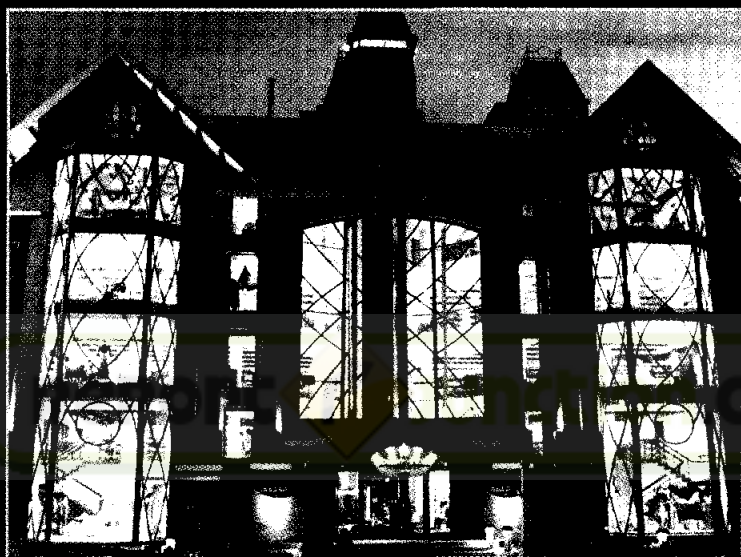


BOMBAY SWADESHI STORES LIMITED



95TH ANNUAL REPORT
2000 - 2001

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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. CHAMPAK KANABAR

MR. PRATUL DALAL

PRESIDENT

MR. VISHAL KAPOOR

AUDITORS

M/s. M.D. PANDYA & ASSOCIATES

BANKERS

UTI BANK LTD.

UNION BANK OF INDIA

NEW INDIA CO-OPERATIVE BANK LTD.

SYNDICATE BANK

REGISTERED OFFICE

WESTERN INDIA HOUSE,
SIR PHEROZESHAH MEHTA ROAD,
FORT, MUMBAI 400 001.

RETAIL OUTLETS

MUMBAI : THE BOMBAY STORE
P.M. Road
: THE BOMBAY STORE
Domestic Airport
: URBAN LIVING
Nariman Point

PUNE : THE BOMBAY STORE
M. G. Road

BANGALORE : THE BOMBAY STORE
M. G. Road

TRAVEL DIVISION

MUMBAI : Nariman Point

PUNE : J. M. Road

BRANCH

SECUNDERABAD : M. G. Road

BOMBAY SWADESHI STORES LIMITED
95th Annual Report 2000 - 2001

NOTICE

NOTICE is hereby given that the **NINETY-FIFTH ANNUAL GENERAL MEETING** of the Members of **BOMBAY SWADESHI STORES LIMITED** will be held on Saturday, September 22, 2001 at 11.00 a.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 March 31, 2001 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 declare a dividend on equity shares.
3. To appoint a Director in place of Mr.Champak Kanabar who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. Sanjay Vidwans who retires by rotation and is eligible for re-appointment.
5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS :

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

"RESOLVED THAT, subject to the approval of the Shareholders under Section 314(1B) of the Companies Act, 1956 and other applicable provisions, if any, approval of the Company be and is hereby accorded to the appointment of Mr.Satyen Dalal, relative of Mr.Milan Dalal, Chairman, and Mr.Asim Dalal, Managing Director, as Vice President of the Company with effect from August 22, 2001 on a monthly remuneration of Rs.19,500/- (Rupees Nineteen Thousand Five Hundred only).

RESOLVED FURTHER THAT Mr.Sanjay Vidwans and Mr.Champak Kanabar, Directors, be and are hereby **severally** authorised to do all such acts, deeds and things as may be required to give effect to this resolution."

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

"RESOLVED THAT, in modification of all earlier resolutions passed in this regard, consent of the Company be and is hereby accorded under Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956, to the Board of Directors to borrow any sum or sums of money from time to time, at its discretion for the purpose of the Company's business, from the Company's Banker(s) or any other lending institution(s) on such terms and conditions as may be considered expedient upto a limit not exceeding Rs.50.00 Crores (Rupees Fifty Crores only)

notwithstanding that the monies to be borrowed by the Company (apart from the temporary loans obtained by the Company from its Bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital of the Company plus its free reserves, that is to say reserves not set apart for any specific purposes.

FURTHER RESOLVED THAT Mr.Milan Dalal, Chairman, Mr.Asim Dalal, Managing Director, and Mr.Sanjay Vidwans, Director, be and are hereby **severally** authorised to give effect to this resolution."

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

"RESOLVED THAT, in accordance with the amendments introduced in the Companies (Amendment) Act, 2000 and pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956 and such other statutes as may be applicable, the Articles of Association of the Company be and is hereby altered in the following manner.

1. CLAUSE 1 - INTERPRETATION - ARTICLE 2

- a. The expression "dividend" shall be replaced by the following.

"Dividend includes interim dividend."

- b. In Article 2 the following expressions together with the relevant marginal note shall be introduced after the marginal note "Gender" and its expression.

Abridged Prospectus : "Abridged Prospectus" means a memorandum containing such salient features of a prospectus as may be prescribed.

Hybrid : " Hybrid" means any security which has the character of more than one type of security, including their derivatives.

Information Memorandum : "Information Memorandum" means a process undertaken prior to the filing of a prospectus by which a demand for the securities proposed to be issued by a company is elicited, and the price and the terms of issue for such securities is assessed, by means of a notice, circular, advertisement or document.

Small Shareholder : "Small Shareholder" means a shareholder holding shares of nominal value of twenty thousand rupees or less.

Act : "The Act" means the Companies Act, 1956 and includes any statutory modifications thereto and any rules or regulations framed thereunder from time to time.

2. The expression "managing agents, secretaries and treasurers" wherever appearing in the Articles shall be omitted.
3. The expression "votes cast whether on a show of hands or on a poll" wherever appearing in the Articles shall be substituted with the expression "votes cast whether on a show of hands or on a poll or through postal ballot", in respect of such business as may be prescribed from time to time by the Act.
4. The following new clause shall be inserted as clause (4) at the end of the existing 3(b) of Article 9 under marginal note "Further Issue of Capital"

The company, by passing a special resolution in the general meeting, may issue shares, either equity or any other kind; with or without voting rights, and with such special rights as specified, alongwith the terms and conditions governing the said issue in the said special resolution, subject to the provisions of the Act in general and Sections 78, 79 and 79A in particular and in accordance with the relevant rules and regulations issued in this regard.

5. The following new clause shall be inserted as clause (2) at the end of the existing clause (1) of Article 11 under marginal note "Restrictions on purchase by Company of its own shares".

The Company shall, by passing a special resolution in the general meeting, buy back its own shares if the terms and conditions of the said resolution fulfill all applicable rules, regulations and guidelines issued by all the concerned authorities from time to time and is in accordance with the relevant provisions of the Act under Sections 77A, 77AA, 77B and any other section that may be applicable.

6. The following new clause shall be inserted as clause (2) under marginal note "Nomination" at the end of the existing clause (1) of Article 62.

The Company shall register the right exercised by every shareholder, debenture holder or depositor of the company, who may nominate in the prescribed manner by the appropriate authorities, a person including a minor, to

whom the his/her shares, debentures of the Company or the deposit amount shall vest in the event of his/her death.

7. The following new Article 107A under the marginal note "Postal Ballot" shall be inserted after the existing Article 107.

Postal Ballot 107A

(i) Notwithstanding anything contained in the foregoing in the case of resolutions relating to such business as the Central Government may, by notification, declare to be conducted only by postal ballot, such resolution(s) shall be passed by means of a postal ballot, instead of transacting the business in general meeting of the company. For the purpose of this section, "postal ballot" includes voting by electronic mode.

- (ii) Where a company decides to pass any resolution by resorting to postal ballot, it shall send a note to all the shareholders, along with a draft resolution explaining the reasons therefor, and requesting them to send their assent or dissent in writing on a postal ballot within a period of thirty days from the date of posting of the letter or such periods as may be prescribed by law from time to time.

- (iii) The note shall be send by registered post acknowledgment due, or by any other method as may be prescribed by the Central Government in this behalf, and shall include with the notice, a postage pre-paid envelope for facilitating the communication of the assent or dissent of the shareholder to the resolution within the said period.

- (iv) If a resolution is assented to by a requisite majority of the shareholders by means of postal ballot, it shall be deemed to have been duly passed at a general meeting convened in that behalf.

- (v) If a shareholder sends his assents or dissents in writing on a postal ballot as mentioned in Article 107A(ii) above, and thereafter any person fraudulently defaces or destroys the ballot paper or declaration of identity of the shareholder, such person shall be punishable with imprisonment for a period which may extend to six months or with fine or with both.

8. The following new Article 128A under the marginal note "Small Shareholders' Director" shall be inserted after the existing Article 128.

Small Shareholders' Director 128A

Subject to the provisions of section 252 of the Act and any other notifications or amendments that may be introduced from time to time, the small shareholders of the Company may elect one among themselves as Director. A director appointed under this Article shall be referred to as "Small Shareholders' Director" which terms shall mean a director for the time being in office under this Article.

9. The following new Article 141A under the marginal note "Disqualification of Director" shall be inserted after the existing Article 141.

Disqualification of Director 141A

Where any Director of the Company is also Director of a public company which

(a) has not filed the annual accounts and annual returns for any continuous three financial years commencing on and after the first day of April, 1999; or

(b) has failed to repay its deposit or interest thereon on due date or redeem its debentures on due date or pay dividend and such failure continues for one year or more:

such Director shall be disqualified to be appointed as Director of the Company for a period of five years from the date on which such public company, in which he is director, failed to file annual accounts and annual returns under clause (a) or has failed to repay its deposit or interest or redeem its debentures on due date or pay dividend referred to in clause (b).

10. The following new article 177(4) shall be inserted after the existing Article 177(3)

177(4)(i) whether in his opinion, the Profit & Loss Account and Balance Sheet comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act.

(ii) in thick type or in italics the observations or comments of the Auditors which have any adverse effect on the functioning of the company;

(iii) whether any director is disqualified from being appointed as Director under clause (g) of sub-section (1) of Section 274.

(iv) and all such other remarks, comments, certificates and notes as per amendments, from time to time, in respective Acts, applicable to the Company & becoming an effect on the duties of the Auditors.

11. Article 181 under marginal note "Declaration of Dividend" shall be substituted in the following manner.

'The Company in General Meeting may declare a dividend to be paid to the members according to their rights and interests in the profits and the same shall be made payable in such manner and within such period as may be prescribed by the law from time to time.

12. In Article 183, under marginal note "Dividend out of Profits only and not to carry interest", the expression after the words 'Profit of the Company' shall be substituted with the following expression.

'and in case of default in making the payment of dividend beyond the period prescribed in this respect, interest at such rate as prescribed by law from time to time shall be paid thereon during the currency of the default'.

13. In Article 185, under marginal note "Interim Dividend", the following expression shall be appended after the word 'justifies'.

'and the provisions of Section 205, 205A, 205C, 206, 206A and 207 shall, as far as maybe, be applicable'.

14. In the marginal note of Article 192, the words 'forty-two days' shall be substituted with the words 'thirty days' and the expression '42' and 'forty-two' wherever appearing in Article 192(a) under the marginal note referred herein shall be substituted with the expression '30' and 'thirty' respectively, and thereafter the expression 'or such other period(s) as may be fixed by the Act from time to time' shall be appended.

BY ORDER OF THE BOARD

ASIM DALAL

Managing Director

Dated : 25th August, 2001.

Annexure to the Notice

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 Member and Share Transfer Books of the Company will remain closed from September 20, 2001 to September 24, 2001, both days inclusive.
4. The dividend, as recommended by the Directors, if declared by the Members, will be paid within the period prescribed by the Act to such of those Members whose names appear on the Register of Members of the Company as on September 24, 2001, the date upto which the Register of Members and Share Transfer Books shall remain closed. In respect of shares held in electronic form, the dividend will be payable to the beneficial owners of the shares as on September 20, 2001 as per details to be furnished by the Depositories for the purpose.
5. Consequent upon the introduction of Section 205C by the Companies (Amendment) Act, 1999, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of its transfer to the Unpaid Dividend Account of the Company is required to be transferred to the Investor Education and Protection Fund to be set up by the Government of India and no payments shall be made in respect of any such claims by the Fund.
6. Members are requested to intimate change of address, if any, to the Company.

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-Fifth Annual General Meeting of the Company.

Item No. 6

Mr.Satyen Dalal is presently handling the operations of The Comforts Travels & Tours and Urban Living, Divisions of the Company.

Mr.Satyen Dalal has adequate experience and expertise in travel-related activities as well as retailing of State-of-the-art furniture, undertaken respectively by the said Divisions.

The Directors are of the opinion that the appointment of Mr.Satyen Dalal will ensure the growth in performance of the Company substantially.

Hence the Resolution.

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

Item No. 7

The increase in the activities of the Company has resulted in enhanced working capital requirements. This will be met out of funds borrowed in the excess of the paid-up capital and free reserves. Accordingly, it is proposed to increase the borrowing limits to Rs.50.00 crores (Rupees Fifty Crores Only). Since the borrowing limit exceeds the aggregate of the Company's paid-up capital, it is necessary to obtain the approval of the shareholders by passing a resolution as required under Section 293(1)(d) of the Companies Act, 1956.

Hence the Ordinary Resolution.

None of the Directors are interested or concerned in the said resolution.

Item No. 8

In order to give effect to the amendments to the Companies Act, 1956, introduced vide the Companies (Amendment) Act, 2000, some of the provisions of the Articles of the Association are required to be altered.

Any alteration to the Articles of Association requires the approval of the Company in a General Meeting through a Special Resolution.

Hence, the approval of the Members is being sought in this regard.

None of the Directors are deemed to be interested or concerned in the resolution.

BY ORDER OF THE BOARD

ASIM DALAL

Managing Director

Dated : 25th August 2001

BOMBAY SWADESHI STORES LIMITED
95th Annual Report 2000 - 2001

Report of the Directors to the Shareholders

Your Directors present the **NINETY-FIFTH ANNUAL REPORT** of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2001.

FINANCIAL RESULTS

	31st March, 2001 Rs.	31st March, 2000 Rs
Profit/(Loss) for the year	50,62,733	1,29,62,427
Less : Provision for taxation	4,68,000	27,50,000
	45,94,733	1,02,12,427
Less : Prior year tax adjusted	—	10,404
	45,94,733	1,02,02,023
Add/Less : Balance of profit/ (loss) brought forward	30,64,223	(71,37,800)
Balance profit available for appropriation	76,58,956	30,64,223
APPROPRIATIONS		
Proposed Dividend	5,68,384	—
Tax on Proposed Dividend	57,975	—
Balance carried to Balance Sheet	70,32,597	30,64,223

During the year under report, the Company's sales was Rs. 2,249.46 lacs as compared to Rs.1,632.80 lacs in the previous year, resulting in an increase of 50.02 %.

DIVIDEND

In view of the profits, your Directors recommend dividend @Rs.1.00 per equity share, for the whole year on 5,00,000 equity shares of Rs.10/- each fully paid-up, and pro-rata on 1,30,000 equity shares of Rs.10/- each fully paid-up. The dividend, if approved by the Members at the ensuing Annual General Meeting, will absorb a sum of Rs.5.68 lacs.

FIXED DEPOSITS

As on 31st March, 2001, there were no fixed deposits remaining overdue.

DIRECTORS

Mr. Champak Kanabar and Mr. Sanjay Vidwans retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-appointment.

ALTERATION TO THE ARTICLES OF ASSOCIATION

In order to give effect to the enactment of the Companies (Amendment) Act, 2000, certain provisions in the Articles of Association are required to be altered.

The accompanying Notice seeks the approval of the shareholders to the proposed alteration to the Articles of Association.

Your Directors recommend the resolution for approval by the Members.

PARTICULARS OF EMPLOYEES

During the year under report, there was no employee of the category mentioned in Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and hence information in this regard is not required to be furnished.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of the Companies Act, 1956, the Directors hereby confirm that :

1. In the preparation of the Annual Accounts, the applicable accounting standards have been followed;
2. They have selected such accounting policies and applied them consistently and made judgements and estimates that are resonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year covered under this Report and of the profit of the company for the year;
3. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
4. The Annual Accounts have been prepared on a going concern basis.

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. 3,61,787/- (previous year Rs.4,37,907/-) and earned during the year was Rs.3,21,23,233/-(previous year Rs.2.43,51,259/-).

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.

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

ASIM DALAL - Managing Director

PRATUL DALAL - Director

CHAMPAK KANABAR - Director

Dated : 25th August 2001

GENERAL SHAREHOLDER INFORMATION :

Annual General Meeting : 94th Meeting was held on August 24, 2000, at 11:00 am M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/30, K. Dubhash Marg, Fort, Mumbai 400001.

Date of Book Closure : September 20, 2001 to September 24, 2001

Dividend Payment : 10%

Listing on Stock Exchange : The Stock Exchange, Mumbai, the listing fees have been paid upto year ending 31st March 2002

Stock Code : 31276

ISIN : INE595B01019

Market Price Data :

Month	High	Low
April 2000	222.75	197.8
May 2000	245	199.5
June 2000	258	235
July 2000	244	230
August 2000	212	195.05
Sept 2000	181.40	153.65
Oct 2000	250	178.15
Nov 2000	252	220
Dec 2000	318	259.10
Jan 2001	390.05	317
Feb 2001	410	396.95
Mar 2001	425	404.80

Distribution of Shareholding : August 24, 2000

	No. of Shares	%
NonResident Indians	19	0.00
Directors	44,325	8.87
Relatives	2,09,774	41.95
Bodies Corporate	1,40,912	28.18
Banks	10,994	2.20
Others	93,976	18.80