

96th Annual Report

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2001-2002

BOMBAY SWADESHI STORES LIMITED**INDEX**

ITEMS	PAGE NO.
Company Details	2
Notice	3
Directors' Report	4
Auditors' Report	8
Balance Sheet	10
Profit & Loss Account	11
Schedules to Balance Sheet and Profit & Loss Account	12
Notes to Accounts	17

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 (Up to 31st March, 2002)

MR. CHAMPAK KANABAR

MR. PRATUL DALAL

PRESIDENT

MR. VISHAL KAPOOR

AUDITORS

M/s. M.D. PANDYA & ASSOCIATES

BANKERS

UTI BANK LTD.

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 : P. M. Road

PUNE : J. M. Road

BRANCH

SECUNDERABAD : M. G. Road

BOMBAY SWADESHI STORES LIMITED
96th Annual Report 2001 - 2002

NOTICE

NOTICE is hereby given that the **NINETY-SIXTH ANNUAL GENERAL MEETING** of the Members of **BOMBAY SWADESHI STORES LIMITED** will be held on Friday, September 27, 2002 at 12.30 p.m. at "Sunflower I & II, 30th Floor, MVRDC, World Trade Centre, Centre 1, Cuffe Parade, Mumbai 400 005, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2002 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. Rajesh Kapadia who retires by rotation and is eligible for re-appointment.
3. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

4. 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 383A(1) of the Companies Act, 1956 read together with the Companies (Compliance Certificate) Rules, 2001, M/s T.M. Khumri & Co., Company Secretaries, Mumbai, be and are hereby appointed Company Secretaries in Whole-time Practice, from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting."
5. 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 163(1) and other applicable provisions, if any, of the Companies Act, 1956, the Register of Members, the Index of Members and copies of all Annual Returns prepared under Section 159 together with the copies of certificates and documents required to be annexed thereto under Sections 160 and 161 or any or more of them be and

are hereby authorised to be kept at the Office of IIT Corporate Services Limited, 2nd Floor, Protoprima Chambers, Suren Road, Andheri (East), Mumbai 400 059 with effect from October 1, 2002 instead of being kept at the Registered Office of the Company."

BY ORDER OF THE BOARD

ASIM DALAL
Managing Director

Dated: August 29, 2002

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 from September 26, 2002 to September 28, 2002, both days inclusive.
4. 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. Accordingly, the Company is in the process of transferring the unclaimed dividend for the Financial Year ended March 31, 1995 to the said Account.
5. Members who have not encashed their dividend warrant(s) for the Financial Year ended March 31, 1995 are requested to make their claims to the Company without any delay.
6. 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-Sixth Annual General Meeting of the Company.

Item No.4

In terms of the Companies Amendment Act, 2000, every company with a paid-up capital of over Rs.10.00 lacs (Rupees Ten Lacs only) and upto Rs.50.00 lacs (Rupees Fifty Lacs only), not required to appoint a Company Secretary, should file with the Registrar of Companies a certificate furnished by a Company Secretary in Whole-time Practice, after undertaking Secretarial Audit, confirming compliance by the said company of the various provisions of Company Law and such certificate must be attached with the Report of the Directors. The said limit was subsequently enhanced to Rs.200.00 lacs (Rupees Two Hundred Lacs only).

In compliance of the said provision, as amended, the Company having a paid-up capital of Rs.63.00 lacs (Rupees Sixty Three Lacs only) is required to appoint a Company Secretary in Whole-time Practice to undertake Secretarial Audit and furnish the relevant Certificate of Compliance.

Hence the Ordinary Resolution.

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

Item No.5

Presently, the Company handles all the work related to share transfers in physical mode in-house and the dematerialisation matters are handled by IIT Corporate Services Limited (IIT) as Registrars to the dematerialised securities.

The Securities and Exchange Board of India (SEBI) has, vide notification dated February 8, 2002, has advised that companies without the facility of their own electronic connectivity should dispense with carrying out the in-house share transfer work, to ease the difficulties faced by investors and the delay caused in dematerialisation of securities.

Accordingly, it is proposed to appoint IIT as Registrars & Share Transfer Agents to undertake all work related to transfer of shares in physical mode. To facilitate the same, it is proposed to keep the Register of Members, Index of Members and copies of all Annual Returns prepared under Section 159 together with the copies of certificates and such other documents at the Office of IIT situate at 2nd Floor, Protoprima Chambers, Suren Road, Andheri (East), Mumbai 400 059 with effect from October 1, 2002 instead of being kept at the Registered Office of the Company.

Hence, the Special Resolution.

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

BY ORDER OF THE BOARD

ASIM DALAL
Managing Director

Dated: August 29, 2002

Report of the Directors to the Shareholders

Your Directors present the **NINETY-SIXTH ANNUAL REPORT** of your Company together with the Audited Statements of Accounts for the year ended March 31, 2002.

FINANCIAL RESULTS

	Amount (Rs.)	
	March 31, 2002	March 31, 2001
Profit/(Loss) for the year	4,46,412	50,62,733
Less: Provision for taxation	40,000	4,68,000
	4,06,412	45,94,733
Add: Balance of profit/(loss) brought forward	70,32,597	30,64,223
	74,39,009	76,58,956
Less : Appropriation		
Proposed Dividend	—	5,68,384
Tax on Proposed Dividend	—	57,975
Balance carried to Balance Sheet	74,39,009	70,32,597

The global developments during the year in the West have affected the inflow of tourists as well as the general mood of the customers has been subdued. As a result, your Company's sales during the year under report was Rs.2528.03 lacs as compared to Rs.2449.47 lacs in the previous financial year. There was a marginal increase despite the adversities mentioned. However, the profits declined to Rs.4.06 lacs during the year under report as compared to Rs.45.95 lacs in the previous financial year

DIVIDEND

With a view to conserving the resources, your Directors do not recommend any dividend for the year under report.

FIXED DEPOSITS

As on March 31, 2002, there were no fixed deposits remaining overdue.

DIRECTORS

Mr. Rajesh Kapadia retires by rotation at the forthcoming Annual General Meeting and, being eligible, offers himself for re-appointment.

During the year under report, Mr. Sanjay Vidwans resigned as Director from the Board of Directors of your Company.

Your Directors place on record their appreciation of the valued advice rendered by Mr. Vidwans during his tenure as Director.

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 judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year covered under this Report and of the profit of your 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 your Company and for preventing and detecting fraud and other irregularities;
4. The Annual Accounts have been prepared on a going concern basis.

APPOINTMENT OF COMPANY SECRETARY IN WHOLE-TIME PRACTICE

In terms of the recent amendments to the Companies Act, 1956, the Company is required to appoint a Company Secretary in Whole-time Practice to undertake Secretarial Audit and furnish a Certificate of Compliance.

The Company Secretary in Whole-time Practice shall hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting.

A resolution for the appointment of M/s T.M. Khumri & Co., Practising Company Secretaries, Mumbai, as Company Secretaries in Whole-time Practice, from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting, forms part of the accompanying Notice.

Your Directors recommend the said Resolution for approval by the Members.

COMPLIANCE CERTIFICATE

A compliance certificate received from M/s T.M. Khumri & Co., Practising Company Secretaries, pursuant to Section 383A(1) of the Companies Act, 1956, read together with the Companies (Compliance Certificate) Rules, 2001 is attached hereto and forms part of this Report.

BOMBAY SWADESHI STORES LIMITED
96th Annual Report 2001 - 2002**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.2,74,615/- (previous year Rs.3,61,787/-) and earned during the year was Rs.3,87,23,556/- (previous year Rs.3,10,63,523/-).

SUBSIDIARY COMPANY

During the year under report, your Company disinvested its holding in its Subsidiary, Pongal Trading Company Limited (Pongal). Consequent upon the disinvestments, Pongal ceased to be a Subsidiary.

AUDITORS

M/s.M.D.Pandya & Associates, Chartered Accountants, Mumbai, hold office as Auditors of your 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 your Company.

FOR AND ON BEHALF OF THE BOARD

ASIM DALAL - *Managing Director*

CHAMPAK KANABAR - *Director*

Dated: August 29, 2002



ANNEXURE TO DIRECTORS REPORT

COMPLIANCE CERTIFICATE**THE MEMBERS OF****BOMBAY SWADESHI STORES LIMITED**

We have examined the registers, records, books and papers of **BOMBAY SWADESHI STORES LIMITED** (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on March 31, 2002. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company, is registered under Registration No. **11-000223** with the Registrar of Companies, Maharashtra and having its Registered Office at Western India House, Sir. Pherozeshah Mehta Road, Fort Mumbai 400 001 and has kept and maintained all registers as stated in **Annexure 'A'** to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns prescribed under the Act and the rules made thereunder as stated in **Annexure 'B'** to this certificate with the Registrar of Companies, Maharashtra or other authorities within the time prescribed under the Act.
3. The Company being a Public Limited Company, comments are not required.
4. The Board of Directors duly met **6 (Six)** times on the under mentioned dates:

27 th April, 2001,	27 th July, 2001
25 th August, 2001	22 nd September, 2001
30 th October, 2001	24 th January, 2001

 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members from 20th September, 2001 to 24th September, 2001 both days inclusive and necessary compliance of section 154 of the Act has been made.
6. The 95th Annual General Meeting for the financial year ended on 31st March, 2001 was held on 22nd September, 2001 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book of the Company.
7. No Extra Ordinary General Meeting was held during the financial year.
8. Except for an interest free advance to Pongal Trading Company Limited (erstwhile subsidiary company and from whom no recovery has been made during the year), the Company has not advanced any loans to its Directors or persons or firms or companies referred to under Section 295 of the Act.
9. The Company has entered into certain contracts/ arrangements for services sold which were of special nature, which are outside the purview of Section 297 of the Act.
10. The Company has made necessary entries in the Register maintained under Section 301 of the Act as stated herein above.
11. The Company has obtained necessary approvals from the Board of Directors and members pursuant to Section 314 of the Act wherever applicable.
12. The Share Transfer Committee, constituted by the Board of Directors, has approved the issue of duplicate share certificates and the Directors have ratified the same at the next Board Meeting.
13. The Company has:
 - (i) delivered all the certificates on lodgement thereof for transfer/ transmission or any other purpose in accordance with the provisions of the Act.

- (ii) deposited the amount of dividend declared in a separate Bank Account with HDFC Bank Limited, Manekji Wadia Building, Nanik Motwani Marg, Fort Branch, Mumbai, on 27th September, 2001 which is within 5 days from the date of declaration of such dividend.
- (iii) paid/posted warrants for dividend to all the members within a period of 30 (Thirty) days from the date of declaration and that all unclaimed/ unpaid dividend has been retained in the aforesaid account as Unpaid Dividend Account of the Company.
- (iv) duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and the appointments of directors and additional directors have been duly made.
15. The Company has not appointed any Managing Director/Whole-time Director Manager during the financial year.
16. The Company has not appointed any sole-selling agents during the year.
17. During the year the Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies, Maharashtra or such other authorities as are prescribed under the various provisions of the Act.
18. Except Mr. Asim Dalal and Mr. Rajesh Kapadia none of the other directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any shares/debentures/ other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. The Company has no preferential Share capital nor has it issued any debentures, hence there was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, right shares and bonus shares pending registration of transfer of shares.
23. The Company has complied with the provisions of Section 58A read with Companies (Acceptance of Deposit) Rules 1975/ the applicable directions issued by Reserve Bank of India in respect of deposits accepted including unsecured loans taken amounting to Rs. 1,26,56,428/- raised by the company during the year and the company has filed the copy of the advertisement / statement in lieu of advertisement/necessary particulars as required with the Registrar of Companies, Maharashtra on 24th September, 2001. The Company has also filed the Return of Deposits with the Registrar of Companies/ Reserve Bank of India.
24. The amount borrowed by the Company from directors, members, public, financial institutions, banks and others during the financial year ending 31st March, 2002 is / are within the borrowing limits of the Company and that the necessary resolutions as per Section 293(1)(d) of the Act have been passed in duly convened annual general meeting.
25. Except for an interest free advance to Pongal Trading Company Limited (erstwhile subsidiary company and from whom no recovery has been made during the year) and guarantees given on behalf of its division viz. Comfort Tours and Travels, the Company has not made any loans and investments, or given guarantees or provided securities to other bodies corporate.
26. The Company has not altered the provisions of the Memorandum of Association with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum of Association with respect to the objects of the Company during the year under scrutiny.