

BOMBAY SWADESHI STORES LTD.

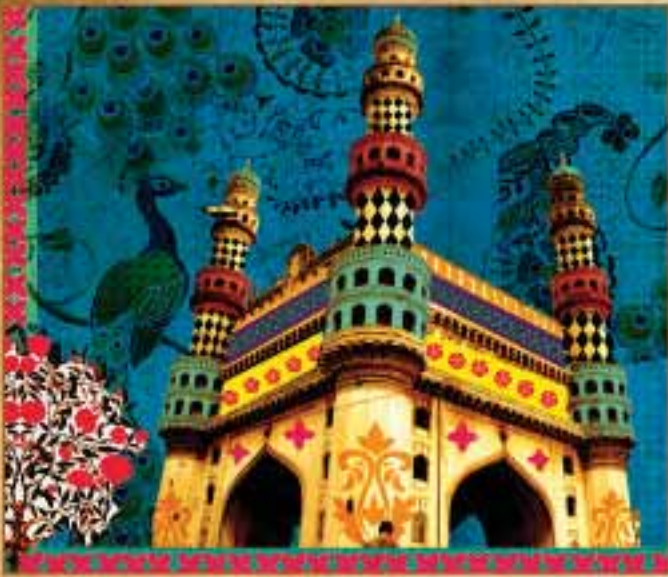
107th Annual Report



2012-2013

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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

107th ANNUAL REPORT 2012-2013

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

1st 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 SEVENTH ANNUAL GENERAL MEETING** of the Members of **BOMBAY SWADESHI STORES LIMITED** will be held on Monday, 30th September 2013 at 12 noon 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, 2013 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. Pratul Dalal 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 a Special Resolution.

“RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act 1956, a new article 156A be and is hereby authorised to be inserted in the Articles of Association of the Company after the existing Article 156 under the sub heading “Participation by Directors in Meetings of the Board or any Committee of the Board through electronic mode and procedure therefor”, which shall read as under:

Participation by Directors in Meetings of the Board or any Committee of the Board through electronic mode and procedures therefor

- 156A** (1) The Directors may participate in a meeting of the Board or any Committee of the Board under the provisions of the Act through electronic mode.
- (2) Electronic mode shall mean video conference facility i.e. audio-visual electronic communication facility employed which enables all persons participating in such Meeting to communicate concurrently with each other without an intermediary, and to participate effectively in the Meeting.
 - (3) In a financial year, every Director must personally attend at least one Meeting of the Board/ Committee of the Board.
 - (4) The Chairman of the Meeting and the Secretary, or such other person as may be authorised to do so, shall assume the

following responsibilities:

- (i) To safeguard the integrity of the Meeting via video conferencing.
 - (ii) To ensure proper video conference equipment/facilities.
 - (iii) To prepare Minutes of the Meeting.
 - (iv) To ensure that no one other than the concerned Director or other authorised participants are attending the Meeting through electronic mode.
 - (v) If a statement of a participant in the Meeting via video conferencing is interrupted or garbled, the Chairman or Secretary shall repeat what he heard the participant was saying for confirmation or correction.
- (5) The notice of the Meeting shall inform the Directors regarding availability of participation through video conference, and provide necessary information to enable the Directors to access the available facility of video conferencing.
 - (6) The notice of the Meeting shall also seek confirmation from the Director as to whether he/she will attend the Meeting physically or through electronic mode. It shall also contain the contact number(s)/e-mail addresses of the Secretary or such other authorised person to whom the Director shall confirm in this regard.
 - (7) In the absence of any confirmation from the Director, it will be presumed that he/she will physically attend the Meeting.
 - (8) At the start of the Meeting, a roll call shall be made by the Chairman or the Secretary or such other authorised person. Every Director and authorised participant shall state, for the record, the following:
 - (i) Full Name
 - (ii) Location
 - (iii) That he/she can completely and clearly see and communicate with each of the other participants.
 - (iv) No one other than the Director himself/ herself is attending the Meeting through the electronic mode.
 - (9) On the Directors recording their details in the manner stated in clause (8), the participation of the Directors not physically present shall be confirmed and the existence of a proper

quorum shall be confirmed. A Director participating in a meeting through the video conference mode shall be counted for determining the quorum. A roll-call shall also be made at the conclusion of the Meeting or at the re-commencement of the Meeting after every break to ensure presence of quorum throughout the Meeting.

- (10) All recordings of the proceedings of the Minutes shall be made at the place where the Chairman or any Director occupying the Chair is conducting the Meeting.
- (11) Statutory Registers required to be placed at a Meeting, shall be placed before the Chairman.
- (12) Where the Statutory Register is required to be signed, a Director participating through the electronic mode shall be deemed to have signed the same where he/ she has given his/ her consent.
- (13) If a motion is objected to and there is a need to vote, the Chairman or Secretary or such other authorised person shall call the roll and note the vote of each Director who shall identify himself/herself.
- (14) At the conclusion of the Meeting, the Chairman shall announce the summary of the decisions taken therein in respect of each item on the agenda and also the name(s) of the consenting/dissenting Director(s).
- (15) Video recording of every Meeting being held in electronic mode shall be preserved for one year from the conclusion of every such Meeting.
- (16) The Minutes shall indicate the mode of attendance of the Directors during the last 3 (three) Meetings i.e. to say whether personally or through the electronic mode.
- (17) Draft Minutes of the Meeting shall be circulated in soft copy not later than 7 (seven) days of the Meeting for comments/ confirmation to the Directors who attended the Meeting to dispel all doubts on matters taken up during the Meeting. Thereafter, the Minutes shall be entered in the Minutes Book as prescribed under Section 193 of the Act. The Minutes shall also disclose the particulars of the Directors who attended the Meeting through electronic mode.

BY ORDER OF THE BOARD

Mumbai
Dated: 31st May, 2013

ASIM DALAL
MANAGING DIRECTOR

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 Explanatory Statement in respect of the Special Business is attached and forms part of the Notice.
3. The instrument appointing the proxy should be deposited with the Company not less than 48 hours before the commencement of the Meeting
4. The Register of Members and Share Transfer Books of the Company will remain closed on Monday, 30th September, 2013.
5. 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.

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 Seventh Annual General Meeting of the Company.

In terms of the General Circular No.28/2011 dated 20th May, 2011 issued by the Ministry of Corporate Affairs, directors of a company can participate in Meetings of the Board or any Committee of the Board through the electronic mode.

As appropriate alterations in the Articles of Association are required to be effected, this requires the approval of the shareholders.

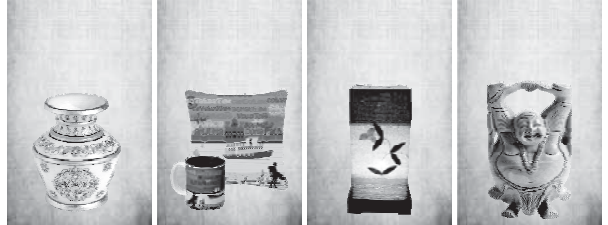
Hence the Special Resolution.

None of the Directors are deemed to be interested or concerned in the above resolution.

BY ORDER OF THE BOARD

ASIM DALAL
MANAGING DIRECTOR

Mumbai
Dated: 31st May, 2013



DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors present the **ONE-HUNDRED AND SEVENTH ANNUAL REPORT** of your Company together with the Audited Statements of Accounts for the year ended 31st March, 2013.

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 average and the Company was no exception. With the Company having effectively pursued cost-saving measures and inventory control management, the profits for the year were marginally higher compared to that of the financial year 2011-2012, despite the drop in sales. The Company continued to channelize its resources towards outlets wherein operations were encouraging.

FINANCIAL RESULTS

	Amount (₹. lacs)	
	Year ended 31 st March, 2013	Year ended 31 st March, 2012
Profit/Loss for the year	19.84	7.38
Less: Provision for Current Tax	4.10	0.70
Total	15.74	6.68
Less: Prior Year Tax adjustments	0.55	--
Add: Balance of Profit brought forward	245.64	238.96
Balance carried to Balance Sheet	260.83	245.64

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, 2013, there were no fixed deposits remaining overdue.

ALTERATION(S) TO THE ARTICLES OF ASSOCIATION

In terms of the General Circular No.28/2011 dated 20th May, 2011, issued by the Ministry of Corporate Affairs, directors of a company may, if permitted by the Articles of Association, participate in Meetings of the Board or any Committee of the Board through the electronic mode.

Accordingly it is proposed to make appropriate alterations to the Company's Articles of Association.

A Special Resolution for the purpose forms part of the Notice conveying the Annual General Meeting.

Your Directors recommend the same for approval of the Members.

DIRECTORS

During the year under report, Mr.Pratul Dalal and Mr.Hetal Gandhi 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 ₹.1,61,344.07 (previous year ₹.2,68,248/-) and earned during the year was ₹.3,14,04,495.63 (previous year ₹.3,85,53,870/-).

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

Mumbai

Dated: 31st May, 2013

Asim Dalal

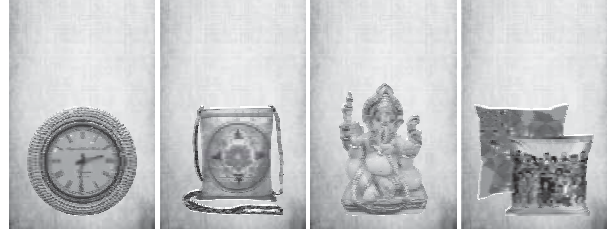
Managing Director

Pratul Dalal

Director



SINCE 1906



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, 2013. 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 5 (five) times on the under mentioned dates:
 - (a) 15th May, 2012
 - (b) 14th August, 2012
 - (c) 20th September, 2012
 - (d) 12th November, 2012
 - (e) 13th February, 2013
 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 20th September, 2012 and necessary compliance of Section 154 of the Act has been made.
6. The 106th Annual General Meeting for the financial year ended on 31st March, 2012 was held on 20th September, 2012 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.
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 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 employers' contribution of Provident Fund with the prescribed authorities.

For Sanjay Soman & Associates
Company Secretaries

Place: Mumbai
 Date: 31.5.2013

Sd/-
Sanjay Soman (CP 817)