

BOMBAY SWADESHI STORES LTD.



**97th Annual Report
2002-2003**

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. CHAMPAK KANABAR

MR. PRATUL DALAL

PRESIDENT

MR. VISHAL KAPOOR

AUDITORS

M/s. M.D. PANDYA & ASSOCIATES
Chartered Accountants

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

NOTICE

NOTICE is hereby given that the **NINETY-SEVENTH ANNUAL GENERAL MEETING** of the Members of **BOMBAY SWADESHI STORES LIMITED** will be held on Monday, September 29, 2003 at 3:30 p.m. at "Seminar II", 31st Floor, MVIRDC, 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, 2003 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. Pratul Dalal who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Mr. Milan Dalal who retires by rotation and is eligible for re-appointment.
4. To appoint Auditors and to fix their remuneration.
5. To appoint Company Secretaries in Whole-time Practice in compliance of the provisions of Section 383A(1) of the Companies Act, 1956, and to fix their remuneration.

BY ORDER OF THE BOARD**Milan Dalal**
Chairman

Mumbai:

Dated: 25th August, 2003

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. The instrument appointing the proxy should be deposited with the Company not less than 48 hours before the commencement of the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, September 26, 2003 till Monday, September 29, 2003, both days inclusive.
4. Members are requested to intimate change of address, if any, to IIT Corporate Services Limited, 2nd Floor, Protoprima Chambers, Suren Road, Andheri (East), Mumbai 400 059, the Company's Registrars & Share Transfer Agents.

Report of the Directors to the Shareholders

Your Directors present the **NINETY-SEVENTH ANNUAL REPORT** of your Company together with the Audited Statements of Accounts for the year ended March 31, 2003.

FINANCIAL RESULTS

| | Amount (Rs.) | |
|---|-------------------|-------------------|
| | March 31, 2003 | March 31, 2002 |
| Profit/(Loss) for the year | 3,34,715 | 4,46,412 |
| Less: Provision for taxation | 30,000 | 40,000 |
| | 3,04,715 | 4,06,412 |
| Add: Balance of profit/(loss) brought forward | 74,39,009 | 70,32,597 |
| Balance carried to Balance Sheet | 77,43,724 | 74,39,009 |

During the year under report, your Company's sales were Rs.2319.71 lacs as compared to Rs.2528.03 lacs in the previous financial year, resulting in a marginal drop by 8.24%. The profits declined to Rs.3.04 lacs during the year under report as compared to Rs.4.06 lacs in the previous financial year.

DIVIDEND

In order to conserve its resources, the Directors are constrained not to declare dividend.

FIXED DEPOSITS

As on March 31, 2003, there were no fixed deposits remaining overdue.

DIRECTORS

Mr. Pratul Dalal and Mr. Milan Dalal retires by rotation at the forthcoming Annual General Meeting and, being eligible, offers themselves for re-appointment.

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.

COMPANY SECRETARIES IN WHOLE-TIME PRACTICE

M/s T.M.Khumri & Co., Practicing Company Secretaries, Mumbai, hold office as Company Secretaries in Whole-time Practice, upto the conclusion of the forthcoming Annual General Meeting.

In compliance of the provisions of Section 383A(1) of the Companies Act, 1956, the Company is required to appoint M/s T.M.Khumri & Co., to undertake Secretarial Audit during the Financial Year 2003-2004 and furnish a Certificate of Compliance therefor.

A resolution for the appointment of M/s T.M.Khumri & Co., Practicing 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., Practicing 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.

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.1,70,722/- (previous year Rs.2,74,615/-) and earned during the year was Rs.4,09,37,949/- (previous year Rs.3,87,23,556/-).

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

Milan Dalal
Chairman

Mumbai:

Dated: 25th August, 2003

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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, 2003. 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 (including at one adjourned meeting) on the under mentioned dates:

| | |
|--|----------------------------------|
| 22 nd April, 2002, | 31 st July, 2002 |
| 27 th August, 2002 (Meeting adjourned to 29th August, 2002) | 29 th September, 2002 |
| 24 th October, 2002 | 29 th January, 2003 |

 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 26th September, 2002 to 28th September, 2002 both days inclusive and necessary compliance of section 154 of the Act has been made.
6. The 96th Annual General Meeting for the financial year ended on 31st March, 2002 was held on 27th September, 2002 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. As there were no instances falling within the purview of section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or Central Government.
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) The has not deposited any amount in seperate bank account as no dividend was declared during the financial year.
 - (iii) The Company was not required to post warrants to any member of the Company as no dividend was declared during the financial year.
 - (iv) duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was no appointments of Additional Directors, Alternate Directors and Directors to fill casual vacancy during the Financial Year.
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.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.1,27,60,643/- 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 22nd October, 2002. The Company has also filed the Return of Deposits with the Registrar of Companies.
24. The amount borrowed by the Company from directors, members, public, financial institutions, banks and others during the financial year ending 31st March, 2003 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