



# BOMBAY SWADESHI STORES LIMITED

## INDEX

PARTICULARS	PAGE NO.
Company Details .....	2
Notice .....	3
Directors' Report .....	9
Compliance Certificate .....	11
Auditors' Report .....	14
Balance Sheet.....	18
Statement of Profit & Loss Account .....	19
Cash Flow Statement.....	20
Notes to Accounts .....	21
Financial Performance of Subsidiary .....	31
Auditors' Report on Consolidated Accounts.....	33
Consolidated Accounts .....	34

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

# **BOMBAY SWADESHI STORES LIMITED**

**108<sup>th</sup> ANNUAL REPORT 2013-2014**

## **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 PHEROZESH AH MEHTA ROAD,  
FORT, MUMBAI - 400 001  
Tel : 022 40669999 Fax : 022 40318800  
CIN: L74999MH1905PLC000223

### **INVESTOR GRIEVANCES EMAILID**

[investor@bombaystore.com](mailto:investor@bombaystore.com)

### **CORPORATE OFFICE**

1<sup>st</sup> FLOOR, B - WING, TODI ESTATE,  
SUN MILL COMPOUND, LOWER PAREL (WEST),  
MUMBAI - 400 013  
Tel : 022 40318888

### **LISTED AT**

BOMBAY STOCK EXCHANGE LIMITED



## NOTICE

**NOTICE** is hereby given that the **ONE HUNDRED AND EIGHTH ANNUAL GENERAL MEETING** of the Members of **BOMBAY SWADESHI STORES LIMITED** will be held on Friday, 8<sup>th</sup> August, 2014 at 10.30 a.m. at Sir Vithaldas Chambers, 6<sup>th</sup> Floor, 16, Mumbai Samachar Marg, Fort, Mumbai – 400 001, to transact the following business :

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014 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 (DIN 00062453), who retires by rotation at this Annual General Meeting and is eligible for re-appointment.
3. 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:**

4. To appoint Mr. Bharat Patel (DIN 01100361) 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. Bharat Patel (DIN 0110036), who was appointed as Director liable to retire 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 Eleventh Annual General Meeting in the calendar year 2017.”

5. To re-appoint Mr.Asim Dalal (DIN 00062734) as Managing 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** in accordance with the provisions of Sections 196, 197 and 203 read together with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, approval of the Company be and is hereby accorded to the re-appointment of Mr.Asim Dalal (DIN 00062734) as Managing Director of the Company for a period of 5 years from 1st April, 2014 on the terms and conditions, including remuneration, as set out in the statement annexed to the Notice convening this Meeting with liberty to the Board of Directors (hereinafter referred to as the Board) or any Committee thereof which may be constituted in accordance with the applicable provisions of the law(s) in force from time to time, to alter the terms and conditions of the said re-appointment and/or remuneration as it may deem fit and as may be acceptable to Mr.Asim Dalal, provided that the remuneration to be paid shall not exceed the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment(s) thereof.

**FURTHER RESOLVED THAT** the Board be and is hereby authorised to do all such acts, deeds and things and in general to take all such steps as may be considered expedient to give effect to this resolution.”

6. To adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013 and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution.

**“RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.

**FURTHER RESOLVED THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**BY ORDER OF THE BOARD**

Mumbai  
Dated: 30<sup>th</sup> May, 2014

**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. 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 Friday, 8<sup>th</sup> August, 2014.
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 & Share Transfer Agents. Link Intime Private Limited, C-13, Panalal 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 108<sup>th</sup> 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 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 108<sup>th</sup> Annual General Meeting of the Company, inter alia,

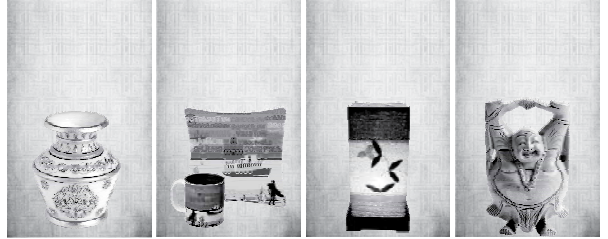
indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

11. Electronic copy of the Annual Report for 2013-14 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 2013-14 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 108<sup>th</sup> Annual General Meeting by electronic means. Members whose names appear in the Register of Members/List of Beneficial Owners as on Monday, 28<sup>th</sup> July, 2014 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 Friday, 1<sup>st</sup> August, 2014 at 10.00 a.m. and end at 5.00 p.m. on Saturday, 2<sup>nd</sup> August, 2014. The Company has appointed Ms. Sheetal Arya, Advocate, 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:

**The instructions for members for voting electronically are as under:-**

**In case of members receiving e-mail:**

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.
- (iii) Now, select "**BOMBAY SWADESHI STORES LIMITED**" from the drop down menu and click on "**SUBMIT**"
- (iv) Now Enter your User ID
  - (a) For CDSL: 16 digits beneficiary ID,
  - (b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - (c) 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](http://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)

- Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.
- In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.

**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.

- 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 number of shares held by you as on the cut off date in the Dividend Bank details field.**

(vii) After entering these details appropriately, click on **"SUBMIT"** tab.

(viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login

password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (ix) For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the name **"BOMBAY SWADESHI STORES LIMITED"** on which you choose to vote.
- (xi) On the voting page, you will see **"RESOLUTION DESCRIPTION"** and against the same the option **"YES/NO"** for voting. Select the option **YES** or **NO** as desired.

The option **YES** implies that you assent to the Resolution and option **NO** implies that you dissent to the Resolution.

- (xii) Click on the **"RESOLUTIONS FILE LINK"** if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on **"SUBMIT"**. A confirmation box will be displayed. If you wish to confirm your vote, click on **"OK"**, else to change your vote, click on **"CANCEL"** and accordingly modify your vote.
- (xiv) Once you **"CONFIRM"** your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

- (xvi) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on **Forgot Password &** enter the details as prompted by the system.

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.

They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

- A. After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- B. The list of accounts should be mailed to



helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

- C. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

**In case of members receiving the physical copy:**

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on Friday, 1st August, 2014 at 10.00 a.m. and ends on Saturday, 2nd August, 2014 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 Monday, 28th July, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
13. The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
14. 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 Company's website [www.hccindia.com](http://www.hccindia.com) and 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.
15. 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 a.m. and 1.00 p.m. on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.
16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities

market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to submit their PAN to the Company's Registrars and Transfer Agents 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.

**BY ORDER OF THE BOARD**

Mumbai

Dated: 30<sup>th</sup> May, 2014

Registered Office:

Western India House

Sir Pherozeshah Mehta Road

Fort, Mumbai 400 001

CIN: L74999MH1905PLC000223

Email: [investor@bombaystore.com](mailto:investor@bombaystore.com)

**ASIM DALAL**  
**MANAGING DIRECTOR**

**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.4**

Mr.Bharat Patel is an Independent Director of the Company and has held this position for more than 5 (five) 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.Bharat Patel 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 Eleventh Annual General Meeting of the Company in the calendar year 2017.

Mr.Bharat Patel is not disqualified from being appointed as Director in terms of Section 164 of the Act 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.Bharat Patel for the office of Independent Director of the Company. The Company has also received a declaration from Mr.Bharat Patel confirming that he meets with the criteria of independence as prescribed both under Section 149(6) of the Act.

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



Mr.Bharat Patel is widely regarded as one of the most successful equity investors in India. He is a highly respected member of the capital markets fraternity. During the more than two decades of his career in equity broking, he has been instrumental in the growth of his firm's market share and also exponentially increased its net worth. He was a house broker to many preeminent Indian corporate houses.

Over the last several years, Mr.Bharat Patel has been actively managing his own proprietary investments, on which he has successfully managed to generate significant capital appreciation. He is well-reputed for being adept at identifying the "right" under-valued small and mid-cap stocks that have translated into exponential returns.

As an industrialist, Mr.Bharat Patel has acquired control of and successfully turned-around, within a significantly short time span, several companies.

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

Mr.Bharat Patel is deemed to be interested in the resolutions set out at Item No.4.

The Board commends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the shareholders.

#### **Item No.5**

The Board of Directors, at its Meeting held on 30<sup>th</sup> May, 2014, re-appointed Mr.Asim Dalal, subject to the approval of the shareholders, as Managing Director of the Company, for a period of 5 (five) years from the expiry of his present term on 31<sup>st</sup> March, 2014 on a remuneration as approved by the Board.

It is proposed to seek the members' approval for the re-appointment of and remuneration payable to Mr.Asim Dalal as Managing Director in terms of the applicable provisions of the Act.

The terms of re-appointment, including the remuneration proposed, are as given below:

**(1) Tenure: Five years with effect from 1st April, 2014.**

**(2) Remuneration:**

- (a) Rs.1,90,000/- (Rupees One Lac Ninety Thousand only) per month in the scale 1,90,000-40,000-3,50,000 subject to the condition that in the event of absence or inadequacy of profits in any financial year, the Managing Director shall be entitled to payment of only minimum remuneration.

- (b) The Company's contribution to provident fund, superannuation or annuity fund, to the extent these singly or together are not taxable under the Income Tax law, gratuity payable and encashment of leave, as per the rules of the Company and to the extent not taxable under the Income Tax law, shall not be included for the purpose of computation of the overall ceiling of remuneration.

(3) **Privilege Leave:**

As per Company rules

(4) **Sitting Fees:**

Mr.Asim Dalal will not be entitled to sitting fees for the meetings of the Board or any Committee of the Board attended by him during his tenure as Managing Director.

(5) **Reimbursement of Expenses:**

Expenses incurred for travelling, board and lodging including for their respective spouses and attendant(s) during business trips, any medical assistance provided including for their respective family members; and provision of cars for use on the Company's business and telephone expenses at residence shall be reimbursed at actuals and not considered as perquisites.

(6) **Duties:**

Subject to the superintendence of the Board of Directors of the Company, the Managing Director shall be responsible for the day to day management of the Company and shall carry out such duties as may be entrusted to him from time to time by the Board of Directors.

(7) **Notice:**

The office of the Managing Director may be terminated by either party by giving the other party 3 (three) months' prior notice in writing.

(8) **Compensation for loss of office:**

In case of termination of office before the expiry of three months from the date of re-appointment, compensation for loss of office shall be payable to the Managing Director as mutually agreed upon.

(9) **Retirement by rotation:**

Pursuant to the Articles of Association of the Company, Mr.Asim Dalal will not be liable to retire by rotation.

(10) The Board shall, subject to the approval of the shareholders, have the power to revise the terms of re-appointment stated herein.

The Draft Agreement is 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.

Mr.Asim Dalal (DIN 00062734) holds a Bachelor's Degree in Commerce from Mumbai University and Diploma in Financial Management from London University.

He has been associated with the Company as its Director from October 1991 and as its Managing Director from 1<sup>st</sup> April, 1994 for 5 year terms and has been re-appointed on the expiry each of such term.

As Managing Director, he is responsible for the day-to-day management of the Company and making strategic decisions for the growth and profitability of the Company.

Mr.Asim Dalal satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for his re-appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

The Board is of the opinion that the expertise and experience of Mr.Asim Dalal will benefit the Company immensely and recommends the approval of the resolution.

None of the Directors except Mr.Milan Dalal and Mr.Asim Dalal are interested or concerned in the resolution.

**Item No. 6**

The present Articles of Association of the Company have been formulated based on the Companies Act, 1913 which

was in vogue when the Company was incorporated in 1936. Subsequently, the Act was replaced by the Companies Act, 1956 and all applicable provisions of the Companies Act, 1956 as also the regulations and all amendments introduced from time to time were duly incorporated.

With the introduction of the Companies Act, 2013 and the notification of 288 sections, several regulations of the existing Articles will require suitable alteration or deletions, to make the Articles in conformity with the provisions of the new Act. Given such a scenario, it is considered expedient to replace the existing Articles by a fresh set of Articles which will be in conformity with the provisions of the new Act. The proposed new Articles are based on Table 'F' of the new Act which sets out the model Articles of Association for a company limited by shares.

The Board commends the Special Resolution set out at Item No.6 of the accompanying Notice for approval by the shareholders.

None of the Directors of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 15 of the Notice.

**BY ORDER OF THE BOARD**

Mumbai

Dated: 30<sup>th</sup> May, 2014

**Registered Office:** Western India House

Sir Pherozeshah Mehta Road, Fort, Mumbai 400 001

CIN: L74999MH1905PLC000223

Email: [investor@bombaystore.com](mailto:investor@bombaystore.com)

**ASIM DALAL**  
**MANAGING DIRECTOR**

SINCE 1906



## REPORT OF THE DIRECTORS TO THE SHAREHOLDERS

Your Directors present the **ONE-HUNDRED AND EIGHTH ANNUAL REPORT** of your Company together with the Audited Statements of Accounts for the year ended 31<sup>st</sup> March, 2014.

The Indian economy has continued to be in a state of flux and uncertainty even with the advent of financial year 2013-2014. The real GDP growth during the financial year continued to be at alarmingly low levels which has hampered the Industrial growth. With the political scenario having undergone a sea change, it is hoped that there will be a favourable impact on the national economy.

### **FINANCIAL RESULTS**

	Amount (₹ lacs)	
	Year ended 31 <sup>st</sup> March, 2014	Year ended 31 <sup>st</sup> March, 2013
Profit/(Loss) for the year	23.09	19.84
Less: Provision for Current Tax	7.10	4.10
Total	15.99	15.74
Less: Prior Year Tax adjustments	--	0.55
Add: Balance of Profit brought forward	260.83	245.64
Balance carried to Balance Sheet	276.82	260.83

### **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, 2014, there were no fixed deposits remaining overdue.

### **ALTERATION(S) TO THE ARTICLES OF ASSOCIATION**

With the introduction of the Companies Act, 2013 and the notification of 288 sections, several regulations of the existing Articles will require suitable alteration or deletions, to make the Articles in conformity with the provisions of the new Act. Given such a scenario, it is considered expedient to replace the existing Articles by a fresh set of Articles which will be in conformity with the provisions of the new Act. The proposed new Articles are based on Table 'F' of the new Act which sets out the model Articles of Association for a company limited by shares.

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**

In terms of the Articles of Association of the Company, Mr.Milan Dalal and Mr.Bharat Patel retire at the ensuing Annual General Meeting.

The re-appointment of Mr.Milan Dalal, who is not an Independent Director, as Director liable to retire by rotation, forms part of the Notice convening the One Hundred and Eighth Annual General Meeting.

Further, the Company has received a notice in writing from a member proposing the candidature of Mr.Bharat Patel for appointment as Independent Director. The Company has received declaration from Mr.Bharat Patel confirming that he meets with the criteria of independence as prescribed under of Section 149(6) of the Companies Act, 2013.

Your Directors recommend the re-appointment of Mr.Milan Dalal as Director liable to retire by rotation as also the re-appointment of Mr.Bharat Patel as Independent.

### **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 Rs.4,64,163/- (previous year Rs.1,61,344/-) and earned during the year was Rs.2,38,51,961/- (previous year Rs.3,14,04,496/-).

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

In accordance with the Accounting Standard (AS) – 21 on Consolidated Financial Statements read with AS – 23 on Accounting for Investments in Associates and AS – 27 on Financial Reporting of Interests in Joint Ventures, the audited consolidated financial statement is provided in the Annual Report, 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: 30<sup>th</sup> May, 2014

**Asim Dalal**  
**Managing Director**

**Pratul Dalal**  
**Director**

## 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, 2014. 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 L74999MH1905 PLC000223 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) 31st May, 2013
  - (b) 09th August, 2013
  - (c) 30th September, 2013
  - (d) 14th November, 2013
  - (e) 14th February, 2014in 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 30th September, 2013 and necessary compliance of Section 154 of the Act has been made.
6. The 107th Annual General Meeting for the financial year ended on 31st March, 2013 was held on 30th September, 2013 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 reappointment of the Managing Director has been made in compliance with the provisions of the Companies Act as modified and applicable at present.
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.-*ref note 1 below.*
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**

Place: Mumbai

Date: 30.5.2014

Sanjay Soman (CP 817)

SINCE 1906

## 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 under Section 301
9. Register of Contracts, Companies and Firms in which Directors are interested under Section under Section 301(3)
10. Board Minutes Book and General Body Minutes Book under Section 193
11. Books of Accounts under Section 209
12. Register of Deposits under Section 58A
13. Register of Investments under Section 49(7)
14. 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, 2014

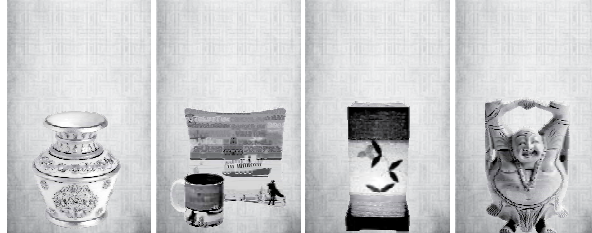
Document	Filed u/s	For the	Remarks
Form 62	58A	Statement in Lieu of Advertisement	Filed vide B85789295 with normal fees on 1st October 2013
Form 66	383A	Compliance Certificate	Compliance Certificate Filed vide Q12007951 with normal fees on 01st October , 2013
Balance Sheet and Profit & Loss Account Form 23AC/ ACA in XBRL	220	Financial Year ended 31st March, 2013	Filed vide Q26565192 with additional fees on 3rd December , 2013
Annual Return Form 20B	159	AGM held on 30th September, 2013	Filed vide Q26533950 with additional fees on 02nd December 2013
Form 62	58A	Return of Deposits	Filed vide B78166105 with normal fees on 28th June, 2013

Note 1:Ref point no 31:

1. The company has two cases to defend that are filed by M/s Aditya Hotels Pvt Ltd in connection with the property occupied by the company stores in Pune.
2. The CLB has to hear the case as per provisions of 211(1)(a) and 211(3)(b) which is pending against the company as directed by MCA for the compounding of the offence due date of hearing -4th September 2014.

\*All references to the sections are of Companies Act 1956 .





## **Independent Auditors' Report to the Members of Bombay Swadeshi Stores Limited**

We have audited the accompanying financial statements of **BOMBAY SWADESHI STORES LIMITED** which comprises of Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with General Circular 15/2013 dated 13<sup>th</sup> September 2013 issued by the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:-

- (i) in the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2014;
- (ii) in the case of the Statement of Profit and Loss Account of the profit for the year ended on that date; and
- (iii) in the case of the Cash Flow Statement of the cash flows for the year.

### **Emphasis of matter**

We draw attention to Notes 11.2, 13.2 & 15.3 regarding Debtors and Loans and Advances aggregating to Rs.6,937,990/- (Previous year Rs. 6,937,990/-) considered good and recoverable by the Company. Our opinion is not qualified in respect of these matters.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditors' Report) Order, 2003, (the Order) issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956 (hereinafter to referred to as 'the Act') we give in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order.
2. As required by section 227(3) of the Act, we report that:
  - (i.) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (ii.) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
  - (iii.) The Balance Sheet, Statement of Profit and Loss Account and Cash Flow statement dealt with by this report are in agreement with the books of account;
  - (iv.) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with General Circular 15/2013 dated 13<sup>th</sup> September 2013 issued

by the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.

- (v.) On the basis of written representations received from the directors, as on 31st March, 2014, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

For **M D PANDYA & ASSOCIATES**

*Chartered Accountants*

Reg no ; 107325W

**A. D. PANDYA**

*Partner*

Membership No.:033930

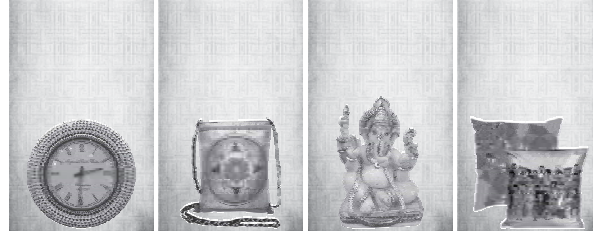
Mumbai, 30<sup>th</sup> May, 2014

**REFERRED TO IN PARAGRAPH 3 OF OUR AUDITOR  
REPORT OF EVEN DATE**

- i a The records of Fixed assets maintained by the company have not been properly up dated.
- i b The Fixed Assets have not been physically verified by the management during the year.
- i c The Company has not disposed off substantial part of fixed assets during the year.
- ii a The merchandise (Finished Goods) have been physically verified during the year by the management. On account of the nature of the trade being retail business dealing in hundreds of small items, in our opinion the frequency of the verification is reasonable.
- ii b In our opinion and according to the information and explanations given to us, the procedures of physical verification of merchandise followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- ii c The Company has not maintained proper book records of its merchandise, and as such it is not possible for us to ascertain whether there are any material discrepancies noticed on physical verification as compared to book records.
- iii a The Company has not granted any loans, secured

or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, sub-clause (b), (c) and (d) are not applicable.

- iii b The Company had taken loans, including fixed deposits from four parties listed in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 752,977/- (Previous year Rs. 780,513/-) and the year end balance of loans taken from such parties was Rs. 752,977/- (Previous year Rs. 500,000/-).
- iii c In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions on which loans are taken from parties listed in the register maintained under section 301 of the Companies Act, 1956, are prima-facie not prejudicial to the interest of the Company.
- iii d The Company is regular in repaying the principal amount and has been regular in payment of interest where applicable.
- iv. In our opinion and according to the information and explanation given to us, 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. During the course of audit no major weakness has been noticed in these internal controls.
- v a In our opinion and according to the information and explanation given to us, the transactions that need to be entered into the register in pursuant of section 301 of the Act have been so entered.
- v b In our opinion and according to the information and explanation given to us, such transactions exceeding the value of Rupees Five Lakhs in respect of any party during the year, have been made at prices which are reasonable having regard to prevailing market prices at relevant time.
- vi In our opinion and according to the information and explanation given to us, the Company has complied with the provision of Section 58A and 58AA of the Act and the Company (Acceptance of Deposits) Rules 1975 with regard to the deposit accepted from the public.
- vii We are informed that in view of the internal control procedures commensurate with the size of the Company



and the nature of its business, which in our opinion is adequate, the Company had no separate internal audit system.

viii The provisions of clause 4 (viii) of the Companies (Auditors Report) order 2003 are not applicable to the Company.

ix a The Company is generally regular in depositing the undisputed statutory dues in respect of Provident Fund, Investor Education and Protection Fund, Employee's State Insurance, Sales-tax, Wealth tax, Custom Duty, Excise Duty, cess and other material statutory dues.

ix b According to the information and explanation given to us, no undisputed amount payable in respect of Income Tax , sales tax, wealth tax, service tax, customs duty and excise duty were in arrears as at 31<sup>st</sup> March, 2014 for a period of more than six months from the date become payable.

ix c According to the information and explanations given to us, there were no dues in respect of wealth tax, sales tax, service tax, customs duty and excise duty which have not been deposited on account of any dispute.

x The Company has no accumulated losses at the end of the financial year and it has not incurred any cash losses in the current or in the immediately preceding financial year.

xi According to information and explanation given to us, the Company has not defaulted in repayment of dues to the financial institution or banks. The Company has not issued any debentures.

xii According to information and explanation given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

xiii The Company is not a chit fund or nidhi/mutual benefit fund/society, therefore the provisions of clause 4 (xiii) of the Companies (Auditors Report) order 2003 are not applicable to the Company.

xiv According to information and explanation given to us, the Company has not dealing or trading in shares, securities, debentures and other investments, therefore the provisions of clause 4 (xiv) of the Companies (Auditors Report) order 2003 are not applicable to the Company.

xv According to information and explanation given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

xvi According to information and explanation given to us, the term loans have been applied for the purpose for which they were raised.

xvii According to information and explanation given to us, and on overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long term investment.

xviii The Company has not made preferential allotment of shares to parties and companies covered in register maintained under Section 301 of the Act.

xix The Company has not issued any debentures during the year.

xx The Company has not raised any money through a public issue during the year.

xxi According to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

**For M D PANDYA & ASSOCIATES**

*Chartered Accountants*

Reg no ; 107325W

**A. D. PANDYA**

*Partner*

Membership No.:033930

Mumbai, 30<sup>th</sup> May, 2014





## Balance Sheet as at 31st March, 2014

	Notes	2013-14 ₹	2013-14 ₹	2012-13 ₹
<b>EQUITY AND LIABILITIES</b>				
<b>SHAREHOLDERS FUNDS :</b>				
Share Capital	2	<b>9,880,000</b>		9,880,000
Reserves & Surplus	3	<b>118,565,932</b>		116,966,500
			<b>128,445,932</b>	126,846,500
<b>NON CURRENT LIABILITIES</b>				
Long Term Borrowings	4		<b>23,153,000</b>	24,638,000
<b>CURRENT LIABILITIES</b>				
1) Short Term Borrowings	5	<b>57,335,974</b>		60,960,309
2) Trade Payables	6	<b>7,770,597</b>		8,754,986
3) Other Current Liabilities	7	<b>3,084,442</b>		1,994,801
4) Short Term Provisions	8	<b>-</b>		-
			<b>68,191,013</b>	71,710,096
			<b>219,789,945</b>	223,194,596
<b>ASSETS</b>				
<b>NON CURRENT ASSETS</b>				
<u>Fixed Assets</u>	9			
Tangible Assets			<b>10,127,539</b>	12,006,291
Intangible Assets			<b>3,879,888</b>	4,582,592
Non Current Investments	10		<b>696,089</b>	612,101
Long Term Loans & Advances	11		<b>14,854,475</b>	15,144,290
<b>CURRENT ASSETS</b>				
1) Inventories	12	<b>165,250,653</b>		165,733,705
2) Trade Receivables	13	<b>7,577,563</b>		8,765,818
3) Cash & Cash Equivalents	14	<b>4,039,148</b>		4,368,971
4) Short Term Loans & Advances	15	<b>13,364,590</b>		11,980,829
			<b>190,231,954</b>	190,849,322
			<b>219,789,945</b>	223,194,596
<b>Notes forming part of Financial Statements</b>	<b>1 -31</b>			
<p>As per our Report of even dated  <b>For M. D. PANDYA &amp; ASSOCIATES</b>  Chartered Accountants  Reg. No. 107325W</p> <p><b>A. D. Pandya</b>  Partner</p> <p>Mumbai, 30th May, 2014</p>				
<p><b>Asim Dalal</b>  Managing Director</p> <p><b>Pratul Dalal</b>  Director</p> <p>Mumbai, 30th May, 2014</p>				



## Statement of Profit and Loss for the year ended 31st March 2014

	Notes	2013-14 ₹	2012-13 ₹
<b>CONTINUING OPERATIONS</b>			
<b>INCOME :</b>			
Revenue from Operation (Net)	16	127,865,467	129,209,587
Other Income	17	3,869,758	6,050,588
Total Revenue		<u>131,735,225</u>	<u>135,260,175</u>
<b>EXPENSES :</b>			
Purchase of Stock In Trade	18	73,926,399	82,357,529
Change in Inventories of Stock in Trade	19	416,172	(13,022,274)
Employee Benefit Expenses	20	18,676,216	20,166,805
Finance Cost	21	10,689,264	12,112,803
Other Expenses	22	23,124,221	28,422,368
Depreciation & amortisation expenses	9	2,593,522	3,238,606
		<u>129,425,794</u>	<u>133,275,838</u>
Profit before Tax		2,309,433	1,984,337
Provision for Tax		710,000	410,000
		<u>1,599,433</u>	<u>1,574,337</u>
Less: Prior years tax adjustments		-	55,385
Profit for the year		1,599,433	1,518,951
Basic and diluted earning per share (in ₹)		0.32	0.32
<b>Notes forming part of Financial Statements</b>	<b>1 -31</b>		
<p>As per our Report of even dated  <b>For M. D. PANDYA &amp; ASSOCIATES</b>  Chartered Accountants  Reg. No. 107325W</p> <p><b>A. D. Pandya</b>  Partner</p> <p>Mumbai, 30th May, 2014</p>			
<p><b>Asim Dalal</b>  Managing Director</p> <p><b>Pratul Dalal</b>  Director</p> <p>Mumbai, 30th May, 2014</p>			



## Cash Flow Statement for the year ended 31st March 2014

	2013-14		2012-13	
	₹	₹	₹	₹
(₹ in '000)				
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit before tax and extra-ordinary items		1,599		1,519
Add: Adjustments for :				
Depreciation	2,594		3,239	
Interest paid	10,689		12,113	
Interest received	(325)		(83)	
(Profit) / Loss on sales of fixed assets (net)	(356)		(339)	
Dividend received	(8)	12,593	(8)	14,922
<i>Operating Profit before Working Capital Changes</i>		14,192		16,441
Adjustments for :				
Increase / (Decrease) in Trade payables	(984)		(6,423)	
Increase / (Decrease) in Other Current Liabilities	1,090		(1,365)	
Increase / (Decrease) in Short Term Provisions	-		(553)	
(Increase) / Decrease in Inventories	483		(12,965)	
(Increase) / Decrease in Long Term Loans & Advances	290		782	
(Increase) / Decrease in Short Term Loans & Advances	(1,577)		3,922	
(Increase) / Decrease in Trade & Other receivables	1,188	490	(349)	(16,951)
<i>Cash Generated from Operations</i>		14,682		(511)
Direct taxes paid		193		353
Deferred payments				
<b>Net Cash from Operating Activities</b>	[A]	14,875		(159)
<b>B CASH FLOW FROM INVESTMENT ACTIVITIES</b>				
Purchase of Assets		(805)		(1,137)
Sales of Assets		1,149		680
Sales / (Purchases) of Investments		(84)		4
Interest received		325		83
Dividend received		8		8
<b>Net Cash from Investment Activities</b>	[B]	594		(362)
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from borrowings		0		12,978
Repayment of borrowings		(5,109)		-
Interest paid		(10,689)		(12,113)
<b>Net Cash Flow from Financial Activities</b>	[C]	(15,799)		865
<b>Net Cash increase/(Decrease) in cash and Cash equivalents</b>	(A+B+C)	(330)		344
<b>Cash and Cash Equivalents (Opening) :</b>				
Cash on Hand	557		1,835	
Balance with Banks	3,812	4,369	2,190	4,025
<b>Cash and Cash Equivalents (Closing) :</b>				
Cash on Hand	1,199		557	
Balance with Banks	2,840	4,039	3,812	4,369

**Notes :**

- The above Cash Flow Statement has been prepared under the Indirect Method as set out in the Accounting Standard - 3 (AS3) 'Cash Flow Statement' issued by the Institute of Chartered Accountants of India.
- Cash and cash equivalent represent cash and bank balance only.
- Previous year's figures have been regrouped or rearranged wherever necessary.

MUMBAI, 30th May 2014

**Asim Dalal**  
Managing Director

### AUDITORS' REPORT ON CASH FLOW STATEMENT

We have examined the attached Cash Flow Statement of Bombay Swadeshi Stores Limited for the year ended 31st March, 2014. The statement has been prepared by the Company in accordance with the requirements of Clause 32 of the Listing Agreement with Stock Exchange, Mumbai, and is based on and is in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report dated 30th May, 2014 to the members of the Company."

For M D Pandya & Associates  
Chartered Accountants  
Reg No. 107325W

**A D PANDYA**  
Partner

MUMBAI, 30th May 2014

Membership No: 033930

## Notes to Financial Statements for the year ended 31st March, 2014

### 1 Company Background

The Company was incorporated in 1905. The Company is in business of retailing of variety of household, gifts, artefacts & other consumable products through its stores.

#### 1.1 Significant Accounting Policies

**A. Basis of Accounting:** The Financial Statements are prepared under historical cost conventions, on accrual basis of accounting and in accordance with the applicable mandatory Accounting Standards as notified by the Companies (Accounting Standards) Rules 2006 and the relevant provisions of the Companies Act, 1956.

**B. Use of Estimates:** The preparation of financial statements requires management to make certain estimates and assumptions that affect the amount reported in the financial statements and notes thereto. Differences between actual results and estimates are recognised in the period they materialise.

#### C. Fixed Assets

- i. Tangible Fixed Assets are recorded at cost inclusive of Inward Freight, Duties, Taxes and Incidental Expenses related to acquisition of the Assets. Leasehold Premises are carried forward at cost. In case final settlement of bills with contractors is pending, but the asset is complete and ready for use, capitalisation is done on estimation basis subject to necessary adjustments, including those arising out of settlement of arbitration / court cases, in the year of final settlement.
- ii. Depreciation: Depreciation on Tangible Fixed Assets has been provided on the written down value method at the rates specified in Schedule XIV of the Companies Act. No Depreciation has been provided on Leasehold Premises.
- iii. Impairment: Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount.
- iv. Intangible Assets: Goodwill has been amortized over 20 years & Software has been amortised over a period of 60 months.

#### D. Investments

- i. Long term Investments are recorded in the books at cost inclusive of all expenses incidental to acquisition thereof. Long term Investments are stated at cost, provision for decline in value, other than temporary is made to recognize such decline.
- ii. Current Investments are valued at lower of cost or market value/net asset value.

**E. Inventories:** Stock in trade - Merchandise is valued at cost or net realizable value whichever is lower. Cost includes direct expenses such as freight, taxes etc. Stock is valued on first-in-first-out basis.

**F. Cash & Cash Equivalents for purpose of Cash Flow:** Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

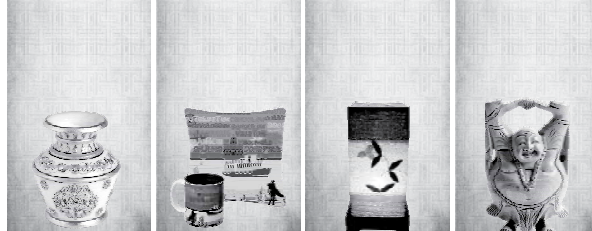
#### G. Sales

- i. Export sales in foreign currency are accounted at the exchange rate prevailing on the date of the Bill of Lading.
- ii. Counter Sales in foreign exchange are converted in to Indian Rupees at the exchange rate ruling on the date of the transactions.

#### H. Employees Benefits:

##### i. Defined Contribution Plan

Employees Benefits in the Provident Fund, Family Pension Fund and ESIC which are defined contribution schemes, are charged to the Profit and Loss Account of the year when contribution accrue.



**Notes to Financial Statements for the year ended 31st March, 2014**

**ii. Defined Benefit Plan**

Annual Contribution towards Gratuity Liability is funded with the Life Insurance Corporation of India in accordance with their Gratuity scheme and is absorbed in the accounts. The Company does not retain any obligation to pay further amounts if insurer does not pay all future employee benefits so the plan is not treated as defined benefit plan.

No provision is made for encashment of un-availed leave payable on retirement of employees.

**I. Taxation:**

Current Tax is determined as the amount of tax payable in respect of taxable income for the period computed in accordance with relevant provisions of Income Tax, 1961.

Deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future.

**J. Contingent Liabilities:** Contingent Liabilities are not provided for, till the same are crystallised.

**K. Traveling Agency Business:**

- i. Commission and discount on airlines tickets is accounted on basis of completion of fortnightly sales.
- ii. In case of cancellation of tickets, the commission and discount refundable is accounted only on final acceptance by the airlines.

**2 SHARE CAPITAL**

**2.1 Authorised :**

	2013-14 ₹	2012-13 ₹
15,000,000 Equity shares of ₹ 2/- each	30,000,000	30,000,000
200,000 Preference shares of ₹ 100/- each	20,000,000	20,000,000
Total	<u>50,000,000</u>	<u>50,000,000</u>

**2.2 Issued, subscribed and paid-up:**

4,815,000 (Previous year 48,15,000) Equity shares of ₹ 2/- (Previous year ₹ 2/-) each fully paid-up in cash	9,630,000	9,630,000
125,000 (Previous year 125,000) Equity shares of ₹ 2/- (Previous year ₹ 2/-) each fully paid up issued for consideration other than in cash	250,000	250,000
Total	<u>9,880,000</u>	<u>9,880,000</u>

**2.3 Reconciliation of Shares outstanding at the beginning and end of the year:**

Particulars	2013-2014		2012-2013	
	No. of Shares	Amount ₹	No. of Shares	Amount ₹
Equity shares at the beginning of the year	49,40,000	98,80,000	49,40,000	98,80,000
Add : Issue during the year	--	--	--	--
Equity shares at the end of the year	49,40,000	98,80,000	49,40,000	98,80,000

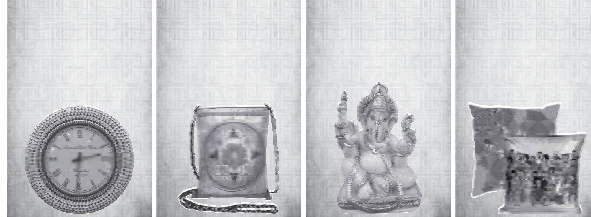
**2.4 Details of shareholders holding more than 5% of shares as at**

Sr No	Name of Shareholders	2013-14		2012-13	
		No of Shares	% of Paid up capital	No of Shares	% of Paid up capital
1	Milan Bhupendra Dalal	1426666	28.88	1426666	28.88
2	Asim Dalal	333620	6.75	333620	6.75
3	Satyen B Dalal	333353	6.75	333353	6.75
4	Fidelity Multitrade Private Limited	740000	14.98	740000	14.98
5	Hypnos Fund Limited	400000	8.10	400000	8.10

## Notes to Financial Statements for the year ended 31st March, 2014

	2013-14 ₹	2012-13 ₹
<b>3 RESERVES AND SURPLUS</b>		
<b>Capital Reserve</b>		
Balance as per last Balance Sheet	1,004,364	1,004,364
<b>Share Premium Account</b>		
Balance as per last Balance Sheet	89,879,206	89,879,206
<b>Statement of Profit &amp; Loss</b>		
Balance as per last Balance Sheet	26,082,930	24,563,979
Add: Profit/(Loss) for the year	1,599,433	1,518,951
	<u>27,682,362</u>	<u>26,082,930</u>
Total	<u>118,565,932</u>	<u>116,966,500</u>
<b>4 LONG TERM BORROWING</b>		
<u>UNSECURED LOANS</u>		
Fixed Deposits	23,153,000	24,638,000
Total	<u>23,153,000</u>	<u>24,638,000</u>
<b>5 SHORT TERM BORROWING</b>		
<u>SECURED LOANS</u>		
Working Capital Loan from Banks	24,183,026	28,501,821
Other Loans	181,461	2,335,994
Total (A)	<u>24,364,487</u>	<u>30,837,815</u>
<u>UNSECURED LOANS</u>		
Fixed Deposits (due within one year)	18,430,000	13,742,000
Inter Corporate Deposits from Companies	14,541,487	16,380,494
Total (B)	<u>32,971,487</u>	<u>30,122,494</u>
Total (A) + (B)	<u>57,335,974</u>	<u>60,960,309</u>
5.1 Loans repayable on demand viz Cash Credit facilities are Secured by current assets including credit card receivables, fixed assets of the company, pledge of Equity Shares of the company held by the Director and Associate of the company, key man insurance policy and unconditional and irrevocable personal Guarantee of Managing Director of the company.		
5.2 Other secured loans are secured by hypothecation of vehicles.		
<b>6 TRADE PAYABLES</b>		
Other Trade Payables	7,770,597	8,754,986
Total	<u>7,770,597</u>	<u>8,754,986</u>
6.1 In the absence of any intimation from vendors regarding the status of their registration under the "Micro, Small and Medium Enterprises Development Act, 2006", the Company is unable to comply with the disclosures required to be made under the said Act.		
6.2 Balance of Sundry Creditors are subject to confirmations. Adjustments, if any, will be made on receipts of the confirmations.		
<b>7 OTHER CURRENT LIABILITIES</b>		
Interest accrued and due	1,789,993	1,174,749
Other Payables	1,294,449	820,052
Total	<u>3,084,442</u>	<u>1,994,801</u>





**Notes to Financial Statements for the year ended 31st March, 2014**

**2013-14**

₹

**2012-13**

₹

**8 SHORT TERM PROVISIONS**

Provision for Gratuity contribution payable

	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**9 Fixed Assets**

SR. NO.	DESCRIPTION OF ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		AS AT 1-Apr-13	ADDITIONS	DEDUCTIONS	AS AT 31-Mar-14	AS AT 1-Apr-13	DEDUCTIONS	FOR THE YEAR	AS AT 31-Mar-14	AS AT 31-Mar-14	AS AT 31-Mar-13
	<b>TANGIBLE ASSETS</b>										
1	Leasehold Premises	2,500,000	-	-	2,500,000	-	-	-	-	2,500,000	2,500,000
2	Furniture & Fixtures	29,380,256	504,822	674,975	29,210,103	25,323,386	295,564	753,240	25,781,062	3,429,041	4,056,871
3	Computers	18,835,710	52,236	-	18,887,946	17,446,653	-	564,562	18,011,215	876,730	1,389,056
4	Office & Other Equipments	4,512,681	162,447	10,154	4,664,974	3,282,806	892	178,868	3,460,782	1,204,192	1,229,875
5	Electrical Installations	6,173,925	474,068	601,192	6,046,801	4,222,807	300,294	274,036	4,196,549	1,850,252	1,951,118
6	Vehicles	7,124,675	-	3,325,541	3,799,134	6,245,304	2,833,606	120,112	3,531,810	267,324	879,371
	<b>Total</b>	<b>68,527,247</b>	<b>1,193,573</b>	<b>4,611,863</b>	<b>65,108,957</b>	<b>56,520,956</b>	<b>3,430,356</b>	<b>1,890,818</b>	<b>54,981,418</b>	<b>10,127,539</b>	<b>12,006,291</b>
	<b>Previous Year ₹</b>	70,691,122	1,072,362	3,236,237	68,527,247	56,892,333	2,895,447	2,524,070	56,520,956	12,006,291	
	<b>INTANGIBLE ASSETS</b>										
7	Goodwill	10,400,000	-	-	10,400,000	6,524,275	-	182,704	6,706,979	3,693,021	3,875,725
8	Software	913,523	-	-	913,523	206,656	-	520,000	726,656	186,867	706,867
	<b>Total</b>	<b>11,313,523</b>	<b>-</b>	<b>-</b>	<b>11,313,523</b>	<b>6,730,931</b>	<b>-</b>	<b>702,704</b>	<b>7,433,635</b>	<b>3,879,888</b>	<b>4,582,592</b>
	<b>Previous Year ₹</b>	11,248,723	64,800	-	11,313,523	6,016,395	-	714,536	6,730,931	4,582,592	

**2013-14**

₹

**2012-13**

₹

**10 NON CURRENT INVESTMENTS**

**A. Trade - Unquoted**

**i In Equity instruments : ( fully paid -up)**

5000 (Previous year 5,000) Equity shares of Dravya Industrial Chemicals Ltd. of ₹ 10/- each fully paid up **75,000** 75,000

**ii Investment in Subsidiary Company:**

50,000 (Previous year 50,000) Equity shares of Bombay Store Retail Company Ltd. of ₹ 10/- each fully paid up **500,000** 500,000

**iii Investment in Associates**

10000 (Previous year NIL) equity shares of Out of India Retail Pvt. Ltd. of Rs.10/- each fully paid up **100,000** -

**iv Others:**

National Saving Certificate Series VIII Face value of ₹ 10,000/- (Deposited with Govt. Authorities) - 16,012

**Total (A)** **675,000** **591,012**

## Notes to Financial Statements for the year ended 31st March, 2014

	2013-14 ₹	2012-13 ₹
<b>B. Trade - Quoted</b>		
In Equity instruments : ( fully paid -up)		
180 (Previous year 180) Equity shares of State Bank of India of ₹ 10/- each	62,700	62,700
200 (Previous year 200) Equity shares of Bharti Tele-Venture Ltd. of ₹ 5/- each	11,453	11,453
100 (Previous year 100) Equity shares of Rashtriya Chemical Fertilizers Limited Ltd. of ₹ 10/- each	6,323	6,323
50 (Previous year 50) Equity shares of Tata Chemicals Limited, of ₹ 10/- each	8,419	8,419
100 (Previous year 100) Equity shares of Foods & Inns Ltd. of ₹ 10/- each	4,444	4,444
Total (B)	93,339	93,339
Total (A+B)	768,339	684,351
Less : Diminution in value of Investments	72,250	72,250
Total	696,089	612,101
[Market value of Quoted Investments ₹ 436,288/- (Previous Year ₹ 467,335/-)]		
<b>11 LONG TERM LOANS &amp; ADVANCES</b>		
Advance towards Premises	10,927,995	10,927,995
Others	3,926,481	4,216,296
Total	14,854,475	15,144,290
11.1 Advance towards premises includes payment made to Grishma Constructions & Trading Co. Pvt. Ltd.		
11.2 Other Long Term Advances includes ₹ 1,091,186/- (Previous year ₹ 10,91,186/-) dues from various parties, for which recoveries are not forthcoming, which are considered good as the company is of the view that these are recoverable.		
<b>12 INVENTORIES</b>		
Stock in Trade - Merchandise		
At cost or net realisable value whichever is lower	165,250,653	165,733,705
(As per Inventories certified by the Managing Director)	Total 165,250,653	165,733,705
<b>13 TRADE RECEIVABLES</b>		
(Unsecured, Considered Good)		
Due for more than six months from the due date of payment	5,987,274	5,708,111
Other trade receivables	1,590,290	3,057,706
Total	7,577,563	8,765,818
13.1 Balance of Trade Receivables are subject to confirmations. Adjustments, if any, will be made on receipts of the confirmations.		
13.2 Trade Receivables includes ₹ 5,487,988/- (Previous year ₹ 5,487,988/-) due from the customers for which no provision is considered necessary as the Company is of the view that the same are recoverable.		



**Notes to Financial Statements for the year ended 31st March, 2014**

	2013-14 ₹	2012-13 ₹
<b>14 CASH AND CASH EQUIVALENTS</b>		
Cash on Hand	1,198,848	556,707
Balance with Scheduled Banks in:		
Current Accounts	524,150	1,673,922
Other Bank balances : Deposit Accounts	2,316,151	2,138,342
Total	<u>4,039,148</u>	<u>4,368,971</u>
<b>15 SHORT TERM LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
Advance to Subsidiary	7,767,312	5,782,115
Other Short Term Advances	757,656	944,806
Advance payment of taxes (net)	3,198,637	3,391,444
Security & Other Deposits	1,640,985	1,862,464
Total	<u>13,364,590</u>	<u>11,980,829</u>
15.1 Above advance includes due from subsidiary company Bombay Store Retail Co. Ltd for purchase of merchandise ₹77,67,312/- (Previous year ₹ 57,82,114/-)		
15.2 Balance of Loans & Advances are subject to confirmations. Adjustments, if any, will be made on receipts of the confirmations.		
15.3 Security & Other deposit includes ₹ 358,816/-(Previous year ₹ 358,816/-) dues from a party for which revoveries are not forthcoming, which are considered good as the company is of the view that these are recoverable.		
<b>16 REVENUE FROM OPERATIONS</b>		
Gross Sales of Merchandise	138,327,599	139,042,539
Less : Value Added Tax	10,462,132	9,832,953
Net Sales	<u>127,865,467</u>	<u>129,209,587</u>
<b>17 OTHER INCOME</b>		
Interest	325,008	82,826
Dividend from Long Term Investments	8,420	7,790
Commission & Discounts received on Travel Agency Business	1,901,268	2,602,999
Other Commission received	10,279	40,626
Miscellaneous receipts	126,944	283,863
Profit on sale of assets(Net)	356,055	339,209
Sundry balances written back	1,141,784	2,693,275
Total	<u>3,869,758</u>	<u>6,050,588</u>
<b>18 PURCHASE OF STOCK IN TRADE</b>		
Purchases of Merchandise	73,926,399	82,357,529
Total	<u>73,926,399</u>	<u>82,357,529</u>

## Notes to Financial Statements for the year ended 31st March, 2014

	2012-13 ₹	2011-12 ₹
<b>19 CHANGE IN INVENTORIES OF STOCK IN TRADE</b>		
Opening Stock	165,631,705	152,609,431
Closing Stock	165,215,533	165,631,705
(Increase)/Decrease	Total 416,172	(13,022,274)
<b>20 EMPLOYEE BENEFIT EXPENSES</b>		
Salaries, Allowances & Bonus	15,503,963	16,766,586
Managing Director's Remuneration	1,500,000	1,500,000
Contribution to Gratuity Fund	193,901	271,965
Contribution to Provided Fund & other Funds	838,622	984,632
Staff Welfare expenses	639,730	643,622
Total	18,676,216	20,166,805
<b>21 FINANCE COST</b>		
Interest On Bank Borrowings	4,426,660	4,176,465
Interest On Others	5,968,631	7,165,626
Bank Charges	293,973	770,712
Total	10,689,264	12,112,803
<b>22 OTHER EXPENSES</b>		
Lease Rent	701,311	2,459,630
Repairs & Maintenance - Others	669,362	742,709
Legal & Professional Charges	2,896,499	3,365,092
Sales & Other Commission	2,647,927	2,967,211
Travelling & Conveyance	1,574,247	848,819
Electricity & Fuel	3,227,972	3,380,994
Insurance	254,381	382,615
Advertisements & Sales Promotion	1,419,709	1,044,909
Credit Card Charges	1,382,011	1,544,004
Packing Charges	220,691	615,685
Local Tax & Other Tax	46,264	-
Auditors Remuneration:		
Audit Fees	252,810	252,810
Tax Audit Fees	28,090	28,090
	280,900	280,900
Miscellaneous Expenses	7,424,592	8,349,376
Prior Period Expenses	24,943	284,696
Bad Debts & Sundry Advances Written-off	353,413	2,155,729
Total	23,124,221	28,422,368



**Notes to Financial Statements for the year ended 31st March, 2014**

**23. Contingent Liabilities:**

- i. Service Tax liability of ₹ 145,899/- (Previous year ₹ 145,899/-).

24. The Company considers its entire operations under single segment 'Retailing'. The Company's operations are only in India.

25. Earning per share has been computed with reference to profit after tax of ₹ 1,599,433 (Previous year ₹ 1,518,951/-) and weighted average number of equity shares 49,40,000 shares (Previous year 4,940,000) There is no diluted earning per share as there are no dilutive potential equity shares.

26. The Company has, on prudence not recognised Deferred Tax Assets ₹ 4,183,007/- (Previous year ₹ 5,618,578/-) mainly representing expenses allowable for tax purposes when paid and difference between tax and book written down value of fixed assets, due to uncertainty of future profits in terms of Accounting Standard 22 (AS-22) for Taxes on Income issued by The Institute of Chartered Accountants of India.

The breakup of deferred tax assets / liability

	<b>Deferred tax asset/ (liability) as at 31-Mar-14 ₹</b>	<b>Deferred tax asset/ (liability) as at 31-Mar-13 ₹</b>
<b>A. Deferred Tax Assets</b>		
Expenses allowable for tax purpose when paid	22,025	740,387
Difference between tax and Book Written Down Value	4,160,982	4,878,191
	<b>4,183,007</b>	<b>5,618,578</b>
<b>B. Deferred Tax Liability</b>		
Difference between Book Written Down Value and tax	-	-
	<b>-</b>	<b>-</b>
<b>C. Net Deferred Tax Assets</b>	<b>4,183,007</b>	<b>5,618,578</b>
<b>D. Deferred Tax Assets / (Liability)</b>	<b>1,292,549</b>	<b>1,736,141</b>

**27. Related Party Disclosures**

**A. Relationship**

**I) Subsidiary Company**

Bombay Store Retail Company Limited

**II) Key Management Personnel & Relatives:**

Mr. Milan Dalal - Chairman

Mr. Asim Dalal - Managing Director

Mr. Satyen Dalal - Relative

Mr. Bhupen C. Dalal - Relative

Mrs. Rekha Dalal - Relative

Mrs. Aditi Dalal - Relative

Mrs. Veena Dalal - Relative

**III) Other Parties / Enterprises where control / significant influence exists.**

Gateway International Pvt. Ltd.

Grishma Constructions & Trading Co. Pvt. Ltd.

First Overseas Capital Limited

Asda Trading Company Pvt. Ltd.

Western Press Pvt. Ltd.

Milan Investments Pvt. Ltd.

M/s S. Ramdas

FOCL (Maldives) Pvt. Ltd.

Elephant Company Retail Pvt Ltd.

Out Of India Retail Pvt. Ltd.

Amalgamated Business Solutions Ltd

Related party relationship is as identified by the Company and relied on by the Auditors.

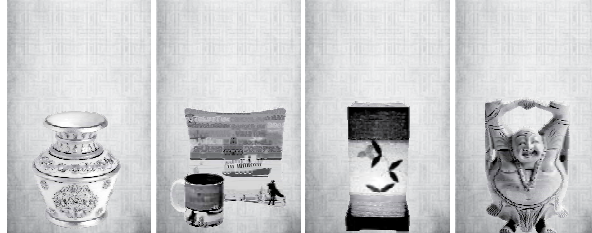
## Notes to Financial Statements for the year ended 31st March, 2014

### B. Details of Transactions with Related Parties.

Sr. No.	Nature of Transactions	Related Party Referred in		
		A (I)	A (II)	A (III)
i.	Purchases of goods and material	<b>72,928,106</b> (80,920,449)	- (-)	- (16,890)
ii.	Expenditure			
	Remuneration	- (-)	<b>1,680,000</b> (1,680,000)	- (-)
	Interest paid	- (-)	<b>60,500</b> (60,294)	- (-)
	Printing & stationery	- (-)	- (-)	<b>87,259</b> (168,714)
	General Expenses	- (-)	- (-)	<b>180,550</b> (173,885)
	Reimbursement of expenses	- (-)	- (-)	- (-)
	Professional Fees	- (-)	<b>234,000</b> (234,000)	- (-)
	Commission & Discounts given	- (-)	- (-)	<b>255,253</b> (316,086)
iii.	Income			
	Sales	- (-)	- (-)	- (-)
	Interest received	- (-)	- (-)	- (-)
iv.	Outstanding Balance			
	Loans & Advances receivable	7,767,312 (5,782,115)	- (-)	<b>12,127,995</b> (10,927,995)
	Loans & Advances received	- (-)	<b>500,000</b> (500,000)	- (-)
	Trade Receivable	- (-)	- (-)	<b>935,650</b> (145,829)
	Trade Payable	-	<b>252,977</b> (309,349)	<b>258,486</b> (192,803)

Figures in brackets are for previous year.





**Notes to Financial Statements for the year ended 31st March, 2014**

**28. Earning in Foreign Exchange:**

- i. FOB value of exports of goods NIL /- (Previous year NIL/-).
- ii. Receipts on account of sale of merchandise ₹ 23,851,961/- (Previous year ₹ 31,404,496/-).

29. CIF Value of Imports : Goods ₹ NIL/- (Previous year ₹ NIL/-).

30. Expenditure in Foreign Currency:

Other Expenses ₹ 464,163/ - (Previous year ₹ 161,344/-).

31. Previous year's figures have been regrouped / re-arranged / reclassified wherever necessary.

As per our Report of even dated

**For M. D. PANDYA & ASSOCIATES**  
*Chartered Accountants*  
*Reg. No. 107325W*

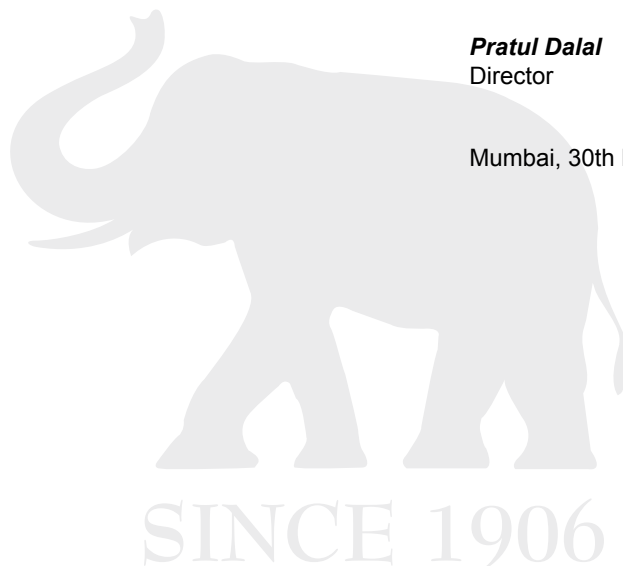
**Asim Dalal**  
 Managing Director

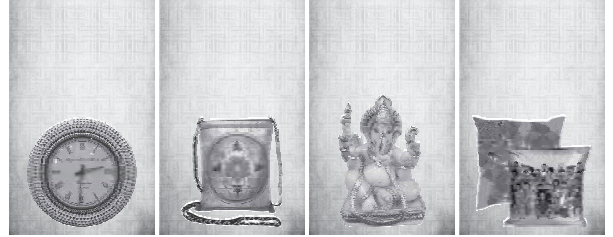
**A. D. Pandya**  
*Partner*

**Pratul Dalal**  
 Director

Mumbai, 30th May, 2014

Mumbai, 30th May, 2014





**STATEMENT PURSUANT TO DIRECTIONS ISSUED VIDE CIRCULAR NO. 2/2011 UNDER SECTION 212(8) OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES**

1. Name of Subsidiary Bombay Store Retail Company Ltd.
  
2. Financial Year ended 31st March, 2014
  
3. Equity shares of the Subsidiary held by the Company
  - i Number of shares and face value per share 50,000 shares of ₹ 10/- each
  - ii Extent of Holding 100%

Sr. No.	Particulars	Amount (₹ '000)
a.	Capital	500
b.	Unsecured Loans	50,000
c.	Reserves	(60,589)
d.	Total Assets	130,233
e.	Total Liabilities	130,233
f.	Investment (except investment in Subsidiary)	43
g.	Turnover	181,906
h.	Profit/(Loss) before Taxation	(9,666)
i.	Provision for Taxation	-
j.	Profit/(Loss) after Taxation	(9,666)
k.	Proposed Dividend	-





## Independent Auditors Report to the Board of Directors of Bombay Swadeshi Stores Limited

### Report on the Consolidated Financial Statements

1. We have audited the accompanying Consolidated Financial Statements of **BOMBAY SWADESHI STORES LIMITED** and its subsidiary **which comprises** the consolidated Balance Sheet at 31st March, 2014, the consolidated Profit and Loss Account and the consolidated Cash Flow Statement for the year ended then ended and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

2. Management's Responsibility for the Consolidated Financial Statements Management is responsible for the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with General Circular 15/2013 dated 13<sup>th</sup> September 2013 issued by the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments,

the auditor considers internal control relevant to the Company's preparation and presentation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Emphasis of matter

5. We draw attention to Notes 11.2, 14.2 & 16.2 regarding Debtors and Loans and Advances aggregating to Rs. 6,937,990/- (Previous year Rs. 6,937,990/-) considered good and recoverable by the Company. Our opinion is not qualified in respect of these matters.

### Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (i) in the case of the consolidated Balance Sheet of the state of affairs of the Company as at 31st March, 2014;
  - (ii) in the case of the consolidated Profit and Loss Account of the loss for the year ended on that date; and
  - (iii) in the case of the consolidated Cash Flow Statement of the cash flows for the year ended on that date.

For **M D PANDYA & ASSOCIATES**

*Chartered Accountants*

Reg no 107325W

**A. D. PANDYA**

*Partner*

Membership No.:033930

MUMBAI

Dated: 30<sup>th</sup> May, 2014

**Consolidated Balance Sheet as at 31st March, 2014**

	Notes	2013-14 ₹	2013-14 ₹	2012-13 ₹
<b>EQUITY AND LIABILITIES</b>				
<b>SHAREHOLDERS FUNDS :</b>				
Share Capital	2	<b>9,880,000</b>		9,880,000
Reserves & Surplus	3	<b>57,977,295</b>	<b>67,857,295</b>	66,044,120
				75,924,120
<b>NON CURRENT LIABILITIES</b>				
Long Term Borrowing	4		<b>73,153,000</b>	74,638,000
<b>CURRENT LIABILITIES</b>				
1) Short Term Borrowings	5	<b>57,335,973</b>		60,960,310
2) Trade Payables	6	<b>131,142,068</b>		133,304,512
3) Other Current Liabilities	7	<b>12,267,552</b>		7,026,585
4) Short Term Provisions	8	-		-
			<b>200,745,593</b>	201,291,408
			<b>341,755,888</b>	351,853,527
<b>APPLICATION OF FUNDS :</b>				
<b>NON CURRENT ASSETS</b>				
<b>FIXED ASSETS :</b>				
Tangible Assets	9		<b>30,164,311</b>	34,108,192
Intangible Assets			<b>3,879,888</b>	4,582,592
Capital Work-in-progress			<b>3,190,393</b>	-
<b>NON CURRENT INVESTMENTS</b>	10		<b>196,090</b>	112,102
<b>LONG TERM LOANS AND ADVANCES</b>	11		<b>14,991,754</b>	15,514,821
<b>CURRENT ASSETS</b>				
1) Current Investment	12	<b>43,207</b>		36,007
2) Inventories	13	<b>256,725,734</b>		251,722,732
3) Trade Receivables	14	<b>8,189,418</b>		9,464,519
4) Cash & Cash Equivalents	15	<b>4,659,246</b>		5,634,006
5) Short Term Loans and Advances	16	<b>19,715,847</b>		30,603,650
6) Other Current Assets	17	-		74,907
			<b>289,333,452</b>	297,535,821
			<b>341,755,888</b>	351,853,527
<b>Notes forming part of Financial Statements</b>				
		<b>1 -34</b>		
As per our Report of even dated <b>For M. D. PANDYA &amp; ASSOCIATES</b> Chartered Accountants Reg. No. 107325W  <b>A. D. Pandya</b> Partner  MUMBAI, 30th May, 2014			<b>Asim Dalal</b> Managing Director  <b>Pratul Dalal</b> Director  MUMBAI, 30th May, 2014	



## Consolidated Statement of Profit & Loss for the year ended 31st March, 2014

	SCHEDULE	2013-14 ₹	2012-13 ₹
<b>INCOME :</b>			
Revenue from Operations (Net)	18	236,843,288	244,359,128
Other Income	19	9,893,526	7,375,039
Total Revenue		<u>246,736,814</u>	<u>251,734,167</u>
<b>EXPENDITURE :</b>			
Purchase Of Stock In Trade	20	124,266,000	142,115,088
Change in Inventories of Stock in Trade	21	(4,962,288)	(22,954,933)
Employee Benefit Expenses	22	36,020,634	39,228,110
Finance Cost	23	15,013,287	14,141,443
Other Expenses	24	77,244,098	94,945,838
Depreciation & amortisation expenses	9	6,511,909	7,488,557
		<u>254,093,640</u>	<u>274,964,103</u>
Profit before Tax		(7,356,826)	(23,229,936)
Provision for Tax		710,000	410,000
Profit after Tax		(8,066,826)	(23,639,936)
Less: Prior years tax adjustments		-	108,764
Profit for the year		<u>(8,066,826)</u>	<u>(23,748,700)</u>
Basic and diluted earning per share (in Rs.)		(1.63)	(4.79)
<b>Notes forming part of Financial Statements</b>	<b>1 -34</b>		
<p>As per our Report of even dated  <b>For M. D. PANDYA &amp; ASSOCIATES</b>  Chartered Accountants  Reg. No. 107325W</p> <p><b>A. D. Pandya</b>  Partner</p> <p>MUMBAI, 30th May, 2014</p>			
<p><b>Asim Dalal</b>  Managing Director</p> <p><b>Pratul Dalal</b>  Director</p> <p>MUMBAI, 30th May, 2014</p>			



## Consolidated Cash Flow Statement for the year ended 31st March, 2014

	2013-14		2012-13	
	₹	₹	₹	₹
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit before tax and extra-ordinary items		(8,067)		(23,749)
Add: Adjustments for :				
Depreciation	6,512		7,489	
Interest paid	14,725		13,783	
Interest received	(325)		(83)	
(Profit) / Loss on sales of fixed assets (net)	4,651		251	
Preliminary & Deferred expenses w/o	75		361	
Dividend received	(16)	25,623	(10)	21,790
<i>Operating Profit before Working Capital Changes</i>		<u>17,556</u>		<u>(1,958)</u>
Adjustments for :				
Increase / (Decrease) in Trade payables	(177)		19,287	
Increase / (Decrease) in Other Current Liabilities	5,241		2,871	
Increase / (Decrease) in Short Term Provisions	-		(553)	
(Increase) / Decrease in Inventories	(5,003)		(22,884)	
(Increase) / Decrease in Long Term Loans & Advances	523		411	
(Increase) / Decrease in Short Term Loans & Advances	8,938		3,038	
(Increase) / Decrease in Trade & Other receivables	1,274	10,796	(66)	2,104
<i>Cash Generated from Operations</i>		<u>28,352</u>		<u>145</u>
Direct taxes paid		(34)		406
<b>Net Cash from Operating Activities</b>	<b>[A]</b>	<u>28,317</u>		<u>551</u>
<b>B CASH FLOW FROM INVESTMENT ACTIVITIES</b>				
Purchase of Assets		(11,340)		(1,409)
Sales of Assets		1,632		702
Sales / (Purchases) of Investments		(91)		1
Interest received		325		83
Dividend received		16		10
<b>Net Cash from Investment Activities</b>	<b>[B]</b>	<u>(9,458)</u>		<u>(613)</u>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from borrowings		-		12,978
Repayment of borrowings		(5,109)		(19)
Interest paid		(14,725)		(13,783)
<b>Net Cash Flow from Financial Activities</b>	<b>[C]</b>	<u>(19,835)</u>		<u>(825)</u>
<b>Net Cash increase/(Decrease) in cash and Cash equivalents</b>	<b>(A+B+C)</b>	<u>(975)</u>		<u>(886)</u>
<b>Cash and Cash Equivalents (Opening) :</b>				
Cash on Hand	901		2,149	
Balance with Banks	4,733	5,634	4,371	6,520
<b>Cash and Cash Equivalents (Closing) :</b>				
Cash on Hand	1,607		901	
Balance with Banks	3,052	4,659	4,733	5,634

**Notes :**

- The above Cash Flow Statement has been prepared under the Indirect Method as set out in the Accounting Standard - 3 (AS3) 'Cash Flow Statement' issued by the Institute of Chartered Accountants of India.
- Cash and cash equivalent represent cash and bank balance only.
- Previous year's figures have been regrouped or rearranged wherever necessary.

MUMBAI, 30th May 2014

**Asim Dalal**  
Managing Director

### AUDITORS' REPORT ON CASH FLOW STATEMENT

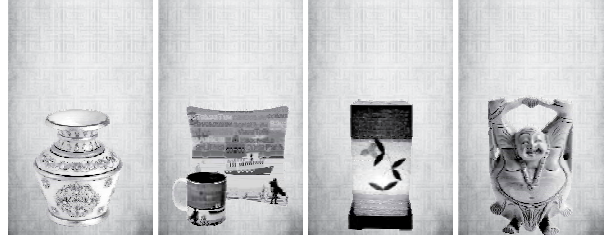
We have examined the attached Consolidated Cash Flow Statement of Bombay Swadeshi Stores Limited for the year ended 31st March, 2014. The statement has been prepared by the Company in accordance with the requirements of Clause 32 of the Listing Agreement with Stock Exchange, Mumbai, and is based on and is in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report dated 30th May, 2014 to the members of the Company."

For M D Pandya & Associates  
Chartered Accountants  
Reg No. 107325W

**A D PANDYA**  
Partner

MUMBAI, 30th May 2014

Membership No:033930



## Notes to Consolidated Financial Statements for the year ended 31st March 2014

### 1. Company Background

The Company was incorporated in 1905. The Company is in business of retailing of variety of household, gifts, artefacts & other consumable products through its stores.

### 1.1 Significant Accounting Policies of Consolidated Accounts

**A. Accounting Convention :** The Consolidated Financial Statements are prepared under historical cost conventions and based on accrual method of accounting and applicable accounting standards by consolidating the accounts of parent company with its subsidiary

**B. Principles of Consolidation :** The Financial Statements of the Company and its Subsidiary have been consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses, after eliminating intra group balances and the unrealised profits/losses on intra group transactions. The Consolidated Financial Statements are presented to the extent possible in the same format as that adopted by the Company for its separate financial statements.

The difference between the cost of investment in the Subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.

**C. Use of Estimates:** The preparation of financial statements requires management to make certain estimates and assumptions that affect the amount reported in the financial statements and notes thereto. Differences between actual results and estimates are recognised in the period they materialise.

### D. Fixed Assets

- i. Tangible Fixed Assets are recorded at cost inclusive of Inward Freight, Duties, Taxes and Incidental Expenses related to acquisition of the Assets. Leasehold Premises are carried forward at cost. In case final settlement of bills with contractors is pending, but the asset is complete and ready for use, capitalisation is done on estimation basis subject to necessary adjustments, including those arising out of settlement of arbitration / court cases, in the year of final settlement.
- ii. Depreciation: Depreciation on Tangible Fixed Assets has been provided on the written down value method at the rates specified in Schedule XIV of the Companies Act, 1956, except in case of leasehold building, which is amortised over the period of lease. No Depreciation has been provided on Leasehold Premises.
- iii. Impairment: Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount.
- iv. Intangible Assets: Goodwill has been amortized over 20 years & Software has been amortised over a period of 60 months.

### E. Investments

- i. Long Term Investments are recorded in the books at cost inclusive of all expenses incidental to acquisition thereof. Long Term Investments are stated at cost, provision for decline in value, other than temporary is made to recognize such decline.
- ii. Current Investments are valued at lower of cost or market value/net asset value.

**F. Inventories:** Stock in trade - Merchandise is valued at cost or net realisable value whichever is lower. Cost includes direct expenses such as freight, taxes etc. Stock is valued on first-in-first-out basis.

**G. Cash & Cash Equivalents for purpose of Cash Flow:** Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

### H. Sales:

- i. Export sales in foreign currency are accounted at the exchange rate prevailing on the date of the Bill of Lading.
- ii. Counter Sales in foreign exchange are converted in to Indian Rupees at the exchange rate ruling on the date of the transactions.

## Notes to Consolidated Financial Statements for the year ended 31st March 2014

### I. Employees Benefits:

#### i. Defined Contribution Plan

Retirement Benefits in the provident fund and Family Pension Fund which are defined contribution schemes, are charged to the Profit and Loss Account of the year when contribution accrue.

#### ii. Defined Benefit Plan

Annual Contribution towards Gratuity Liability is funded with the Life Insurance Corporation of India in accordance with their Gratuity scheme and is absorbed in the accounts. The Company does not retain any obligation to pay further amounts if insurer does not pay all future employee benefits so the plan is not treated as defined benefit plan.

iii. No provision is made for encashment of unavailed leave payable on retirement of employees.

### J. Taxation:

Current Tax is determined as the amount of tax payable in respect of taxable income for the period computed in accordance with relevant provisions of Income Tax Act, 1961. Deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future.

**K. Contingent Liabilities:** Contingent Liabilities are not provided for, till the same are crystallised.

### L. Traveling Agency Business:

- Commission and discount on airlines tickets is accounted on basis of completion of fortnightly sales.
- In case of cancellation of tickets, the commission and discount refundable is accounted only on final acceptance by the airlines.

## 2 SHARE CAPITAL

### 2.1 Authorised :

	2013-14 ₹	2012-13 ₹
1,50,00,000 Equity shares of ₹ 2/- each	30,000,000	30,000,000
2,00,000 preference shares of ₹ 100/- each	20,000,000	20,000,000
	<b>50,000,000</b>	<b>50,000,000</b>

### 2.2 Issued, subscribed and paid-up:

4,815,000 (Previous year 48,15,000) Equity shares of ₹ 2/- (Previous year ₹ 2/-) each fully paid-up in cash	9,630,000	9,630,000
125,000 (Previous year 125,000) Equity shares of ₹ 2/- (Previous year ₹ 2/-) each fully paid up issued for consideration other than in cash	250,000	250,000
	<b>9,880,000</b>	<b>9,880,000</b>

### 2.3 Reconciliation of Shares outstanding at the beginning and end of the year:

Particulars	2013-14		2012-13	
	No of Shares	Amount	No of Shares	Amount
Equity Shares at the beginning of the year	4,940,000	9,880,000	4,940,000	9,880,000
Add: Issued during the year	—	—	—	—
Equity Shares at the end of the year	4,940,000	9,880,000	4,940,000	9,880,000



## Notes to Consolidated Financial Statements for the year ended 31st March 2014

### 2.4 Details of shareholders holding more than 5% of shares as at

Sr No	Name of Shareholders	2013-14		2012-13	
		No of Shares	% of Paid up capital	No of Shares	% of Paid up capital
1	Milan Bhupendra Dalal	1426666	28.88	1426666	28.88
2	Asim Dalal	333620	6.75	333620	6.75
3	Satyen B Dalal	333353	6.75	333353	6.75
4	Fidelity Multitrade Private Limited	740000	14.98	740000	14.98
5	Hypnos Fund Limited	400000	8.10	400000	8.10

### 3 RESERVES AND SURPLUS

#### Capital Reserve

Balance as per last Balance Sheet

2013-14

₹

2012-13

₹

1,004,364

1,004,364

#### Share Premium Account

Balance as per last Balance Sheet

89,879,206

89,879,206

#### Statement of Profit & Loss

Balance as per last Balance Sheet

(24,839,450)

(1,090,749)

Add: Profit/(Loss) for the year

(8,066,826)

(23,748,700)

(32,906,275)

(24,839,450)

57,977,295

66,044,121

### 4 LONG TERM BORROWINGS

#### UNSECURED LOANS

Fixed Deposits

23,153,000

24,638,000

Inter Corporate Deposits from Companies

50,000,000

50,000,000

73,153,000

74,638,000

### 5 SHORT TERM BORROWINGS

#### SECURED LOANS

Working Capital Loan from Banks

24,183,025

28,501,821

Other Loans

181,461

2,335,994

Total (A)

24,364,486

30,837,815

#### UNSECURED LOANS

Fixed Deposits (due within one year)

18,430,000

13,742,000

Inter Corporate Deposits from Companies

14,541,487

16,380,494

Total (B)

32,971,487

30,122,495

Total (A) + (B)

57,335,973

60,960,310

5.1 Loans repayable on demand viz Cash Credit facilities are Secured by current assets including credit card receivables, fixed assets of the company, pledge of Equity Shares of the company held by the Director and Associate of the company, key man insurance policy and unconditional and irrevocable personal Guarantee of Managing Director of the company.

5.2 Other secured loans are secured by hypothecation of vehicles.

## Notes to Consolidated Financial Statements for the year ended 31st March 2014

		2013-14 ₹	2012-13 ₹
<b>6 TRADE PAYABLES</b>			
Acceptances		<b>36,478,899</b>	19,903,000
Other Trade Payables		<b>94,663,169</b>	113,401,512
Total		<b>131,142,068</b>	133,304,512
6.1	In the absence of any intimation from vendors regarding the status of their registration under the "Micro, Small and Medium Enterprises Development Act, 2006", the Company is unable to comply with the disclosures required to be made under the said Act.		
6.2	Balance of Sundry Creditors are subject to confirmations. Adjustments, if any, will be made on receipts of the confirmations.		
<b>7 OTHER CURRENT LIABILITIES</b>			
Interest accrued and due		<b>1,789,993</b>	1,174,749
Other Payables		<b>10,477,559</b>	5,851,836
Total		<b>12,267,552</b>	7,026,585
<b>8 SHORT TERM PROVISIONS</b>			
Provision for gratuity contribution payable		-	-
		-	-

### NOTES 9 : CONSOLIDATED FIXED ASSETS

SR. NO.	DESCRIPTION OF ASSETS	GROSS BLOCK				DEPERCIATION				NET BLOCK	
		AS AT 1-Apr-13	ADDITIONS	DEDUCTIONS	AS AT 31-Mar-14	AS AT 1-Apr-13	DEDUCTIONS	FOR THE YEAR	AS AT 31-Mar-14	AS AT 31-Mar-14	AS AT 31-Mar-13
	<b>TANGIBLE ASSETS</b>										
1	Leasehold Premises	2,500,000	-	-	2,500,000	-	-	-	-	2,500,000	2,500,000
2	Leasehold Improvement	4,903,238	71,937	3,443,710	1,531,465	1,120,346	972,076	201,885	350,155	1,181,310	3,782,892
3	Furniture & Fixtures	50,665,703	10,754,032	10,740,341	50,679,393	33,796,692	5,058,516	3,633,399	32,371,575	18,307,819	16,869,011
4	Computers	19,699,184	251,916	259,330	19,691,770	18,166,749	203,651	639,218	18,602,316	1,089,454	1,532,435
5	Office & Other Equipments	5,587,314	510,920	410,029	5,688,204	3,741,402	198,954	270,038	3,812,486	1,875,718	1,845,913
6	Electrical Installations	13,274,787	2,595,126	5,649,886	10,220,027	6,576,216	2,243,428	944,553	5,277,341	4,942,686	6,698,571
7	Vehicles	7,124,675	-	3,325,541	3,799,134	6,245,304	2,833,606	120,112	3,531,810	267,324	879,371
	<b>Total</b>	<b>103,754,900</b>	<b>14,183,932</b>	<b>23,828,838</b>	<b>94,109,994</b>	<b>69,646,710</b>	<b>11,510,232</b>	<b>5,809,205</b>	<b>63,945,683</b>	<b>30,164,311</b>	<b>34,108,193</b>
	<b>Previous Year Rs</b>	108,561,696	4,298,713	9,105,508	103,754,901	68,395,910	5,523,222	6,774,020	69,646,708	34,108,193	40,165,785
	<b>INTANGIBLE ASSETS</b>										
8	Goodwill	10,400,000	-	-	10,400,000	6,524,275	-	182,704	6,706,979	3,693,021	3,875,725
9	Software	913,523	-	-	913,523	206,656	-	520,000	726,656	186,867	706,867
	<b>Total</b>	<b>11,313,523</b>	<b>-</b>	<b>-</b>	<b>11,313,523</b>	<b>6,730,931</b>	<b>-</b>	<b>702,704</b>	<b>7,433,635</b>	<b>3,879,888</b>	<b>4,582,592</b>
	<b>Previous Year Rs</b>	11,248,723	64,800	-	11,313,523	6,016,395	-	714,536	6,730,931	4,582,592	



## Notes to Consolidated Financial Statements for the year ended 31st March 2014

	2013-14 ₹	2012-13 ₹
<b>10 NON CURRENT INVESTMENTS</b>		
<b>Long term</b>		
A. Trade - Unquoted		
i. In Equity instruments : ( fully paid -up) 5,000 (Previous year 5,000) Equity shares of Dravya Industrial Chemicals Ltd. of ₹ 10/- each	75,000	75,000
ii Investment in Associates 10000 (Previous year NIL) equity shares of Out of India Retail Pvt Ltd. of Rs.10/- each fully paid up	100,000	
iii Others: National Saving Certificate Series VIII Face value of ₹ 10,000/- (Deposited with Govt. Authorities)	-	16,012
Total (A)	175,000	91,012
B. Trade - Quoted		
Investment in Equity Instruments: ( fully paid-up)		
180 (Previous year 180) Equity shares of State Bank of India of ₹ 10/- each	62,700	62,700
200 (Previous year 200) Equity shares of Bharti Tele-Venture Ltd. of ₹ 5/- each	11,453	11,453
100 (Previous year 100) Equity shares of Rashtriya Chemical Fertilizers Limited Ltd. of ₹ 10/- each	6,323	6,323
50 (Previous year 50) Equity shares of Tata Chemicals Limited, of ₹ 10/- each	8,419	8,419
100 (Previous year 100) Equity shares of Foods & Inns Ltd. of ₹ 10/- each	4,444	4,444
Total (B)	93,339	93,339
Total (A+B)	268,340	184,352
Less : Diminution in value of long term Investments	72,250	72,250
Total	196,090	112,102
[Market value of Quoted Investments ₹ 436288/-(Previous Year ₹ 467,335/-)]		
<b>11 LONG TERM LOANS &amp; ADVANCES</b>		
Advance towards Premises	10,927,995	10,927,995
Others	4,063,759	4,586,826
	14,991,754	15,514,821
11.1 Advance towards premises includes payment made to Grishma Constructions & Trading Co. Pvt. Ltd.		
11.2 Other Long Term Advances includes ₹ 1,091,186/- (Previous year ₹ 1,091,186/-) dues from various parties, for which recoveries are not forthcoming, which are considered good as the company is of the view that these are recoverable.		
<b>12 CURRENT INVESTMENT</b>		
Current - Trade Unquoted		
646.75 ( Previous Year 585.99)units of ₹ 100/- each of ICICI Prudential Liquid Plan - Daily Dividend Option	43,207	36,007
	43,207	36,007



**Notes to Consolidated Financial Statements for the year ended 31st March, 2014**

	2013-14 ₹	2012-13 ₹
<b>13 INVENTORIES</b>		
Stock in Trade - Merchandise	<b>256,725,734</b>	251,722,732
At cost or net realisable value whichever is lower (As per Inventories certified by the Managing Director/Director)	<u><b>256,725,734</b></u>	<u>251,722,732</u>
<b>14 TRADE RECEIVABLES</b>		
(Unsecured, Considered Good)		
Due for more than six months from the due date of payment	<b>5,987,274</b>	5,708,111
Others	<b>2,202,145</b>	3,756,407
	<u><b>8,189,418</b></u>	<u>9,464,519</u>
14.1 Balance of Sundry Debtors are subject to confirmations. Adjustments, if any, will be made on receipts of the confirmations.		
14.2 Sundry Debtors includes ₹ 5,487,988/- (Previous year ₹ 5,487,988/-) due from the customers for which no provision is considered necessary as the Company is of the view that the same are recoverable.		
<b>15 CASH AND CASH EQUIVALENTS</b>		
Cash on Hand	<b>1,606,758</b>	900,646
Balance with Scheduled Banks in:		
Current Accounts	<b>728,076</b>	2,587,461
Other Bank balances : Deposit Accounts	<b>2,324,412</b>	2,145,899
Total	<u><b>4,659,246</b></u>	<u>5,634,005</u>
<b>16 SHORT TERM LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received	<b>1,515,074</b>	6,687,794
Advance payment of taxes	<b>3,425,715</b>	3,391,444
Security & Other Deposits	<b>14,775,058</b>	20,524,412
Total	<u><b>19,715,847</b></u>	<u>30,603,650</u>
16.1 Balance of Loans & Advances are subject to confirmations. Adjustments, if any, will be made on receipts of the confirmations.		
16.2 Security & Other deposit includes ₹ 358,816/-(Previous year ₹ 358,816/-) dues from a party for which recoveries are not forthcoming, which are considered good as the company is of the view that these are recoverable.		
<b>17 OTHER CURRENT ASSETS</b>		
Miscellaneous Expenditure	-	74,907
Total	<u>-</u>	<u>74,907</u>
<b>18 REVENUE FROM OPERATIONS</b>		
Gross Sales of Merchandise	<b>263,498,137</b>	270,513,269
Less : Value Added Tax	<b>26,654,849</b>	26,154,141
Net Sales	<u><b>236,843,288</b></u>	<u>244,359,128</u>



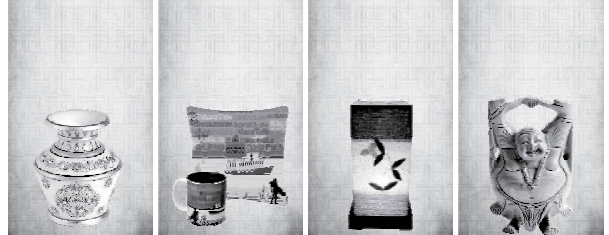
## Notes to Consolidated Financial Statements for the year ended 31st March, 2014

	2013-14 ₹	2012-13 ₹
<b>19 OTHER INCOME</b>		
Interest	325,008	82,826
Dividend from Non Current Investments	8,420	7,790
Dividend from Current Investments	7,200	2,549
Commission & Discounts received on Travel Agency Business	1,901,268	2,602,999
Other Commission received	14,399	48,792
Conducting (Professional) Fees Received	3,654,000	-
Miscellaneous receipts	436,334	741,797
Profit on Sale of Assets	356,055	339,209
Sundry Creditors credit balances written back	3,190,844	3,549,077
Total	<u>9,893,526</u>	<u>7,375,039</u>
<b>20 PURCHASE OF STOCK IN TRADE</b>		
Purchases of Merchandise	<u>124,266,000</u>	<u>142,115,088</u>
	<u>124,266,000</u>	<u>142,115,088</u>
<b>21 CHANGE IN INVENTORIES OF STOCK IN TRADE</b>		
Opening Stock	251,530,732	228,575,799
Closing Stock	256,493,020	251,530,732
(Increase)/Decrease	<u>(4,962,288)</u>	<u>(22,954,933)</u>
<b>22 EMPLOYEE BENEFIT EXPENSES</b>		
Salaries, Allowances & Bonus	31,781,105	34,365,300
Managing Director's Remuneration	1,500,000	1,500,000
Contribution to Gratuity Fund	217,802	443,430
Contribution to Provided Fund & other Funds	1,649,005	1,821,436
Staff Welfare expenses	872,722	1,097,943
	<u>36,020,634</u>	<u>39,228,110</u>
<b>23 FINANCE COST</b>		
Interest On Bank Borrowings	4,426,660	4,176,465
Interest On Others	10,004,659	8,835,965
Bank Charges	581,968	1,129,013
	<u>15,013,287</u>	<u>14,141,443</u>

**Notes to Consolidated Financial Statements for the year ended 31st March, 2014**

	2013-14 ₹	2012-13 ₹
<b>24 OTHER EXPENSES</b>		
Lease Rent	26,448,848	39,127,625
Repairs & Maintenance - Others	7,663,287	8,899,766
Legal & Professional Charges	3,308,699	4,080,119
Sales & Other Commission	2,767,741	3,252,143
Travelling & Conveyance	1,765,158	1,132,563
Electricity & Fuel	5,791,537	7,266,821
Insurance	327,219	442,501
Advertisements & Sales Promotion	3,040,232	3,859,737
Local & Other Taxes	669,348	-
Credit Card Charges	2,640,932	3,039,644
Packing Charges	1,239,613	1,431,216
Auditors Remuneration:		
Audit Fees	449,440	449,440
Tax Audit Fees	56,180	56,180
	505,620	505,620
Miscellaneous Expenses	14,973,199	17,650,329
Prior Period Expenses	24,943	711,893
Bad Debts & Sundry Advances Written-off	995,434	2,594,957
Loss on sales of fixed assets	5,007,382	589,874
Preliminary Expenses & Deferred Expenditure Written Off	74,907	361,029
	77,244,098	94,945,838

SPICE 1906



## Notes to Consolidated Financial Statements for the year ended 31st March, 2014

**29.** The Company has, on prudence not recognised Deferred Tax Assets ₹ 60,993,290/- (Previous year ₹ 34,183,975-) mainly representing expenses allowable for tax purposes when paid and difference between tax and book written down value of fixed assets, due to uncertainty of future profits in terms of Accounting Standard 22 (AS-22) for Taxes on Income issued by The Institute of Chartered Accountants of India.

The breakup of deferred tax assets / liability

	<b>Deferred tax asset/ (liability) as at (₹) 31-Mar-14</b>	<b>Deferred tax asset/ (liability) as at (₹) 31-Mar-13</b>
<b>A. Deferred Tax Assets</b>		
Expenses allowable for tax purpose when paid	<b>179,799</b>	1,040,406
Difference between tax and Book Written Down Value	<b>14,966,633</b>	10,493,325
Unabsorbed Business Losses	<b>45,921,765</b>	23,011,273
	<b>61,068,197</b>	34,545,004
<b>B. Deferred Tax Liability</b>		
Difference between Book and Tax WDV	-	-
Deferred Revenue expenditure to the extent not written off	<b>74,907</b>	361,029
	<b>74,907</b>	361,029
<b>C. Net Deferred Tax Assets</b>	<b>60,993,290</b>	34,183,975
<b>D. Deferred Tax Assets / (Liability)</b>	<b>18,846,927</b>	10,562,848

### 30. Related Party Disclosures

#### A. Relationship

##### I) Key Management Personnel & Relatives:

Mr. Milan Dalal - Chairman	Mr. Asim Dalal - Managing Director
Mr. Satyen Dalal - Relative	Mr. Bhupendra C. Dalal - Relative
Mrs. Aditi Dalal - Relative	Mrs. Rekha Dalal - Relative
Mrs. Veena Dalal - Relative	

##### II) Other Parties / Enterprises where control / significant influence exists.

Gateway International Pvt. Ltd.	Grishma Constructions & Trading Co. Pvt. Ltd.
First Overseas Capital Limited	Asda Trading Co. Pvt. Ltd.
Western Press Pvt. Ltd.	Milan Investments Pvt. Ltd.
Amalgamated Business Solutions Ltd.	M/s S. Ramdas
FOCL (Maldives) Pvt. Ltd.	Out Of India Retail Pvt. Ltd.
Elephant Company Retail Pvt. Ltd.	

Related party relationship is as identified by the Company and relied on by the Auditors.

**Notes to Consolidated Financial Statements for the year ended 31st March 2014**

**B. Details of Transactions with Related Parties.**

Sr. No.	Nature of Transactions		Related Party Referred in	
			A (I)	A (II)
i.	Purchases of goods and material		- (-)	<b>19,042,389</b> (21,518,114)
ii.	Expenditure			
	Remuneration		<b>1,680,000</b> (1,680,000)	- -
	Interest paid		<b>60,500</b> (60,294)	-
	Printing & stationery		- (-)	<b>178,893</b> (228,004)
	General Expenses		- (-)	<b>565,983</b> (311,535)
	Reimbursement of expenses		- (-)	- (-)
	Professional Fees		<b>234,000</b> (234,000)	
	Commission & Discounts given		- (-)	<b>1,142,990</b> (738,312)
iii.	Income			
	Professional Fees Received	- (-)	- (-)	<b>3,654,000</b> (-)
iv	Outstanding Balance			
	Loans & Advances received		<b>500,000</b> (500,000)	<b>12,127,995</b> (10,927,995)
	Trade Receivable		-	<b>935,650</b> (145,829)
	Trade Payable		-	<b>2,153,259</b> (3,519,194)

Figures in brackets are for previous year.

**31. Earning in Foreign Exchange**

- FOB value of exports of goods NIL/-.
- Receipts on account of sale of merchandise ₹ 41,938,962/- (Previous year ₹ 52,572,835/-)

**32. CIF Value of Imports : Goods Rs.NIL (Previous year Rs.NIL/-).**

**33. Expenditure in Foreign Currencies:**

Other Expenses ₹ 464,163/- (Previous year ₹ 161,344/-).

**34. Previous year's figures have been regrouped / re-arranged / reclassified wherever necessary.**

As per our Report of even dated  
For **M. D. Pandya & Associates**  
Chartered Accountants  
Reg No: 107325W

**A. D. Pandya**  
**Partner**  
Membership No:033930

Mumbai  
Dated : 30th May, 2014

**Asim Dalal**  
Managing Director

**Pratul Dalal**  
Director

Mumbai  
Dated : 30th May, 2014

# **BOMBAY SWADESHI STORES LIMITED**

**Registered Office: Western India House, Sir Pherozeshah Mehta Road  
Fort, Mumbai 400 001.**

**Tel : 022 40669999 Fax : 022 40318800**

**CIN: L74999MH1905PLC000223 Email: [investor@bombaystore.com](mailto:investor@bombaystore.com)**

## **ATTENDANCE SLIP**

I hereby record my presence at the 108<sup>th</sup> ANNUAL GENERAL MEETING of the Company to transact the following business at Sir Vithaldas Chambers, 6th Floor, 16, Mumbai Samachar Marg, Fort, Mumbai 400 001, on Friday 8th August 2014 at 10.30 a.m

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

Registered Office: Western India House, Sir Pheroza Shah Mehta Road  
Fort, Mumbai 400 001.

Tel : 022 40669999 Fax : 022 40318800

CIN: L74999MH1905PLC000223 Email: [investor@bombaystore.com](mailto:investor@bombaystore.com)

## PROXY FORM

Name and address of the Member(s)	Folio No./ Client ID	
	DP ID:	
	E-mail address	

I/We, being the member(s) of \_\_\_\_\_ shares of **BOMBAY SWADESHI STORES LIMITED**, hereby appoint:

1. \_\_\_\_\_ of \_\_\_\_\_

having e-mail address \_\_\_\_\_ or failing him

2. \_\_\_\_\_ of \_\_\_\_\_

having e-mail address \_\_\_\_\_ or failing him

3. \_\_\_\_\_ of \_\_\_\_\_

having e-mail address \_\_\_\_\_ or failing him and whose signature(s) is/are appended below as my/our proxy to attend and vote (on a poll) for me/us at the One Hundred and Eighth Annual General Meeting to be held on Friday, 8<sup>th</sup> August, 2014 at 10.30 a.m. at Sir Vithaldas Chambers, 6th Floor, 16, Mumbai Samachar Marg, Fort, Mumbai 400 001. and at any adjournment thereof in respect of the resolutions indicated below:

Resolution	For	Against
1. To receive, consider and adopt the Audited Balance Sheet as at 31 <sup>st</sup> March, 2014 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 (DIN 00062453), who retires by rotation at this Annual General Meeting and is eligible for re-appointment.		
3. To appoint Auditors and fix their remuneration.		
4. To appoint Mr.Bharat Patel (DIN 01100361) as an Independent Director.		
5. To re-appoint Mr.Asim Dalal (DIN 00062734) as Managing Director.		
6. To adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014

Signature of shareholder

₹ 1  
Revenue  
Stamp

### Notes:

1. This form of proxy in order to be effective should be completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
2. A proxy need not be a member of the Company.
3. 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.
4. Appointing a proxy does not prevent a member from attending the meeting in person if he/she so wishes.
5. In the case of joint holders, the signature of any one holder will be sufficient but names of all the joint holders should be stated.



# BOMBAY SWADESHI STORES LIMITED

Registered Office: Western India House, Sir Pherozeshah Mehta Road  
Fort, Mumbai 400 001.

Tel : 022 40669999 Fax : 022 40318800

CIN: L74999MH1905PLC000223 Email: [investor@bombaystore.com](mailto:investor@bombaystore.com)

## BALLOT FORM

(1)	Name and Registered Address of the Sole/ First-named Member	:
(2)	Name(s) of the Joint Holder(s), if any	:
(3)	Registered Folio No./DPID No. and Client ID No.*	:
	• (Applicable to investors holding shares in dematerialized form)	:
(3)	Number of ordinary shares held	:
(4)	e-Voting EVENT Number	:
(5)	User ID	:
(6)	Password	:

- (1) I/We hereby exercise my/our vote in respect of the following Resolutions set out in the Notice of the One Hundred and Eighth Annual General Meeting of the Company to be held on Friday, 8<sup>th</sup> August, 2014 by conveying my/our assent to or dissent from the said Resolutions by placing (✓) tick mark at the appropriate box below:

Description of resolution	Type of resolution	No.of ordinary shares for which votes cast	I/We assent to the resolution FOR	I/We dissent from the resolution AGAINST
1. To receive, consider and adopt the Audited Balance Sheet as at 31 <sup>st</sup> March, 2014 and the Profit & Loss Account of the Company for the year ended on that date alongwith the Reports of the Directors and Auditors thereon..	Ordinary			
2. To appoint a Director in place of Mr.Milan Dalal (DIN 00062453), who retires by rotation at this Annual General Meeting and is eligible for re-appointment.	Ordinary			
3. To appoint Auditors and fix their remuneration	Ordinary			
4. To appoint Mr. Bharat Patel (DIN 01100361) as an Independent Director	Ordinary			
5. To re-appoint Mr.Asim Dalal (DIN 00062734) as Managing Director	Ordinary			
6. To adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013	Ordinary			

Place:

Date:

Signature of the shareholder

### Notes:

1. If you opt to cast your vote by e-voting, there is no need to fill up and sign this form.
2. Last date for receipt of Postal Ballot Form : 2<sup>nd</sup> August, 2014
3. Please read the instructions printed overleaf carefully before exercising your vote.

# INSTRUCTIONS

## General Information

1. Members have option to vote either through Postal Ballot Form or through e-voting. If a member has opted for Physical Postal Ballot, then he/she should not vote by e-voting and vice versa. However, in case Shareholders cast their vote through both physical postal ballot and e-voting, then vote cast through physical postal ballot shall be considered and vote cast through e-voting shall be treated as invalid.
2. The notice of Postal Ballot/E-voting is dispatched/e-mailed to the members whose names appear on the Register of Members as on 28<sup>th</sup> July, 2014 and voting rights shall be reckoned on the paid up value of the shares registered in the name of the members as on the said date.
3. Voting in the Postal Ballot/e-voting cannot be exercised by a proxy. However, corporate and institutional members shall be entitled to vote through their authorised representatives with proof of their authorization, as stated below.
4. There will be one Ballot Form/e-voting for every Client ID No./Folio No. irrespective of the number of joint holders.

## For voting physically by Postal Ballot Form

1. A Member desiring to exercise vote by Postal Ballot should complete this Postal Ballot Form (no other form or photocopy thereof is permitted) and send it to the Scrutinizer, Ms. Sheetal Arya, BM Legal, Bombay Mutual Chambers, Ground Floor, 19-21, Ambalal Doshi Marg, Fort, Mumbai 400 001.
2. This Form should be completed and signed by the Member (as per the specimen signature registered with the Company/ Depository Participants). In case of joint holding, this Form should be completed and signed by the first named Member and in his absence, by the next named Member
3. In respect of shares held by corporate and institutional members (companies, trusts, societies, etc.), the completed Postal Ballot Form should be accompanied by a certified copy of the relevant Board Resolution/appropriate authorization, with the specimen signature(s) of the authorized signatory/signatories duly attested.
4. The consent must be accorded by recording the assent in the column 'FOR' or dissent in the column 'AGAINST' by placing a tick mark (✓) in the appropriate column in the Postal Ballot Form. The assent or dissent received in any other form shall not be considered valid.
5. Members are requested to fill the Postal Ballot Form in indelible ink and avoid filling it by using erasable writing medium(s) like pencil.
6. There will be one Postal Ballot Form for every folio/Client ID irrespective of the number of joint holders.
7. Duly completed Postal Ballot Form should reach the Scrutinizer not later than 5 p.m. on Saturday, 2<sup>nd</sup> August, 2014. All Postal Ballot Forms received after this date will be strictly treated as if the reply from such Member has not been received.
8. A Member may request for a duplicate Postal Ballot Form, if so required, and the same duly completed should reach the Scrutinizer not later than the date specified under instruction No.7 above.
9. Members are requested not to send any other paper along with the Postal Ballot Form. They are also requested not to write anything in the Postal Ballot Form excepting giving their assent or dissent and putting their signature. If any such other paper is sent the same will be destroyed by the Scrutinizer.
10. The Scrutinizer's decision on the validity of a Postal Ballot/ E-voting will be final and binding.
11. Incomplete, unsigned or incorrectly ticked Postal Ballot Forms will be rejected.
12. The result of the Postal Ballot/E-voting will also be posted on the website of the CDSL as also intimated to BSE.