



Bombay Swadeshi Stores Limited



BOMBAY SWADESHI STORES LIMITED
101st Annual Report 2006- 2007

FINANCIAL HIGHLIGHTS

(Rs. In Lacs)

	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01	1999-00	1998-99	1997-98*
Share Capital	84.00	63.00	63.00	63.00	63.00	63.00	63.00	250.00	250.00	250.00
Reserves & Surplus	531.17	511.82	493.24	462.39	430.07	427.03	422.96	71.28	40.64	40.64
Fixed Assets	405.68	466.02	464.27	527.09	598.89	660.55	699.36	186.42	187.52	198.61
Investments	251.19	251.18	251.17	251.15	250.83	0.83	0.83	0.68	1.18	1.91
Net Current Assets	767.06	526.46	497.96	296.98	314.40	561.26	485.25	283.69	90.52	80.13
Profit & Loss Account	—	—	—	—	—	—	—	—	(71.38)	(134.16)
Total Turnover	2,422.30	2,432.12	2,446.77	2,542.33	2,494.14	2,889.92	2,596.57	1,692.13	1,206.16	804.58
Profit After Tax	41.06	24.90	38.27	46.45	3.05	4.06	45.95	102.12	46.68	10.09
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
Chairman

MR. ASIM DALAL
Managing Director

MR. MANOJ SOPARKAR (Till 30-09-2006)

MR. CHAMPAK KANABAR (Till 10-07-2007)

MR. PRATUL DALAL

MR. DEVANSHU DESAI

MR. KAMLESH GANDHI (w.e.f 30-09-2006)

MR. HETAL GANDHI (w.e.f. 27-07-2007)

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

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-HUNDRED AND FIRST ANNUAL GENERAL MEETING** of the Members of **BOMBAY SWADESHI STORES LIMITED** will be held on Friday, 28th September, 2007 at 10:00 a.m. at "Orchid", 1st 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 31st March, 2007 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. Devanshu Desai who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Mr. Pratul Dalal 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 an Ordinary Resolution.

"RESOLVED THAT Mr. Kamlesh Gandhi, 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 is hereby appointed Director liable to retire by rotation."

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

"RESOLVED THAT Mr. Hetal Gandhi, 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 is hereby appointed Director liable to retire by rotation."

BY ORDER OF THE BOARD

Mumbai :
Dated : 31st August, 2007

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 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 on Friday, 28th September, 2007.
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-Hundred and First Annual General Meeting of the Company.

Item No:5 and 6.

Mr.Kamlesh Gandhi and Mr.Hetal Gandhi were appointed Additional Directors of the Company pursuant to Section 260 of the Companies Act, 1956 and hold office till the forthcoming One Hundred and First Annual General Meeting of the Company.

Notices proposing the candidatures for the appointments of Mr.Kamlesh Gandhi and Mr.Hetal Gandhi as Directors liable to retire by rotation have been received from members alongwith deposits of Rs.500/- each.

Hence the Ordinary Resolution.

Mr.Kamlesh Gandhi and Mr.Hetal Gandhi are deemed to be interested or concerned in the above resolution to the extent of their respective appointments.

BY ORDER OF THE BOARD

Mumbai:

Dated: 31st August, 2007

MILAN DALAL
CHAIRMAN

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REPORT OF THE DIRECTORS TO THE SHAREHOLDERS

Your Directors present the **ONE-HUNDRED AND FIRST ANNUAL REPORT** of your Company together with the Audited Statements of Accounts for the year ended 31st March, 2007.

FINANCIAL RESULTS

	Amount (Rs.)	
	31st March, 2007	31st March, 2006
Profit/(Loss) for the year	75,34,095	70,90,160
Less: Provision for taxation	30,00,000	41,00,000
Provision for FBT	4,28,000	5,00,000
	41,06,095	24,90,160
Less: Prior year tax adjustments	71,252	6,31,488
	40,34,843	18,58,671
Add: Balance of profit/(loss) brought forward	1,59,18,775	1,40,60,103
Balance carried to		
-		
Balance Sheet	1,99,53,618	1,59,18,775

During the year under report, your Company's sales were Rs.2,153.17 lacs as compared to Rs.2,145.36 lacs in the previous financial year. Profits were Rs.40.34 lacs during the year under report compared to Rs.18.59 lacs in the previous financial year.

OBSERVATIONS IN THE AUDITORS' REPORT

The Auditors have made certain observations in their Report with regard to Debtors, 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: The Company feels that looking at the future plans of investee company the investment will yield good returns and have good realisability.

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, 2007, there were no fixed deposits remaining overdue.

DIRECTORS

During the year under report, Mr. Kamlesh Gandhi was appointed Additional Director on the Board of Directors of the Company. Further Mr. Hetal Gandhi was appointed as Additional Director subsequent to the year under report. Resolutions for appointment of Mr. Kamlesh Gandhi and Mr. Hetal Gandhi 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. Kamlesh Gandhi and Mr. Hetal Gandhi as Director liable to retire by rotation.

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

During the year under report, Mr. Manoj Soparkar resigned as Director from the Board of Directors of the Company and later passed away after a brief illness. Your Directors condole the death of Mr. Manoj Soparkar and also place on record their deep sense of appreciation of the valuable advice rendered by Mr. Manoj Soparkar during his tenure as Director of the Company.

Subsequent to the year under report, Mr. Champak Kanabar resigned as Director from the Board of Directors of the Company. Your Directors place on record their deep sense of appreciation of the valuable advice rendered by Mr. Champak Kanabar during his tenure as Director of the Company.

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.4,28,781/- (previous year Rs.5,98,269/-) and earned during the year was Rs.6,72,62,725/- (previous year Rs.6,72,59,970/-).

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

Mumbai:
Dated: 31st August, 2007

MILAN DALAL
Chairman