



BOMBAY SWADESHI STORES LTD.

109th ANNUAL REPORT 2014-2015

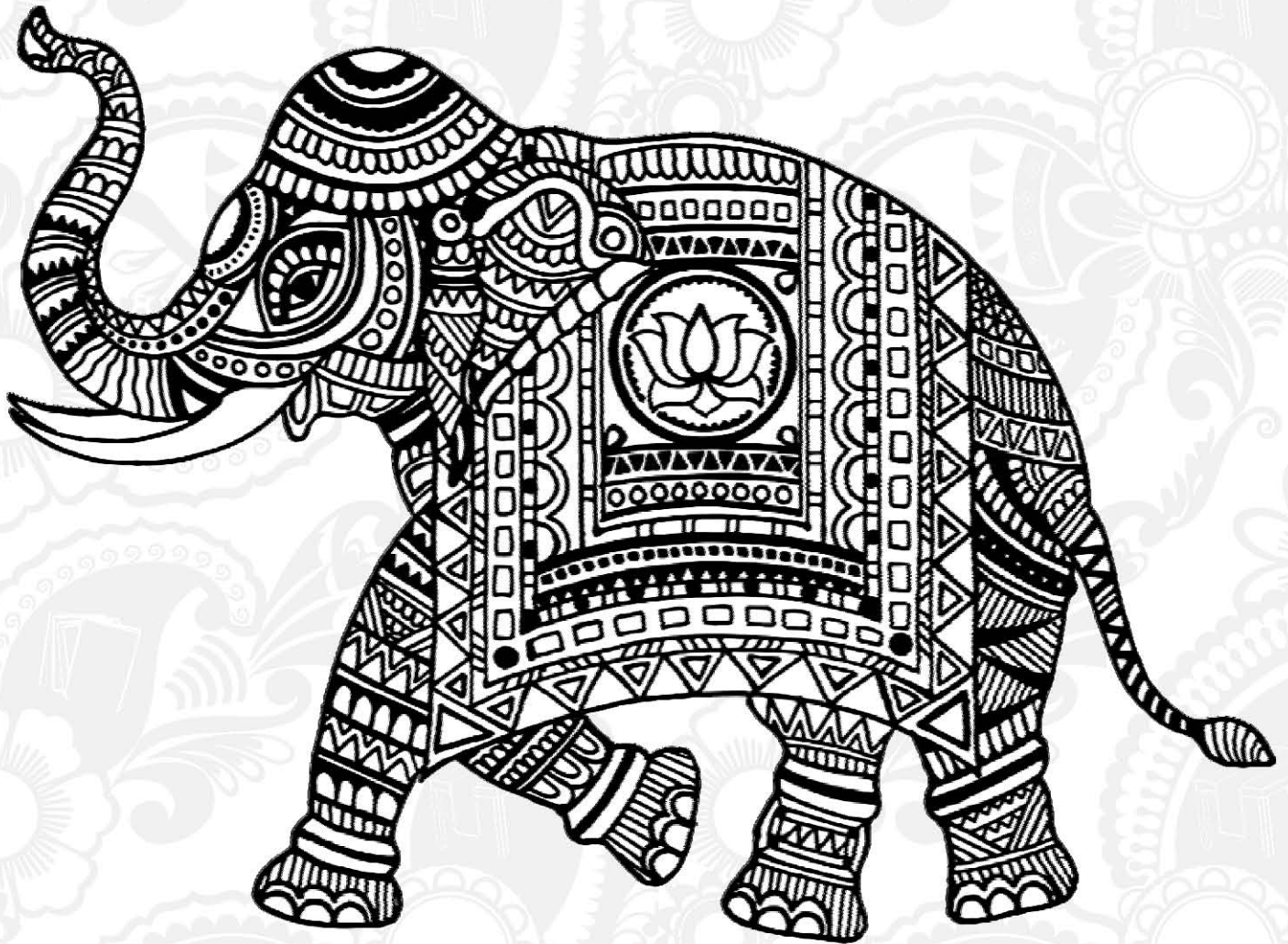


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BOMBAY SWADESHI STORES LIMITED

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

BOMBAY SWADESHI STORES LIMITED

109th ANNUAL REPORT 2014-2015

COMPANY DETAILS

BOARD OF DIRECTORS

MR. MILAN DALAL	(Chairman) (Ceased to be Director w.e.f. 15th June, 2015)
MR. ASIM DALAL	(Managing Director) (Ceased to be Managing Director w.e.f. 15th June, 2015)
MR. PRATUL DALAL	(Director) (Ceased to be Director w.e.f. 15th June, 2015)
MR. DEVANSHU DESAI	(Director)
MR. HETAL GANDHI	(Director)
MR. BHARAT PATEL	(Director) (Ceased to be Director w.e.f. 15th June, 2015)
MS. BIJAL SHROFF	(Director) (Appointed Additional Director w.e.f. 30th March, 2015)
MS. MADHU CHANDAK	(Director) (Appointed Additional Director w.e.f. 15th June, 2015)
MS. MANJRI CHANDAK	(Director) (Appointed Additional Director w.e.f. 15th June, 2015)

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
Tel : 022 22885048 / 49
CIN: L74999MH1905PLC000223

INVESTOR GRIEVANCES EMAILID investor@bombaystore.com

CORPORATE OFFICE

ANJANEYA BUILDING, GROUND FLOOR,
ORCHARD AVENUE ROAD,
NEAR HIRANANDANI FOUNDATION SCHOOL,
POWAI, MUMBAI - 400 076.
TEL.: 022 40496500

LISTED AT

BOMBAY STOCK EXCHANGE LIMITED

NOTICE

NOTICE is hereby given that the **ONE HUNDRED AND NINTH ANNUAL GENERAL MEETING** of the Members of **BOMBAY SWADESHI STORES LIMITED** will be held on Tuesday, 29th September, 2015 at 3.00 p.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, 2015 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 Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution.

“RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder, M/s M.D.Pandya & Associates, Chartered Accountants, Mumbai, bearing ICAI Registration No.107325W, be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company on a remuneration as may be fixed by the Board of Directors of the Company.”

SPECIAL BUSINESS:

3. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution.

“RESOLVED THAT, in modification of the Special Resolution passed by the shareholders pursuant to Section 293(1)(d) of the erstwhile Companies Act, 1956 (hereinafter referred to as the Act) and the Rules thereunder, at the Ninetieth Annual General Meeting held on 31st December, 1996, the Company be and is hereby authorised to borrow monies without any limitation from any bank or other financial institution upto a limit not exceeding Rs.20.00 crores (Rupees Twenty Crores only), notwithstanding that the monies to be borrowed by the Company (apart from the temporary loans obtained by the Company in its ordinary course of business) may exceed the aggregate of the Company's paid-up capital and free reserves.”

4. To appoint Mr.Devanshu Desai (DIN 00493980) as an Independent Director and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution.

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, including any statutory modification(s) or re-enactment thereof for the time being in force, Mr.Devanshu Desai

(DIN 00493980), who was appointed as Director liable to retire by rotation and whose term expires at this Annual General Meeting, and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 3 (three) consecutive years for a term upto the conclusion of the One Hundred and Twelfth Annual General Meeting in the calendar year 2018.”

5. To appoint Ms.Bijal Shroff (DIN 07143556) as an Independent Director and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution.

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, including any statutory modification(s) or re-enactment thereof for the time being in force, Ms.Bijal Shroff (DIN 07143556), who was appointed Additional Director of the Company pursuant to Section 161 of the Companies Act, 2013 and whose term expires at this Annual General Meeting and who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 3 (three) consecutive years for a term upto the conclusion of the One Hundred and Twelfth Annual General Meeting in the calendar year 2018.”

6. To appoint Ms. Madhu Chandak (DIN 07029901) as a Director liable to retire by rotation and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution.

“RESOLVED THAT Ms. Madhu Chandak (DIN 07029901), who was appointed Additional Director of the Company pursuant to Section 161 of the Companies Act, 2013 read together with Article 138 of the Articles of Association of the Company and whose term expires at this Annual General Meeting and who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as Director liable to retire by rotation.”

7. To appoint Ms.Manjri Chandak (DIN 03503615) as a Director liable to retire by rotation and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution.

“RESOLVED THAT Ms.Manjri Chandak (DIN 03503615), who was appointed Additional Director of the Company pursuant to Section 161 of the Companies Act, 2013 read together with Article 138 of the Articles of Association of the Company and whose term expires at this Annual General Meeting and who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as a Director liable to retire by rotation.”

BY ORDER OF THE BOARD

MADHU CHANDAK
Director
DIN: 07029901

Mumbai
Dated: 14th August, 2015

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 A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- 3 The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto and forms part of this Notice.
- 4 The instrument appointing the proxy should be deposited with the Company at least 48 hours before the commencement of the Meeting.
- 5 The Register of Members and Share Transfer Books of the Company will remain closed on Tuesday, 29th September, 2015.
- 6 Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the Meeting.
- 7 Members are informed that in case of joint holders attending the Meeting, only such joint holder who is higher in order of the names will be entitled to vote.
- 8 Members are requested to intimate change of address, if any, to the Company's Registrars & Transfer Agents, Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai, 400 078.
- 9 Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company from

Monday to Friday, during business hours up to the date of the Meeting.

- 10 Electronic copy of the Notice of the 109th Annual General Meeting of the Company, inter alia, indicating the process and manner of e-voting alongwith Attendance Slip and Proxy Form is being sent to all the members whose email ids are registered with the Company's Registrars and Transfer Agents and/or either of the Depository Participants for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Notice of 109th Annual General Meeting of the Company, inter alia, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
11. Electronic copy of the Annual Report for 2014-2015 is being sent to all members whose email IDs are registered with the Depository Participants for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2014-2015 is being sent in the permitted mode.
12. Pursuant to Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide its members the facility to exercise their right to vote at the 109th Annual General Meeting by electronic means. Members whose names appear in the Register of Members/List of Beneficial Owners as on 22nd September, 2015 are entitled to vote on the resolutions set forth in the Notice. Members who have acquired shares after the dispatch of the Annual Reports and before the book closure may approach the Company for issuance of the user id and password for exercising their right to vote by electronic means. The e-voting will commence on Saturday, 26th September, 2015 at 10.00 a.m. and end at 5.00 p.m. on Monday, 28th September, 2015. The Company has appointed Mr.Mayur Shah, Chartered Accountant, to act as the Scrutinizer for conducting the scrutiny of the votes cast. Members desirous of voting through electronic mode may go through the procedure on e-voting detailed hereunder:
13. **Procedure for e-voting**
 - (i) The voting period begins on Saturday, 26th September, 2015 at 10.00 a.m. and ends on Monday, 28th September, 2015 at 5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Tuesday, 22nd September, 2015 may cast their votes electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) The shareholders should log on to the e-voting website www.evotingindia.com.

- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in physical form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number which is printed on address sticker. .
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

After entering these details appropriately, click on "SUBMIT" tab.

- In case of those members who do not have access to e-voting facility, they can use the assent/dissent form sent herewith and convey their assent/dissent to each one of the items of business to be transacted at the ensuing AGM and send the form to reach Mr. Mayur Shah, Scrutinizer appointed by the Company, at the Registered Office of the Company on or before Monday 28th September, 2015 during the business hours of the Company.
- Members can choose only one of the two options, namely e-voting or voting through physical assent/ dissent form. In case the votes are casted through both the formats, then votes casted through e-voting shall stand cancelled and those votes casted through physical assent/dissent form would be considered, subject to the assent/dissent form being found to be valid.
- The results of e-voting, physical assent/dissent and poll, if any, shall be aggregated and declared on or after the AGM of the Company by the Chairman or by any other person duly authorised in this regard. The Results declared along with the Scrutinizer's Report shall be placed on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.
- All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company between 11.00 am and 1 pm on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.

BY ORDER OF THE BOARD

MADHU CHANDAK
Director
DIN: 07029901

Mumbai
Dated: 14th August, 2015

Registered Office:
Western India House
Sir Pherozeshah Mehta Road
Fort, Mumbai 400 001
CIN: L74999MH1905PLC000223
Email: investor@bombaystore.com

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

Item No.3

In terms of the approval accorded by the shareholders at the Ninetieth Annual General Meeting held on 31st December, 1996, the Board of Directors of the Company can borrow any sum or sums of money not exceeding Rs.5.00 crores (Rupees

Five Crores only) from time to time at its discretion for the purpose of the Company's business from its Bankers or any other lending institution(s).

With the increase in operations, it is proposed to enhance the working capital requirement of the Company to Rs.20.00 crores (Rupees Twenty Crores only).

The proposed enhancement requires the approval of the shareholders pursuant to Section 180(1)(c) of the Companies Act, 2013.

Hence the Special Resolution.

None of the Directors are deemed to be interested in the Special Resolution.

Item No.4

Mr.Devanshu Desai is an Independent Director of the Company and has held this position for more than 10 (ten) years.

The provisions of Section 149 of the Companies Act, 2013 stipulate the conditions for appointment of independent directors by a listed company. Accordingly, it is proposed to appoint Mr.Devanshu Desai as Independent Director in accordance with the provisions of Section 149 of the Act to hold office for 3 (three) consecutive years for a term beginning from the conclusion of this Annual General Meeting till the conclusion of the One Hundred and Twelfth Annual General Meeting of the Company in the calendar year 2018.

Mr.Devanshu Desai is not disqualified in terms of Section 164 of the Act from being appointed as Director and has given his consent to act as Director. The Company has received a notice in writing from a member in accordance with the provisions of Section 160 of the Act proposing the candidature of Mr.Devanshu Desai. The Company has also received a declaration from Mr.Devanshu Desai confirming that he meets with the criteria of independence as prescribed under Section 149(6) of the Act.

The Board is of the opinion that Mr.Devanshu Desai fulfils the conditions as specified in the Act for his appointment as Independent Director and he will be independent of the Management.

Mr.Devanshu Desai is an independent Lawyer practicing at the High Court of Mumbai. His area of expertise is company law matters.

A copy of the draft letter for the appointment of Mr.Devanshu Desai as Independent Director setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.

Mr.Devanshu Desai is deemed to be interested in the resolution set out at Item No.4.

Item No.5

Ms. Bijal Shroff was appointed Additional Director pursuant to the provisions of Section 149 of the Companies Act, 2013 read together with Article 138 of the Articles of Association of the Company, vide Circular Resolution dated 30th March, 2015, as approved by all the Directors.

The said appointment was also in compliance of Clause 49 of the Listing Agreement which made it compulsory for a listed company to appoint a woman director on the Board.

The provisions of Section 149 of the Companies Act, 2013 stipulate the conditions for appointment of independent directors by a listed company. Accordingly, it is proposed to appoint Mrs.Bijal Shroff as Independent Director in accordance with the provisions of Section 149 of the Act to hold office for 3 (three) consecutive years for a term beginning from the conclusion of this Annual General Meeting till the conclusion of the One Hundred and Twelfth Annual General Meeting of the Company in the calendar year 2018.

Ms. Bijal Shroff holds a Bachelor's Degree in Commerce from Mumbai University and also holds a Diploma in Finance.

A copy of the draft letter for the appointment of Mrs.Bijal Shroff as Independent Director setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.

Ms. Bijal Shroff is deemed to be interested in the resolution set out at Item No.5.

Item Nos.6 and 7

Ms.Madhu Chandak and Ms.Manjri Chandak were appointed Additional Directors pursuant to the provisions of Section 161 of the Companies Act, 2013 read together with Article 138 of the Articles of Association of the Company, at the Board Meeting held on 15th June, 2015.

Ms.Madhu Chandak and Ms.Manjri Chandak have acquired 48.16% of the paid-up share capital in terms of Share Purchase Agreements executed with some of the Promoters as well as with a corporate shareholder. By virtue of these acquisitions, they are the Promoters and hence are seeking re-appointments as Directors liable to retire by rotation.

Ms.Madhu Chandak holds a Master Degree in Finance from Cardiff University, United Kingdom and has around five years of experience in the field of Finance & Accounts.

Ms.Manjri Chandak is MBA in finance and investment from University of Nottingham, United Kingdom and has around five years of experience in the field of Finance & Accounts.

Ms.Madhu Chandak and Ms.Manjri Chandak are deemed to be interested in the resolutions set out in Item Nos.6 and 7.

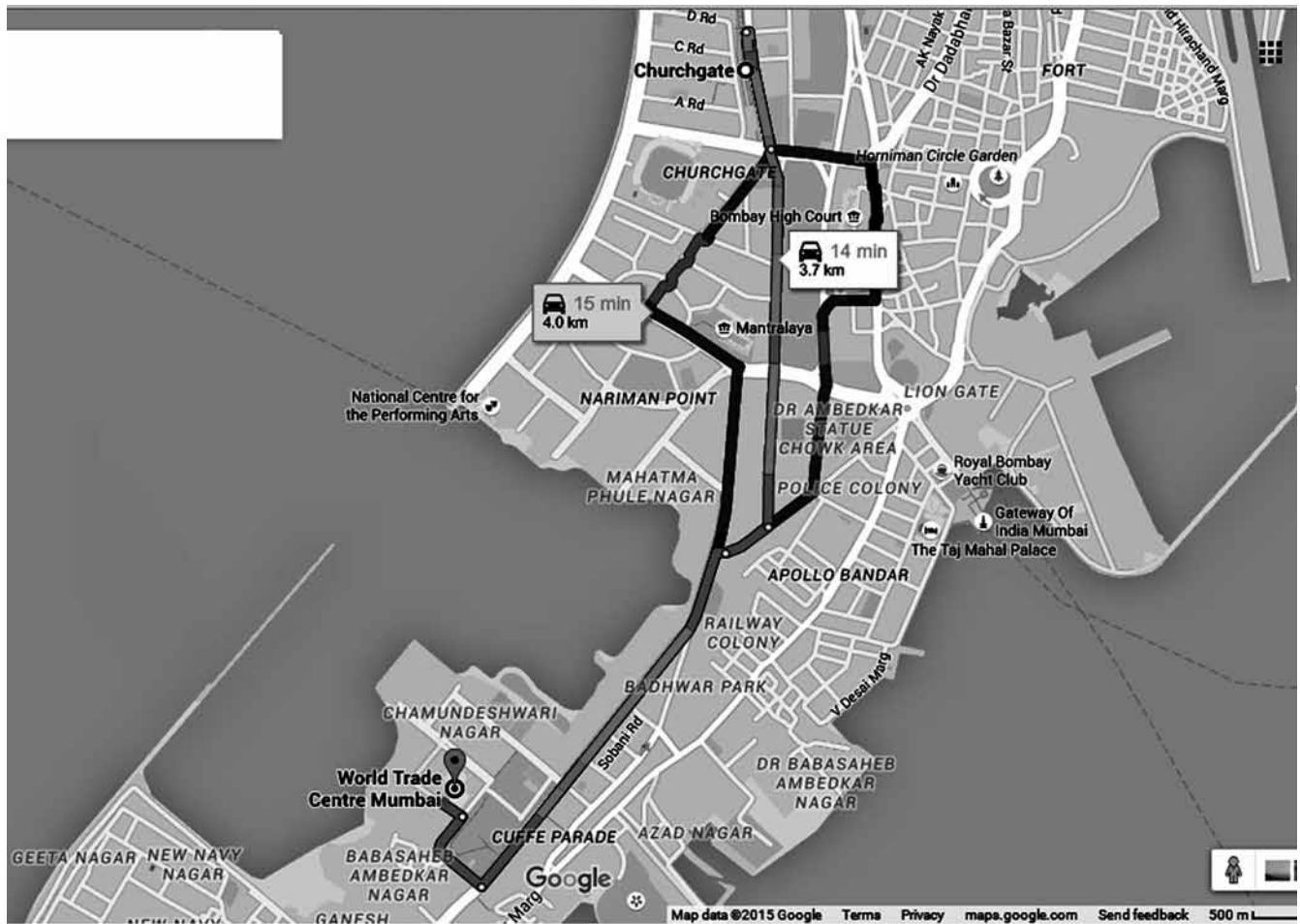
BY ORDER OF THE BOARD

MADHU CHANDAK
Director
DIN: 07029901

Mumbai
Dated: 14th August, 2015

Registered Office:
Western India House
Sir Pherozeshah Mehta Road
Fort, Mumbai 400 001
CIN: L74999MH1905PLC000223
Email: investor@bombaystore.com

Route Map to the Venue of the AGM



Orchid, 1st Floor, MVIRDC, World Trade Centre,
Centre-1, Cuffe Parade, Mumbai 400 005

REPORT OF THE DIRECTORS TO THE SHAREHOLDERS

Your Directors present the **ONE-HUNDRED AND NINTH ANNUAL REPORT** of your Company together with the Audited Statements of Accounts for the year ended 31st March, 2015.

1. FINANCIAL RESULTS

	Amount (Rs.lacs)	
	Year ended 31 st March, 2015	Year ended 31 st March, 2014
Profit/(Loss) for the year	10.29	23.09
Less: Provision for Current Tax	2.30	7.10
Total	7.99	15.99
Less: Prior Year Tax adjustments	(1.11)	--
Less: Additional Depreciation pursuant to enactment of Companies Act 2013	(40.33)	--
Add: Balance of Profit brought forward	276.83	260.84
Balance carried to Balance Sheet	245.60	276.83

2. TRANSFER TO RESERVES

The Company has transferred an amount of Rs.9.10 lacs to reserves.

3. DIVIDEND

In order to conserve its resources, the Directors do not recommend any dividend for the year under report.

4. CHANGE IN THE NATURE OF BUSINESS, IF ANY

There has been no change in the nature of business of the Company.

5. MANAGEMENT ANALYSIS

The financial year gone by has witnessed a surge in e-commerce retailing which seems to pose a serious threat to the brick and mortar offline retail activities. However, with the increasing urbanization as well as the increasing purchasing power of modern India, supported by favourable demographics and the entry of foreign players, the offline retail industry will be able to get over the threat.

India today occupies the fifth position in the retail industry, accounting for 10% of the country's GDP and about 8% of employment – a feat made possible by the continued support to the organized sector of the retail industry, of which the Company is an integral part. The liberalization of the retail industry and the resultant entry of bigger players as well as single brand stores will mean

an increased share for the organized segment. This will effectively reduce the share of the over 10 million "MOM and POP" Stores which form part of the unorganized sector.

6. MATERIAL CHANGES BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE BOARD REPORT

During the period between the end of the Financial Year and the date of this Report, some of the Promoters of the Company agreed to disinvest 25,58,964 equity shares, comprising 51.80% of the paid-up capital, out of the total holding of 25,85,192 equity shares, comprising 52.33% of the paid-up capital by the entire Promoter Group of the Company. The disinvestments were to be made to three acquirers in terms of a Share Purchase Agreement entered into by these Promoters with the Acquirers.

The Acquirers also acquired 7,40,000 equity shares, comprising 14.98% of the paid-up capital from a corporate shareholder in terms of a Share Purchase Agreement entered into by the Acquirers with the said corporate shareholder.

Further, the Acquirers offered to purchase 10,31,357 equity shares from the shareholders of the Company in terms of Regulations 13(4) and 15(2) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, and issued a Detailed Public Statement in the newspapers for the purpose. The Open Offer is scheduled to commence shortly.

Further, pursuant to the approval of the shareholders, through the process of Postal Ballot, for getting the equity shares of the Company delisted from Bombay Stock Exchange, an application for delisting of the equity shares has been submitted to BSE and feedback thereto is awaited.

7. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

There are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods.