRIATIONS</b>		
Proposed dividend	—	—
Amount transferred to General Reserve	—	—
Balance carried forward	<u>(1,27,11,662)</u>	<u>(1,37,65,008)</u>
	<u>(1,27,11,662)</u>	<u>(1,37,65,008)</u>

During the year under report, the Company's sales increased to Rs.710.40 lacs as compared to Rs.413.19 lacs in the previous financial year comprising 15 months or Rs.330.52 lacs on an annualised basis, resulting in an increase by 114.91%. The balance of the losses carried forward to the Balance Sheet is Rs.127.12 lacs as compared to Rs.137.65 lacs in the previous financial year.

Your Directors are hopeful of wiping off the carried forward losses completely in due course.

### EVENTS DURING THE YEAR

Subsequent to the major refurbishment of the Company's Registered Office premises and re-christening of the same as "The Bombay Store", as reported in the last Annual Report, the Pune Branch was renovated to give it a more contemporary look and also to ensure that the customers are offered a wider range of products and the right ambience for shopping. The renovation has met with a favourable response as is evident from the performance of the Branch thereafter.

During the year under report, the Company also entered into franchise arrangements with DCM Benetton and outlets were opened at Borivali, Mumbai, and at Pune. Further, a kiosk was opened at the Domestic Terminal 1-B at the Mumbai Airport. The performance at each of these outlets as well as at the kiosk is encouraging.

### DIVIDEND

In view of the carried forward losses, your Directors are constrained not to recommend any dividend for the year under report.

### FIXED DEPOSITS

As on 31st March, 1997, there were no fixed deposits remaining overdue.

### ISSUE OF PREFERENCE SHARES

The Company proposes to issue preference share capital to the Shareholders, Directors, their relatives and associates, associate Companies and other interested party/parties either in full or in part and either to all or any of them, as and when the need arises.

Necessary resolutions in respect thereof form part of the accompanying Notice.

Members are requested to accord their approval in this regard.

### DIRECTORS

Mr. Sanjay K. Vidwans and Mr. Rajesh G. Kapadia retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-appointment.

### PARTICULARS OF EMPLOYEES

Information required pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is annexed and forms part of this Report.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The nature of business being retailing, providing information with regard to conservation of energy and technology absorption as required under Section 217(1)(e) read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of this Report does not arise for your Company.

The total foreign exchange used during the year was Rs.4,83,819/- (previous year Rs.4,38,610/-) and earned during the year was Rs.80,42,100/- (previous period Rs.43,14,202/-).

### SUBSIDIARY COMPANY

Statement pursuant to Section 212 of the Companies Act, 1956 in respect of your Company's Subsidiary is annexed and forms part of this Report.

### AUDITORS

M/s. M.D. Pandya & Associates, Chartered Accountants, Mumbai, hold office as Auditors of the Company upto the conclusion of the forthcoming Annual General Meeting. A certificate has been obtained from them pursuant to Section 224(1-B) of the Companies Act, 1956 to the effect that their appointment, if made, would be within the limits prescribed thereunder.

### ACKNOWLEDGMENTS

Your Directors wish to place on record their appreciation of the co-operation and diligent efforts of the employees of the Company as also the Bankers.

FOR AND ON BEHALF OF THE BOARD

Mumbai :  
Dated : 27th November, 1997

MILAN B. DALAL  
Chairman

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**ANNEXURE TO DIRECTORS' REPORT TO THE MEMBERS**

**Statement showing Particulars of Employees as per Section 217(2A) of the Companies Act, 1956  
 read with the Companies (Particulars of employees) Rules, 1975 and forming part of the Directors' Report**

Sr. No.	Name and Age	Designation/ Nature of Duties	Date of Commencement of Employment	Qualification/ Experience	Gross Remuneration (Rs.)	Last employment held
1.	Mr. Asim Dalal (30 Years)	Managing Director	01.04.1994	B.Com (Hons.) D.F.M. (London)	3,00,000	Gateway Chemists Ltd. Managing Director
2.	Mr. Vishal Kapoor (32 Years)	President	04.06.1994	B.A.Sociology, B.A. (Eco.)	5,25,000	Self Employed

**NOTES :**

1. Remuneration as above includes salary, taxable allowances, leave encashments, value of perquisites per Income Tax Rules, 1962 and Company's contribution to Provident Fund, Family Pension Fund and Super annuation Fund.
2. The conditions of Employment, except in the case of Managing Director, whose appointment is contractual, are non-contractual and terminable by three months notice.
3. Mr. Asim Dalal is the relative of a Director of the Company.

For and on behalf of the Board

Mumbai

Dated : 27th November, 1997.

**MILAN B.DALAL**  
 Chairman

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