



BOMBAY SWADESHI STORES LTD.

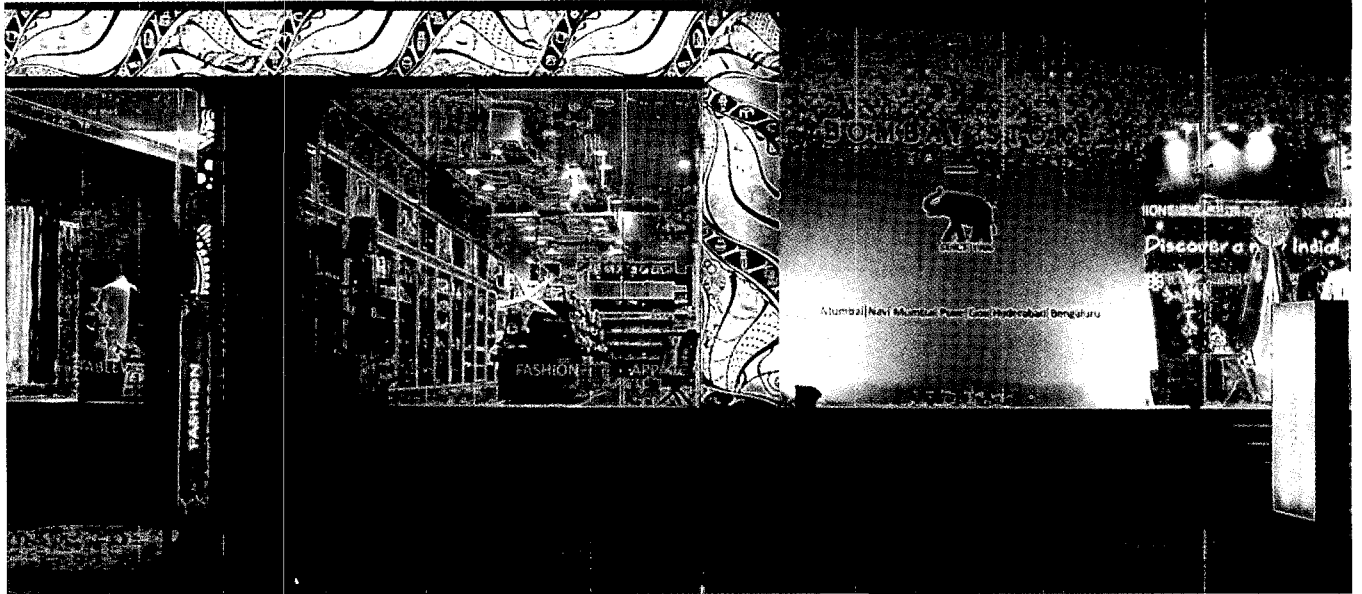
104th ANNUAL REPORT
2009 - 2010

THE
BOMBAY STORE

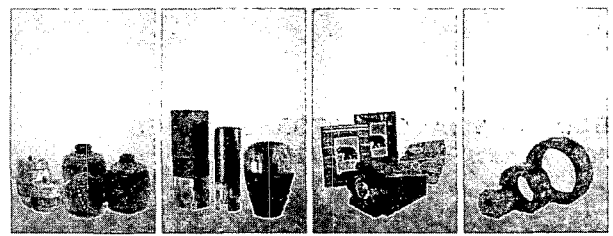


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100 Ft. Road, Indira Nagar, Bengaluru.



Domestic Airport, Terminal 1C, Mumbai.



BOMBAY SWADESHI STORES LIMITED

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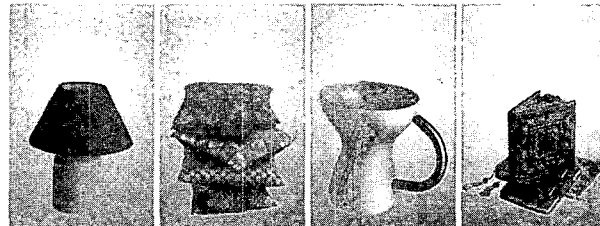
*Members are requested to bring their copy of the Annual Report to the Annual General Meeting

BOMBAY SWADESHI STORES LIMITED

104th ANNUAL REPORT 2009-2010

COMPANY DETAILS

BOARD OF DIRECTORS	MR. MILAN DALAL	(Chairman)
	MR. ASIM DALAL	(Managing Director)
	MR. PRATUL DALAL	(Director)
	MR. KAMLESH GANDHI Resigned with effect from 22nd June, 2010	(Director)
	MR. HETAL GANDHI	(Director)
	MR. BHARAT PATEL	(Director)
STATUTORY AUDITORS	M/s. M.D. PANDYA & ASSOCIATES Chartered Accountants	
BANKERS	YES Bank Limited	
REGISTERED OFFICE	WESTERN INDIA HOUSE, SIR PHEROZESHAH MEHTA ROAD, FORT, MUMBAI 400 001	
INVESTOR GRIEVANCES E-MAIL ID	investor@bombaystore.com	
CORPORATE OFFICE	1 ST 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 FOURTH ANNUAL GENERAL MEETING** of the Members of **BOMBAY SWADESHI STORES LIMITED** will be held on **Wednesday, 29th September, 2010**, at **South Lounge, Ground Floor, MVIRDC, World Trade Centre, Centre-1, Cuffe Parade, Mumbai-400 005**, at **10.00 a.m.** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010 and the Profit & Loss Account of the Company for the year ended on that date along with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Bharat Patel 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.

**By order of the Board of Directors
For Bombay Swadeshi Stores Limited**

Sd/-

**MILAN DALAL
Chairman**

Mumbai, 26th August, 2010

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 OF THE COMPANY.**
2. The Register of Members and Share Transfer Books of the Company will remain closed on Wednesday, 29th September, 2010.
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 Link Intime India Private Limited, C-13, Panalal Silk Mills Compound, L.B.S Marg, Bhandup (West) Mumbai 400078, the Company's Registrar & Share Transfer Agents.

DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Members,

Your Directors take pleasure in presenting the **ONE-HUNDRED AND FOURTH ANNUAL REPORT** of your Company together with the Audited Statements of Accounts for the year ended 31st March, 2010.

We began our journey in this business of retailing 104 years ago with two simple ideas, to encourage the sale of Swadeshi products and to grow by ensuring the satisfaction of our customers. Our concern for satisfaction has over a time taken a deep meaning and we have extended our horizon to actively fulfilling the aspirations of our stakeholders, our vendors, our employees and most importantly our investors.

Retailing is one of the pillars of Indian economy and accounts for about 35% of GDP. The retail industry is divided into organised and unorganised sectors. Over 12 million outlets operate in the country and only 4% of them being larger than 500 sq ft in size. This includes the corporate-backed hyper markets and retail chains as well as the privately owned large retail businesses. Unorganised retailing, on the other hand, refers to the traditional formats of low-cost retailing. India has topped the A.T. Kearney's Annual Global Retail Development Index (GRDI) for the third consecutive year, maintaining its position as the most attractive market for retail investment.

GLIMMER OF HOPE FOR INDIA'S RETAIL SECTOR

The Indian retail sector has seen a remarkable turn around after bearing the impact of the global economic slowdown that started in September 2008, and is currently experiencing a time of renewed optimism with growth momentum picking up gradually in the recent months. India's retail sector is pegged at \$ 370 billion and is estimated to grow more than double over the next 10 years. Consumer market in India is the next big thing on the Indian retail sectors future, organized retail is expected to rise by 20-25% by the close of 2010. Over the past few years retail Sales in India are hovering around 33-35% of GDP as compared to 20% in US.

Analyst feel that worst is over and the retail sector in India is likely to witness a steady growth. Consumers have started trickling back to malls and stores as the economy is reviving. The Company firmly believes in recognising opportunities, moulding them to fit the business in order to capitalize on them, this would definitely help us to improve growth in income and profitability and improve return on investment for stakeholders in long term.

In the year under review The Bombay Store expanded by opening new outlets at Inorbit Mall Navi Mumbai, High Street Phoenix Mumbai, Triose Mall at Lonavala and are looking at opportunities to open new outlets at major Airports in India

as well as in major cities in India. Moreover, at Bengaluru, we have re-located our M.G. Road Store to 100 Feet, Indira Nagar due to extensive Metro Rail construction work on M.G. Road. This year our Company has introduced branded Alphonso Mangoes and Designer umbrellas which received overwhelming response. Further, we have added two more outlets in May 2010 at Mumbai Airport, one at Domestic Terminal 1C and the other one at International Terminal of Mumbai Airport, as a shop in shop arrangement with the Lotus House.

FINANCIAL RESULTS:

	Amount (Rs.)	
<u>Particulars</u>	31st March, 2010	31st March, 2009
Profit for the year	1,934,941	1,518,450
Less: Provision for Current Tax	1,530,000	8,60,000
Less: Provision for Fringe Benefit Tax	Nil	3,70,000
TOTAL	404,941	288,450
Add: Balance of Profit brought forward	22,273,421	21,984,970
Balance carried to Balance Sheet	22,678,362	22,273,420

OBSERVATIONS IN THE AUDITORS' REPORT:

Explanations given in Notes to Accounts are self explanatory.

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, 2010, there were no fixed deposits remaining overdue.

DIRECTORATE:

- Mr. Bharat Patel retires by rotation at the forthcoming Annual General Meeting and, being eligible, offers himself for re-appointment.
- Mr. Pratul Dalal retires by rotation at the forthcoming Annual General Meeting and, being eligible, offers himself for re-appointment.
- Mr. Kamlesh Gandhi, independent Director of the Company has resigned from his post with effect from 22nd June, 2010.



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 regard 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,

- a) In preparation of the Annual Accounts, the applicable accounting standards have been followed;
- b) They have selected such accounting policies and applied them consistently and made judgment 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;
- c) 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;
- d) 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. 5,500/- (Previous year Rs. 4,11,496/-) and earned during the year was 4,61,43,509/- (Previous year 5,54,61,265/-). Thus the Company continues to add considerable amount of foreign exchange. The relevant details are given in the Notes to Accounts.

AUDITORS:

M/s M.D. Pandya & Associates, Chartered Accountants, Mumbai hold office as Statutory Auditors of your Company upto the conclusion of the forthcoming Annual General Meeting. A certificate has been obtained from them pursuant to Section 224 (1B) of the Companies Act, 1956 to the effect that their appointment, if made, would be within the limits prescribed there under.

ACKNOWLEDGEMENTS:

Your Directors take this opportunity to thank all the Shareholders, Employees and Bankers to the Company for their valuable support and co-operation during the year under review.

**By order of the Board of Directors
For Bombay Swadeshi Stores Limited**

**MILAN DALAL
CHAIRMAN**

Mumbai, 26th August, 2010

SECRETARIAL COMPLIANCE CERTIFICATE

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

To

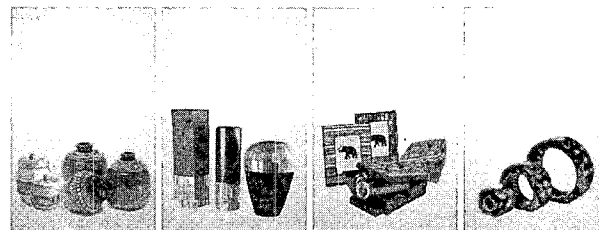
The Members of

BOMBAY SWADESHI STORES LIMITED

(CIN: L74999MH1905PLC000223)

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 2010. 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 29th April 2009, 31st July 2009, 26th August, 2009, 30th September 2009, 30th October 2009 and 29th January 2010 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 30th September, 2009 and necessary compliance of Section 154 of the Act has been made.
6. The 103rd Annual General Meeting of the Company for the financial year ended 31st March 2009 was held on 30th September, 2009 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. No Extra Ordinary General Meeting of the Company was held during the year.
8. As per the information provided by the Company, the provisions of the Section 295 of the act were not attracted during the financial year under review.
9. As per the explanation and information provided by the Company, the Company has not entered into any contracts attracting the provisions of Section 297 of the Act.
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 transfer of equity shares during the financial year. However no allotment/ transmission of shares was made 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) has deposited the amount which remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund amounting to Rs. 13,374/- on 18th October, 2008.
 - (v) has duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted.
15. The re-appointment of Managing Director 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. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act.



18. 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 not 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 was not required to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares in compliance with the provisions of the Act.
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 by the company during the year and the Company has filed the copy of the statement in lieu of advertisement and other necessary particulars as required 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 under review.
25. As per the information provided, the Company has not made 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.
28. The Company has not altered the provisions of the Memorandum of Association with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum of Association 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. There were no prosecutions initiated against or show cause notices received by the Company, during the financial year, for offences under the Act.
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**

Dipti Mehta
Mehta & Mehta
Company Secretaries
C.P.No.: 3202

Mumbai, 26th August, 2010

ACS No.: 3667

ANNEXURE A

REGISTERS AS MAINTAINED BY THE COMPANY:

1. Register of Application and allotment
2. Register of Members u/s 150(1)
3. Index of Members u/s 151
4. Register of Transfers
5. Register of contracts, companies and firms in which Directors are interested u/s 301(1)
6. Register of Directors, Managing Director, Manager and Secretary u/s 303(1)
7. Register of Directors shareholdings u/s 307(1)
8. Minutes of proceedings of Meeting of Board of Directors u/s 193(1)
9. Minutes of proceedings of General Meeting u/s 193(1)
10. Register of Directors Attendance
11. Register of Investments
12. Register of Deposits u/s 58A

ANNEXURE B

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31st March 2010.

Document	Filed u/s	For the	Remarks
Balance Sheet & Profit & Loss A/c (Form 23AC & Form 23ACA)	220	Financial Year 31 st March 2009	Filed with Normal fees on 30 th October 2009
Secretarial Compliance Certificate (Form 66)	383A	Financial Year 31 st March 2009	Filed with Normal fees. on 29 th October 2009
Annual Return (Form 20B)	159	Annual General Meeting held on 30 th September, 2009	Filed with Normal fees on 27 th November 2009
Form 25C	269	Re-appointment of Mr. Asim Dalal as Managing Director	Filed with Normal fees on 20 th June 2009
Form 23	192	Registration of resolution for re-appointment of Mr. Asim Dalal as Managing Director	Filed with Normal fees on 30 th October 2009
Form 62	58A	Statement in lieu of Advertisement	Filed with Normal Fees on 3 rd October 2009

**For Mehta & Mehta
Company Secretaries**

Dipti Mehta
Mehta & Mehta
Company Secretaries
C.P.No.: 3202
ACS No.: 3667