

93RD ANNUAL REPORT 1998-99

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BOMBAY SWADESHI STORES LIMITED

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

BOMBAY SWADESHI STORES LIMITED

Company Details

BOARD OF DIRECTORS

MR. MILAN DALAL
Chairman
MR. ASIM DALAL
Managing Director
MR. RAJESH KAPADIA
MR. SANJAY VIDWANS
MR. C.N. KANABAR
MR. PRATUL DALAL

PRESIDENT

MR. VISHAL KAPOOR

AUDITORS

M/s. M.D. PANDYA & ASSOCIATES

BANKERS

NEW INDIA CO-OPERATIVE BANK LTD.
SYNDICATE BANK
UNION BANK OF INDIA

REGISTERED OFFICE

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

BRANCHES / RETAIL OUTLETS

MUMBAI	:	THE BOMBAY STORE P.M. Road
	:	THE BOMBAY STORE Domestic Airport
	:	CHATEAU D'AX Nariman Point
PUNE	:	THE BOMBAY STORE M. G. Road
	:	UNITED COLORS OF BENETTON J. M. Road
SECUNDERABAD	:	THE BOMBAY STORE M. G. Road

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NOTICE

NOTICE is hereby given that the **NINETY-THIRD ANNUAL GENERAL MEETING** of the Members of **BOMBAY SWADESHI STORES LIMITED** will be held on Thursday, 30th September, 1999 at 3.00 p.m. at M.C.Ghia Hall, Bhogilal Hargovindas Building, 18/30, Kaikhushru Dubash Marg, Fort, Mumbai 400 001, to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1999 and the Profit & Loss Account of the Company for the year ended on that date alongwith the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sanjay Vidwans who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Mr. Rajesh 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 the provisions of Section 269 and Schedule XIII to the Companies Act, 1956 (the Act), as amended from time to time, and subject to the provisions of Sections 198, 309 and other applicable provisions, if any, of the Act and Article 150 of the Articles of Association of the Company, and further subject to the approval of the shareholders to be obtained at the forthcoming Annual General Meeting, Mr. Asim Dalal be and is hereby re-appointed Managing Director of the Company with effect from 1st April, 1999 on the following terms and conditions:

1. **Tenure** : Five years w.e.f. 1st April, 1999.
2. **Remuneration** : a. Salary - Rs.50,000/- p.m. with a provision for annual enhancement of Rs.60,000/- during the tenure of re-appointment, subject to the condition that in the event of absence or inadequacy of profits in any financial year, the Managing Director shall be entitled to payment of only minimum remuneration as stated elsewhere.

b. **Perquisites :**

- i. **Commission** - @ 20% of the Salary payable annually.
- ii. **Club Fees** - Annual subscription fees subject to a maximum of 2 clubs.

The above remuneration shall be within the overall ceiling of 5% of the net profits as computed in the manner provided under Sections 349, 350 and 351 of the Act.

The following shall not be included in the computation of the ceiling on remuneration specified above:

- a. Contribution to provident fund.
- b. Gratuity payable at a rate not exceeding half month's salary for each completed year of service.
- c. Encashment of leave at the end of the tenure.
- d. Provision of car for use on the Company's business and telephone at residence.

Personal long distance calls and use of car for private purposes shall be billed by the Company to Mr. Asim Dalal.

In the event of absence or inadequacy of profits in any financial year during his tenure as Managing Director, Mr. Asim Dalal will be entitled to the above remuneration not exceeding Rs.57,000/- p.m. being the "minimum remuneration" to which he will be entitled pursuant to Section II of Part II of Schedule XIII to the Act. Any excess remuneration already paid during such financial year shall be recovered from him.

3. **Privilege Leave** : As per the Company's rules.
4. **Sitting Fees** : Mr. Asim Dalal will not be entitled to sitting fees for the Meetings of the Board or Committee, if any, attended by him during the tenure of his office as Managing Director.
5. **Reimbursement of expenses** : Mr. Asim Dalal shall be entitled to reimbursement of all the expenses actually and properly incurred by him for the Company's business.
6. **Duties** : Subject to superintendence and control of the Board of Directors of the Company, Mr. Asim Dalal, the Managing Director, shall be responsible for the day-to-day management of the Company and shall carry out such duties as may be entrusted to him from time to time by the Board of Directors.

7. **Notice** : This agreement may be terminated by either party giving to the other party three months' notice in writing.
8. **Compensation for loss of office** : Compensation for loss of office in case of termination before the expiry of the period of three years from 1st April, 1999 would be payable to him as mutually agreed upon.
9. **Retirement by Rotation** : Pursuant to Article 150 of the Articles of Association of the Company, Mr. Asim Dalal shall not be liable to retire by rotation.

BY ORDER OF THE BOARD

Mumbai :

MILAN DALAL

Dated : 2nd September, 1999

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 hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed on 30th September, 1999.
4. 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 the item of Special Business as mentioned in the accompanying Notice convening the Ninety-Third Annual General Meeting of the Company.

Item No.5

Mr.Asim Dalal's tenure as Managing Director of the Company expired on 31st March, 1999. Subsequent thereto, the Board of Directors of the Company, at their Meeting held on 29th April, 1999, re-appointed Mr.Asim Dalal as Managing Director, w.e.f. 1st April, 1999 for a further period of five years, subject to the approval of the shareholders at this Annual General Meeting.

Hence the Ordinary Resolution.

The Draft Agreement is available for inspection at the Registered Office of the Company during office hours.

Mr.Milan Dalal and Mr.Asim Dalal are deemed to be interested or concerned in the resolution.

BY ORDER OF THE BOARD

Mumbai :

MILAN DALAL

Dated : 2nd September, 1999

Chairman

BOMBAY SWADESHI STORES LIMITED
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Report of the Directors to the Shareholders

Your Directors present the **NINETY-THIRD ANNUAL REPORT** of the Company together with the Audited Statements of Accounts for the year ended 31st March, 1999.

FINANCIAL RESULTS

	Year ended 31st March, 1999	Nine month period ended 31st March, 1998
	Rs.	Rs.
Profit/(Loss) for the year	53,67,818	13,09,269
Less : Provision for taxation	7,00,000	3,00,000
	46,67,818	10,09,269
Less : Prior year tax adjustment	58,698	44,527
	46,09,120	9,64,742
Add/Less : Balance of profit/ (loss) brought forward	(1,17,46,920)	(1,27,11,662)
Net Profit/(Loss) carried forward to Balance Sheet	(71,37,800)	(1,17,46,920)

During the year under report, the Company's sales was Rs.1105.29 lacs as compared to Rs.688.51 lacs in the previous financial year comprising nine months i.e.Rs.918.01 lacs on an annualised basis, resulting in an increase of 20.40%. The carried forward loss was substantially reduced and stood at Rs.71.38 lacs as against Rs.117.47 lacs in the previous financial year comprising nine months.

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

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, 1999, there were no fixed deposits remaining overdue.

DIRECTORS

Mr.Asim Dalal was re-appointed Managing Director for a further period of five years with effect from 1st April, 1999, consequent to the expiry of his earlier tenure. A resolution proposing the re-appointment of Mr.Asim Dalal as Managing Director forms part of the accompanying Notice.

Your Directors recommend the re-appointment of Mr.Asim Dalal as Managing Director.

Mr. Sanjay Vidwans and Mr. Rajesh 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) of the Companies Act, 1956 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.5,07,661/- (previous financial year comprising nine months Rs.13,45,264/-) and earned during the year was Rs.1,64,60,275/- (previous financial year comprising nine months Rs.91,38,961/-).

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.

Y2K COMPLIANCE

The Company has taken appropriate steps for modification(s), upgradation(s) and revalidation(s) to ensure that all its computer operations are Y2K compliant and relevant certificate from appropriate authorities has been obtained for the purpose.

ACKNOWLEDGEMENTS

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

FOR AND ON BEHALF OF THE BOARD

Mumbai :

Dated : 2nd September, 1999

MILAN DALAL

Chairman

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. Vishal Kapoor (34 Years)	President General Management and Administration	04.06.1994	B.A.Sociology, B.A. (Eco.)	6,65,488	Self Employed

NOTES :

1. Remuneration as above includes salary, taxable allowances, leave encashments, value of perquisites as per Income tax Rules, 1962 and excluding 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.

For and on behalf of the Board

MUMBAI :

Dated : 2nd September, 1999.

MILAN DALAL

Chairman



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FINANCIAL HIGHLIGHTS										
	1998-99	*1997-98	1996-97	**1995-96	1994-95	1993-94	1992-93	1991-92	1990-91	(Rs. lacs) 1989-90
Share Capital	250.00	250.00	50.00	50.00	30.00	30.00	15.00	14.90	14.90	14.90
Share Premium & Capital Reserves	40.64	40.64	40.64	40.40	25.03	17.99	10.40	10.40	20.51	19.38
Fixed Assets	187.52	198.61	150.37	161.93	9.33	4.26	3.56	3.45	5.01	3.99
Investments	1.18	1.91	1.91	1.91	1.41	0.56	0.29	0.29	0.29	0.29
Net Current Assets	90.52	80.13	66.86	(5.25)	45.39	45.37	41.26	34.81	62.06	60.84
Miscellaneous Expenditure and Profit & Loss Account	(71.38)	(134.16)	(155.71)	(184.68)	(0.80)	(0.57)	(8.71)	(18.10)	—	—
Total Turnover	1,145.65	755.94	748.19	436.95	241.72	196.09	173.27	164.93	147.81	137.29
Profit After Tax	46.68	10.09	10.53	(152.28)	12.44	20.61	9.74	(28.20)	1.13	3.54
Rate of dividend (%)	—	—	—	—	18.00	***16.00	—	—	—	15.00

* For 9 month period

** For 15 month period

*** Includes dividend on prorata for post rights - 1 share

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