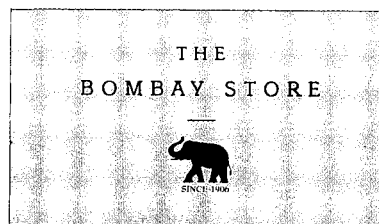
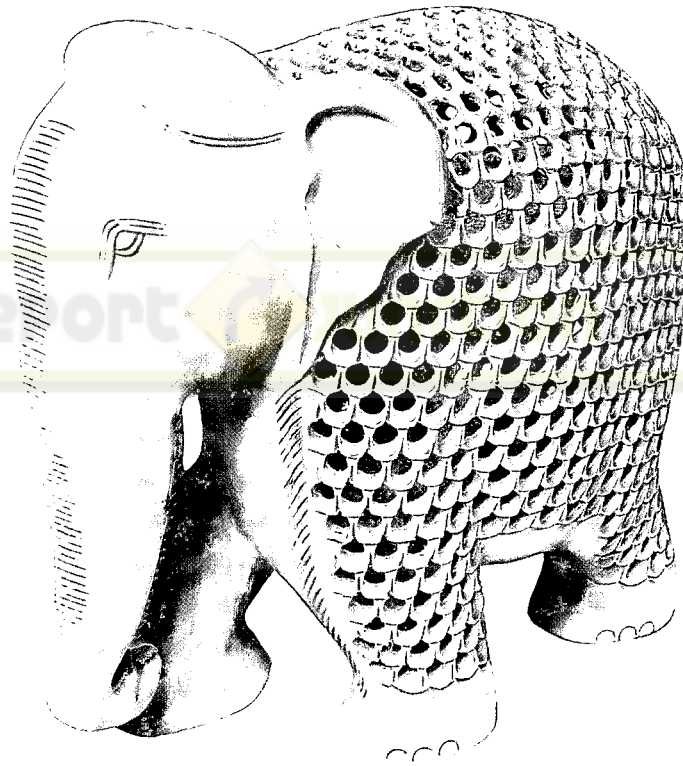


BOMBAY SWADESHI STORES LTD.

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BOMBAY SWADESHI STORES LIMITED
102nd ANNUAL REPORT 2007 - 08

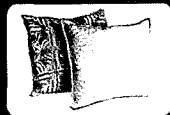
FINANCIAL HIGHLIGHTS

(Rs. In Lacs)

	2007-08*	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01	1999-00	1998-99
Share Capital	98.80	84.00	63.00	63.00	63.00	63.00	63.00	63.00	250.00	250.00
Reserves & Surplus	1,117.25	531.17	511.82	493.24	462.39	430.07	427.03	422.96	71.28	40.64
Fixed Assets	371.10	405.68	466.02	464.27	527.09	598.89	660.55	699.36	186.42	187.52
Investments	1.58	251.19	251.18	251.17	251.15	250.83	0.83	0.83	0.68	1.18
Net Current Assets	1,088.85	767.06	526.46	497.96	296.98	314.40	561.26	485.25	283.69	90.52
Profit & Loss Account	-	-	-	-	-	-	-	-	-	(71.38)
Total Turnover	2,425.27	2,422.30	2,432.12	2,446.76	2,542.33	2,494.14	2,889.92	2,596.57	1,692.13	1,206.16
Profit After Tax	8.94	41.06	24.90	38.27	46.45	3.05	4.06	45.95	102.12	46.68
Rate of Dividend (%)	-	-	-	-	-	-	-	10	-	-

* Consolidated

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



BOMBAY SWADESHI STORES LIMITED

Western India House, Sir Phirozeshah Mehta Road, Fort, Mumbai - 400 001.

ATTENDANCE SLIP

I hereby record my presence at the 102nd ANNUAL GENERAL MEETING of the Company at "Orchid", 1st Floor, MVIRDC, World Trade Centre, Centre 1, Cuffe Parade, Mumbai 400 005, on Tuesday, 30th September, 2008 at 10:00 AM.

Folio No. _____ / * DP ID _____ / * Client ID _____

Full name of the Shareholder/Proxy _____
(in block letters)

* Applicable for investors holding shares in electronic form.

Signature

Note : Please fill Attendance Slip and hand it over at the entrance of the hall.

BOMBAY SWADESHI STORES LIMITED

Western India House, Sir Phirozeshah Mehta Road, Fort, Mumbai - 400 001.

PROXY FORM

I/We _____

being a member/members of the above-named Company, hereby appoint _____ of _____

in the district of _____ or failing him _____ of _____

_____ in the district of _____ as my/our proxy to vote for

me/us on my/our behalf at the 102nd ANNUAL GENERAL MEETING of the Company to be held on Tuesday, 30th September, 2008 at 10:00 AM. and at any adjournment thereof.

Signed this _____ day of _____ 2008

Re. 1
Revenue
Stamp

Note :

This proxy must be deposited at the Registered Office of the Company, not less than 48 hours before the time for holding the meeting.



BOMBAY SWADESHI STORES LIMITED

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Members are requested to bring their copy of the Annual Report to the Annual General Meeting.

BOMBAY SWADESHI STORES LIMITED

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COMPANY DETAILS

BOARD OF DIRECTORS

MR. MILAN DALAL	<i>Chairman</i>
MR. ASIM DALAL	<i>Managing Director</i>
MR. PRATUL DALAL	<i>Director</i>
MR. DEVANSHU DESAI	<i>Director</i>
MR. KAMLESH GANDHI	<i>Director</i>
MR. HETAL GANDHI	<i>Director</i>
MR. BHARAT PATEL	<i>Director (w.e.f. 25-01-2008)</i>

AUDITORS

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

BANKERS

YES Bank Limited
The Hongkong and Shanghai Banking Corporation Ltd.

REGISTERED OFFICE

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

INVESTOR GRIEVANCES E-MAIL ID

feedback@bombaystore.com

CORPORATE OFFICE

1ST FLOOR, 'B' WING,
TODI ESTATE,
SUN MILL COMPOUND,
LOWER PAREL (WEST),
MUMBAI - 400 013.

LISTED AT

BOMBAY STOCK EXCHANGE



NOTICE

NOTICE is hereby given that the **ONE-HUNDRED AND SECOND ANNUAL GENERAL MEETING** of the Members of **BOMBAY SWADESHI STORES LIMITED** will be held on Tuesday, 30th September, 2008, at 10:00 a.m at "Orchid", 1st Floor, MVIRDC, World Trade Centre, Centre 1, Cuffe Parade, Mumbai 400005, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2008 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. Kamlesh Gandhi who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Mr. Hetal Gandhi 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. Bharat Patel, who, having been appointed 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: 25th August, 2008

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 Tuesday, 30th September, 2008.
- 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.

- 5) Unclaimed Dividend

The details of dividend paid by the Company and the respective due dates of the proposed transfer to to Investor Education and Protection Fund (IE&PF) of the Central Government as required under 205C of the Companies Act, 1956, if they remained unclaimed for a period of 7 years, are as under:

Dividend for the year	Date of Declaration of Dividend	Dividend %	Due Date for the proposed transfer to the IE&P Fund
2000-2001	22/09/2001	10%	21/09/2008

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 Second Annual General Meeting of the Company.

Item No: 5

Mr. Bharat Patel was appointed as Additional Director of the Company pursuant to provisions of Section 260 of the Companies Act, 1956 and hold office till the forthcoming One-Hundred and Second Annual General Meeting of the Company.

Notice proposing the candidature for the appointment of Mr. Bharat Patel as Director liable to retire by rotation has been received from a member alongwith deposit of Rs. 500/-.

Hence this Ordinary Resolution.

Mr. Bharat Patel is deemed to be interested or concerned in the above resolution to the extent of his appointment.

BY ORDER OF THE BOARD

Mumbai
Dated: 25th August, 2008

MILAN DALAL
CHAIRMAN

BOMBAY SWADESHI STORES LIMITED
102nd Annual Report 2007 - 2008

REPORT OF THE DIRECTORS TO THE SHAREHOLDERS

Your Directors present the **ONE-HUNDRED AND SECOND ANNUAL REPORT** of your Company.

BUSINESS OVERVIEW

The retail landscape in India is gradually evolving and likely to reach a size of USD 453 bn by Financial Year 2011. The growth has been more rapid from 2004 onwards. Growth in consumption, coupled with the growing prosperity of new age consumers, is driving this acceptance of modern retail. Despite rising share of organized retail in India, its penetration is miniscule in comparison with the penetration in developed economies which stands at 75-85% and at 20 to 40% in other emerging markets. The penetration in India is still at 5%.

The entry of foreign retailers and geographic concentration of retail Industry has facilitated this growth. This growth is mainly on the back of changing customer aspirations and improving retail estate infrastructure in the country. The growth could be even higher, if the Indian consumers have to leapfrog evolution cycles., as we are experiencing with the penetration of mobile phones.

Retailing in India is currently at an Inflexion point. We have seen in the recent past that there is an upsurge in the Retail Industry, this is mainly because of entry of organized players in the market, and a general trend towards "Better Living" of the masses.

We at The Bombay Store are also expanding our outlets. We opened an outlet at the Inorbit Mall in Malad on the 7th June 2007. We also opened a store at Panaji in Goa on the 6th April 2008 and latest being an outlet in the Duty Free Section at the new , Hyderabad International Airport on the 15th August 2008. We are gearing ourselves to set up at least 3 more stores within this Financial Year.

During the Financial Year , the Company placed equity in the 3rd quarter of 2007- 2008. The Company made a preferential allotment of equity shares to Fidelity Multitrade Pvt. Limited , to raise funds for its expansion plans. The company issued 7.40 lakh shares of Rs. 2 each at a premium of Rs. 78. aggregating an amount of Rs.5.92 crores.

The Audited Statements of Accounts for the year ended 31st March, 2008.

FINANCIAL RESULTS

	Amount (Rs.)	
	31st March, 2008	31st March, 2007
Profit /(loss) for the year	46,27,281	75,34,095
Less: Provision for Tax	22,00,000	30,00,000
Less: Provision for Fringe Benefit Tax	3,90,000	4,28,000
	20,37,281	41,06,095
Less: Prior year tax adjustments	5,929	71,252
	20,31,352	40,34,843
Add: Balance of Profit/(Loss) brought forward	1,99,53,618	1,59,18,775
Balance carried to Balance Sheet	2,19,84,970	1,99,53,618

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 4, 5(1) & 6(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 12, 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 resources, your Directors do not recommend any dividend for the year under report

FIXED DEPOSITS:

As on 31st March, 2008 there were no fixed deposits remaining overdue.

DIRECTORS:

During the year Mr. Bharat Patel was appointed Additional Director on the Board of Directors of the Company. A resolution for appointment of Mr. Bharat Patel 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. Bharat Patel as Director liable to retire by rotation.

Mr. Kamlesh Gandhi and Mr. Hetal Gandhi retires by rotation at the forthcoming Annual General Meeting and, being eligible, offers themselves for re-appointment.

PARTICULARS OF EMPLOYEES PURSUANT TO THE SECTION 217 (2A) OF THE COMPANIES ACT, 1956:

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

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956 as inserted vide Companies Amendment Act, 2000 your Directors report that,

1. In 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 Judgement and estimates that are reasonable and prudent so as to give a true and a fair view of the state of affairs of your Company at the end of the relevant financial period 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 the Company and for preventing and detecting fraud and other irregularities;
4. They have prepared the accounts on a going concern basis.

COMPLIANCE CERTIFICATE:

A Compliance Certificate received from M/s Mehta & Mehta, 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 AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The nature of the business being retailing, providing information with regard to conservation of energy & 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. 9,81,035/- (Previous year Rs.4,28,781/-) and earned during the year was Rs. 6,19,34,766/- (Previous year Rs.6,72,62,725/-)

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 you Company.

FOR AND ON BEHALF OF THE BOARD

Place : Mumbai
Date : 25th August, 2008

MILAN DALAL
Chairman

BOMBAY SWADESHI STORES LIMITED
102nd Annual Report 2007 - 2008

SECRETARIAL COMPLIANCE CERTIFICATE

U/S 383A of the Companies Act, 1956 & Rule 3 of the Companies (Compliance Certificate) Rules, 2001

To

The Members of

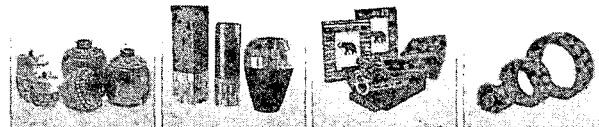
BOMBAY SWADESHI STORES LIMITED

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 there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March 2008. 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 has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The Company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Mumbai and other authorities within the prescribed time
3. The Company being Public Limited Company has maintained minimum prescribed paid-up capital and no further comments are required
4. The Board of Directors duly met SIX times on 30/04/2007, 27/07/2007, 31/08/2007, 28/09/2007, 31/10/2007, 25/01/2008 during the current financial year in respect of which 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 on 28th September, 2007 and necessary compliance of Section 154 of the Act has been made.
6. The 101st Annual General Meeting of the Company for the financial year ended 31/03/2007 was held on 28th September, 2007 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. An extra ordinary general meeting of the Company was held on 30th November, 2007 after giving due notice to the members of the Company and the resolutions thereat were duly recorded in the Minutes book of the Company.
8. As represented to us the Company has given advances to Companies for services to be rendered/goods to be

supplied and in respect of these transactions the provisions of Section 295 of the Act are not applicable.

9. The Company has duly complied with section 297 of the Act in respect of contracts specified in that section.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. As per the explanation and information provided by the Company, there were no instances falling within the purview of section 314 of the Act.
12. The Company has not issued any duplicate certificate during the financial year.
13. The Company :
 - (i) has made allotment/transfer/transmission of shares during the year under scrutiny
 - (ii) was not required to deposit amount in a separate bank account as no dividend was declared during the financial year under scrutiny.
 - (iii) was not required to issue warrants for dividends to all members within a period of 30(Thirty) days as no dividend was declared during the financial year under scrutiny.
 - (iv) was not required to transfer the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund.
 - (v) has duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and the appointment of Director including Additional Director has been duly made.
15. The appointment of Managing Director/Whole time Director/Manager has been made in compliance with the provisions of section 269 read with Schedule XIII of the Act.
16. The Company has not appointed any sole-selling agents during the financial year.
17. During the year under consideration the company was required to obtain relief for condonation of delay with Company Law Board in respect of under Section 211 read with Part II of Schedule VI of the Companies Act, 1956.
18. As per the information and explanation provided by the Company the 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 there under.

19. During the year, the Company has issued equity shares.
20. The Company has not bought back any shares during the financial year.
21. The Company has not issued any preference shares/debentures hence no preference shares/debentures were redeemed during the financial year.
22. The Company had deposited the share certificates with the Custodian of Enemy Property of India regarding issue of Bonus shares and sub-division of Equity shares. Except for the above there was no transaction necessitating the Company to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. As per the information and explanation provided the Company has complied with provisions of section 58A read with Companies (Acceptance of Deposits) Rules, 1975 the applicable directions issued by Reserve Bank of India in respect of Deposits accepted including unsecured loans taken amounting to Rs. 2,39,48,385/- 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. The Company has also filed the Return of Deposits with the Registrar of Companies.
24. The provisions of section 293 (1)(d) of the Act are not attracted to the Company during the financial year.
25. Except for guarantees given on behalf of its division viz. The Comforts Travels and Tours, the Company has not made loans and investments or given guarantees or provided securities to other bodies corporates.
26. The Company has not altered the provisions of the memorandum 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 with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its articles of association of the Company during the year under scrutiny.
31. As per the information and explanations provided show cause notices were received by the Company on 5th October, 2004 and 14th July, 2005 and compliant by Deputy Registrar of Companies on 6th January, 2005 and letter rejecting approval by Central Government pursuant to provisions of Section 211 of Companies Act, 1956, regarding exemption of furnishing quantitative information. The Company has applied thereafter to Company Law Board for Compounding of offence and have filed Form 61 with Registrar of Companies, Mumbai on 31st November, 2007 during the year under scrutiny, for the aforesaid.
32. The Company has not received any money as security from its employees during the financial year under certification.
33. The Company has deposited both employees and employers contribution to Provident Fund with the prescribed authorities pursuant to Section 418 of the Act.

**For Mehta & Mehta
Company Secretaries**

Atul Mehta
Mehta & Mehta
Company Secretaries
C.P.No.: 2486
ACS No.: 7977

Place : Mumbai.
Date : 25th August, 2008