

THE
BOMBAY STORE



100th Annual Report 2005-2006

Bombay Swadeshi Stores Limited

BOMBAY SWADESHI STORES LIMITED
100th Annual Report 2005- 2006

FINANCIAL HIGHLIGHTS

(Rs. In Lacs)

	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01	1999-00	1998-99	1997-98*	1996-97
Share Capital	63.00	63.00	63.00	63.00	63.00	63.00	250.00	250.00	250.00	50.00
Reserves & Surplus	511.82	493.24	462.39	430.07	427.03	422.96	71.28	40.64	40.64	40.64
Fixed Assets	466.02	464.27	527.09	598.89	660.55	699.36	186.42	187.52	198.61	150.37
Investments	251.18	251.17	251.15	250.83	0.83	0.83	0.68	1.18	1.91	1.91
Net Current Assets	526.46	497.96	296.98	314.40	561.26	485.25	283.69	90.52	80.13	66.86
Profit & Loss Account	—	—	—	—	—	—	—	(71.38)	(134.16)	(155.71)
Total Turnover	2432.12	2,446.77	2,542.33	2,494.14	2,889.92	2,596.57	1,692.13	1206.16	804.58	783.48
Profit After Tax	24.90	38.27	46.45	3.05	4.06	45.95	102.12	46.68	10.09	10.53
Rate of Dividend (%)	—	—	—	—	—	10	—	—	—	—

* For 9 month period

Note: Previous year's figures have been regrouped or rearranged wherever necessary.

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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 (w.e.f 28-07-2006)
Chairman

MR. ASIM DALAL
Managing Director

MR. MANOJ SOPARKAR

MR. CHAMPAK KANABAR

MR. PRATUL DALAL

MR. DEVANSHU DESAI

AUDITORS

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

BANKERS

The Hongkong and Shanghai Banking Corporation 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

PUNE : THE BOMBAY STORE
M. G. Road

BANGALORE : THE BOMBAY STORE
M. G. Road

TRAVEL DIVISION

MUMBAI : COMFORTS TRAVEL &
TOURS , P. M. Road

NOTICE

NOTICE is hereby given that the **ONE-HUNDRETH ANNUAL GENERAL MEETING** of the Members of **BOMBAY SWADESHI STORES LIMITED** will be held on Saturday, 30th September, 2006 at 11:30 a.m. at "Lotus Lounge", 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 31st March, 2006 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. Chompak Kanabar who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Mr. Manoj Soparkar 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, to pass with or without modification(s), if any, the following resolution as on Ordinary Resolution.

"RESOLVED THAT pursuant to Section 258 of the Companies Act, 1956, the number of Directors on the Board of Directors of the Company be and is hereby increased to six".

6. To consider, and, if thought, to pass with or without modification(s), if any, the following resolutions as Ordinary Resolution.

"RESOLVED THAT Mr. Milan Dalal who, having been appointed earlier as an Additional Director, holds office till this Annual General Meeting and in respect of whom the Company has received notices under Section 257 of the Companies Act, 1956, proposing his candidature, be and hereby appointed Director liable to retire by rotation.

BY ORDER OF THE BOARD

Mumbai :
Dated : 28th July, 2006

MILAN DALAL
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. The Register of Members and Share Transfer Books of the Company will remain closed on Saturday, 30th September, 2006.
3. The instrument appointing the proxy should be deposited with the Company not less than 48 hours before the commencement of the Meeting.
4. Members are requested to intimate change of address, if any, to Intime Spectrum Registry Limited, C-13, Panalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400078, the Company's Registrars & Share Transfer Agents.

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 One-Hundredth Annual General Meeting of the Company.

Item No:5

The total strength of the Board of Directors after the Ninety-Ninth Annual General Meeting was five. Subsequently, Mr. Milan Dalal was appointed Additional Director pursuant to Section 260 of the Companies Act, 1956, and is proposed to be appointed Director liable to retire by rotation. Consequently, the strength of the Board will increase to six.

Pursuant to Section 258 of the Act, any increase or decrease in the strength of the Board within the limits prescribed by the Articles of Association will necessitate the approval of the Members.

Hence the Ordinary Resolution.

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

Item No.6

Mr. Milan Dalal was appointed Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 and holds office till the forthcoming One-Hundredth Annual General Meeting of the Company.

A notice proposing his candidature for appointment as Director liable to retire by rotation has been received from a member alongwith deposit of Rs.500/-.

Hence the Ordinary Resolution.

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

BY ORDER OF THE BOARD

Mumbai:

Dated: 28th July, 2006

MILAN DALAL
CHAIRMAN

REPORT OF THE DIRECTORS TO THE SHAREHOLDERS

Your Directors present the **ONE-HUNDREDTH ANNUAL REPORT** of your Company together with the Audited Statements of Accounts for the year ended 31st March, 2006.

FINANCIAL RESULTS

	Amount (Rs.)	
	31st March, 2006	31st March, 2005
Profit/(Loss) for the year	70,90,160	68,27,022
Less: Provision for taxation	41,00,000	30,00,000
Provision for FBT	5,00,000	—
	24,90,160	38,27,022
Less: Prior year tax adjustments	6,31,488	7,41,868
	18,58,671	30,85,154
Add: Balance of profit/(loss) brought forward	1,40,60,103	1,09,74,949
Balance carried to Balance Sheet	1,59,18,775	1,40,60,103

During the year under report, your Company's sales were Rs.2,145.36 lacs as compared to Rs.2,222.92 lacs in the previous financial year. Consequently there was a drop in the profits to Rs.18.59 lacs during the year under report compared to Rs.30.85 lacs in the previous financial year.

OBSERVATIONS IN THE AUDITORS' REPORT

The Auditors have made certain observations in their Report with regard to Debtors and Loans and Advances, Investments made by the Company and Quantitative Information not furnished.

In this connection, the Directors have to state as under.

1. Sundry Debtors & Loans & Advances:

Reference to Note 6 A & B to the Balance Sheet, the Company has taken various initiatives for recovery & compliances in case of advances. The company has since balance sheet date been able to recover some amounts. However due to prevailing market conditions the recoveries are slow. Your directors are hopeful of minimising loss if any on this account.

2. Investments

Note No.7 in the Notes to Accounts is self explanatory.

3. Quantitative information

As explained in note 13, it is not practical to give the details for reasons stated therein. The Company is hopeful of resolving the issue and for the purpose efforts are being made to get the software modified to get the required information

DIVIDEND

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

FIXED DEPOSITS

As on 31st March, 2006, there were no fixed deposits remaining overdue.

DIRECTORS

During the year under report, Mr. Milan Dalal was appointed Additional Director on the Board of Directors of the Company. A resolution for appointment of Mr. Milan Dalal pursuant to Section 257 of the Companies Act, 1956 as Director liable to retire by rotation forms part of the accompanying Notice.

Your Directors recommend the appointment of Mr. Milan Dalal as Director liable to retire by rotation.

Mr. Champak Kanabar and Mr. Manoj Soparkar retires by rotation at the forthcoming Annual General Meeting and, being eligible, offers himself 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 regards 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.

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.5,98,269/- (previous year Rs.1,03,924/-) and earned

during the year was Rs.6,72,59,970/- (previous year Rs.6,63,61,426/-).

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: 28th July, 2006