

# BOMBAY SWADESHI STORES LTD.



## 106th Annual Report 2011-2012

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# BOMBAY SWADESHI STORES LIMITED

## INDEX

PARTICULARS	PAGE NO.
Company Details .....	2
Notice .....	3
Directors' Report .....	4
Compliance Certificate .....	6
Auditors' Report .....	9
Balance Sheet.....	12
Statement of Profit & Loss Account .....	13
Cash Flow Statement.....	14
Notes to Financial Statements .....	15
Financial Performance of Subsidiary .....	25
Auditors' Report on Consolidated Accounts.....	27
Consolidated Accounts .....	28

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



# **BOMBAY SWADESHI STORES LIMITED**

## **106<sup>th</sup> ANNUAL REPORT 2011-2012**

### **COMPANY DETAILS**

#### **BOARD OF DIRECTORS**

MR. MILAN DALAL	(Chairman)
MR. ASIM DALAL	(Managing Director)
MR. PRATUL DALAL	(Director)
MR. DEVANSHU DESAI	(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 EMAILID**

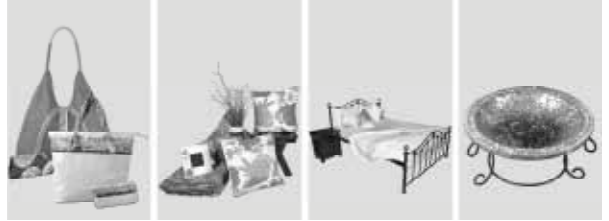
investor@bombaystore.com

#### **CORPORATE OFFICE**

1<sup>st</sup> FLOOR, B - WING, TODI ESTATE,  
SUN MILL COMPOUND,  
LOWER PAREL (WEST),  
MUMBAI - 400 013

#### **LISTED AT**

BOMBAY STOCK EXCHANGE LIMITED



## NOTICE

**NOTICE** is hereby given that the **ONE-HUNDRED AND SIXTH ANNUAL GENERAL MEETING** of the Members of **BOMBAY SWADESHI STORES LIMITED** will be held on **Thursday, 20<sup>th</sup> September, 2012** at **10.45 a.m.** at **Orchid, First 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 31<sup>st</sup> March, 2012 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.Milan Dalal who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Mr.Bharat Patel who retires by rotation and is eligible for re-appointment.
4. To appoint Auditors and to fix their remuneration.

**BY ORDER OF THE BOARD**

Mumbai  
Dated: 14th August, 2012

**MILAN DALAL**  
**CHAIRMAN**

**SINCE 1906**

### **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 **Thursday, 20<sup>th</sup> September, 2012.**
4. Members are requested to intimate change of address, if any, to the Company's Registrars & Share Transfer Agents, Link Intime Private Limited, C-13, Panalal Silk Mills Compound, L.B.S.Marg, Bhandup (West), Mumbai 400 078.

## **DIRECTORS' REPORT TO THE SHAREHOLDERS**

Your Directors present the **ONE-HUNDRED AND SIXTH ANNUAL REPORT** of your Company together with the Audited Statements of Accounts for the year ended 31<sup>st</sup> March, 2012.

The financial year gone by has been one of the most challenging and turbulent periods for the retail industry. The overall performance of the industry was moderate and the Company was no exception with the profits having fallen substantially. Certain prudent cost-saving measures pursued by the Company and effective inventory control management contributed largely to the Company being able to register profits. Some of the outlets not beneficial to the Company's endeavour to grow were closed down. Further, the Company opened outlets during the year in a very judicious manner.

### **FINANCIAL RESULTS**

	Year ended 31 <sup>st</sup> March, 2012	Amount (₹) Year ended 31 <sup>st</sup> March, 2011
Profit/Loss for the year	<b>7,38,114</b>	38,05,951
Less: Provision for Current Tax	<b>70,000</b>	11,90,000
Total	<b>6,68,114</b>	26,15,951
Less: Prior Year Tax adjustments	--	13,98,449
Add: Balance of Profit brought forward	<b>2,38,95,864</b>	2,26,78,362
Balance carried to Balance Sheet	<b>2,45,63,978</b>	2,38,95,864

### **DIVIDEND**

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

### **FIXED DEPOSITS**

As on 31<sup>st</sup> March, 2012, there were no fixed deposits remaining overdue.

### **DIRECTORS**

During the year under report, Mr.Milan Dalal and Mr.Bharat Patel retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer 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.

### **COMPLIANCE CERTIFICATE**

A compliance certificate received from M/s Sanjay Soman & Associates, 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 ₹2,68,248/- (previous year ₹14,44,501/-) and earned during the year was ₹3,85,53,870 (previous year ₹42,967,410/-).

#### **SUBSIDIARY COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS**

In accordance with the Accounting Standards AS-21 on consolidated financial statements, the Consolidated Financial Statements are attached and form part of this Annual Report. These Consolidated Financial Statements provide financial information about the company and its Subsidiary as a single entity.

The Ministry of Corporate Affairs, Government of India, vide General Circular No:2/2011 dated February 8, 2011, has granted general exemption under Section 212(1) of Companies Act, 1956 to the holding companies, from attaching the specified documents of its subsidiary companies, as referred in Section 212(1) of Act, with its Balance Sheet, on fulfillment of certain conditions. The Company has fulfilled these specified conditions and accordingly, the said documents of its Subsidiary are not attached with the financial statements of the Company. A summary of the financial performance of the Subsidiary is given in this Annual Report. The Annual Accounts of the Subsidiary and the related detailed information are made available to shareholders of the Company as well as the

Subsidiary seeking such information. The Annual Accounts of the Subsidiary are also open for inspection by any member at the Registered Office of the Company and of the Subsidiary.

#### **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**

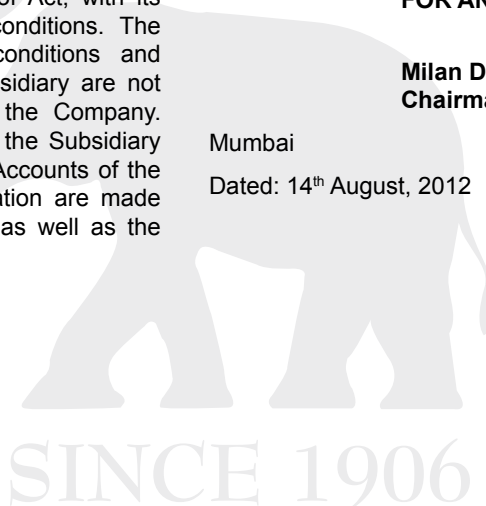
Your Directors wish to place on record their appreciation of the co-operation and diligent efforts of the employees of your Company.

#### **FOR AND ON BEHALF OF THE BOARD**

**Milan Dalal**  
**Chairman**

Mumbai

Dated: 14<sup>th</sup> August, 2012



## **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 31st March, 2012. 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, registered under CIN L74999MH1905PLC000223 with the Registrar of Companies, Maharashtra and having its Registered Office at Western India House, Sir Pherozeshah Mehta Road, Fort, Mumbai 400 001 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 has maintained minimum prescribed paid-up capital and no further comments are required.
4. The Board of Directors duly met 6 (six) times on the under mentioned dates:
  1. 6th May, 2011,
  2. 12th August, 2011,
  3. 25th August, 2011,
  4. 28th September, 2011,
  5. 5th November, 2011,
  6. 14th February, 2012.

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 on 28th September, 2011 and necessary compliance of Section 154 of the Act has been made.
6. The 105th Annual General Meeting for the financial year

ended on 31st March, 2011 was held on 28th September, 2011 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 under scrutiny.
8. 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 not entered into certain contracts/ arrangements for services sold which were of special nature and 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. The Company has obtained necessary approvals from the Board of Directors and Members pursuant to Section 314 of the Act wherever applicable.  
*- Not applicable*
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.  
*- No duplicate share certificates have been issued.*
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) not declared dividend during the financial year under scrutiny and hence was neither required to deposit any amount in a separate bank account nor was it required to issue warrants for dividends to all the Members within a period of 30 (thirty) days.
  - (iii) has deposited the amount which remained unclaimed or unpaid for a period of 7 (seven) years to Investor Education and Protection Fund  
*-Not applicable for the period under review*
  - (iv) 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 appointments of Directors and Additional Directors have been duly made.
15. The re-appointment of the Managing Director has been made in compliance with the provisions of Section 269 read together with Schedule XIII of the Act.





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. *-No 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 obtained.*
18. All the Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of Section 299 of the Act and the Rules made thereunder.
19. The Company has not issued any shares/debentures/other securities during the financial year under scrutiny.
20. The Company has not bought back any shares during the financial year under scrutiny.
21. The Company has no preference share capital nor has it issued any debentures. Hence there has been no redemption of preference shares or debentures during the financial year under scrutiny.
22. The Company was not required 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 of the Act read together with Companies (Acceptance of Deposits) Rules, 1975, the applicable directions issued by the Reserve Bank of India in respect of deposits accepted by the Company during the Financial Year. The Company has filed copy of the Statement-in-Lieu of Advertisement and other necessary particulars as required to be filed with the Ministry of Corporate Affairs.
24. The Company has not borrowed any amount from Directors, Members, public, financial institutions, banks and others during the financial year under scrutiny and hence the provisions of Section 293(1)(d) of the Act are not attracted to the Company.
25. The Company has not made any loans and investments, or given guarantees or provided securities to other bodies corporate during the financial year under scrutiny.
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 financial 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 financial 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 financial 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 financial year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year under scrutiny.
31. There were no prosecutions initiated against the Company nor were any show cause notices received by the Company and no fines or penalties or any other punishment has been imposed on the Company for offences under the Act, during the financial year under scrutiny.
32. The Company has not received any money as security from its employees during the financial year under scrutiny.
33. The Company has deposited both employees' and employer's contribution of Provident Fund with the prescribed authorities.

Place: Mumbai  
Date: 14.8.2012

**For Sanjay Soman & Associates  
Company Secretaries**

**Sanjay Soman (CP 817)**

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### **Annexure- A**

Registers as maintained by the Company

1. Register of Application and Allotment of Shares
2. Register of Members under Section 150
3. Register of Charges under Section 143
4. Register of Transfers
5. Register of Directors, Managing Directors etc. under Section 303
6. Register of Directors' Shareholdings under Section 307
7. Attendance Register
8. Register of Contracts, Companies and Firms in which Directors are interested under Section under Section 301(3)
9. Board Minutes Book and General Body Minutes Book under Section 193
10. Books of Accounts under Section 209
11. Register of Deposits under Section 58A
12. Register of Investments under Section 49(7)
13. Index of Members under Section 151

### **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, 2012

<b>Document</b>	<b>Filed u/s</b>	<b>For the</b>	<b>Remarks</b>
Form 62	58A	Statement in Lieu of Advertisement	Filed with normal fees on 8th October, 2011
Form 66	383A	Compliance Certificate	Filed with normal fees on 29th September, 2011
Balance Sheet and Profit & Loss Account Form 23AC/ACA XBRL	220	Financial Year ended 31st March, 2011	Filed with additional fees on 6th February 2012
Annual Return Form 20B	159	AGM held on 28th September, 2011	Filed with additional fees on 30th November, 2011
Form 62	58A	Return of Deposits	Filed with normal fees on 30th June, 2012

For Sanjay Soman & Associates  
Company Secretaries

Sanjay Soman (CP 817)