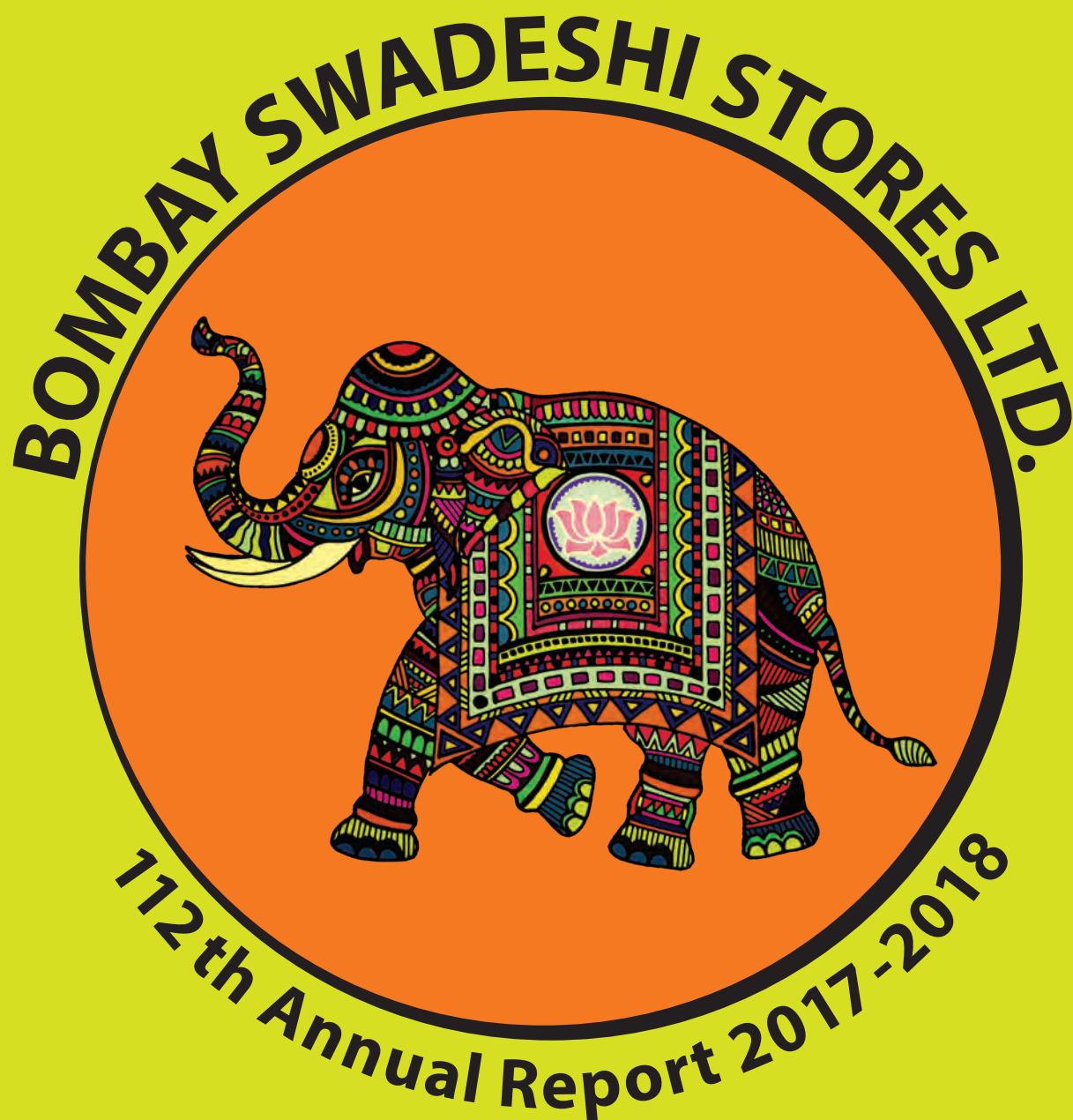


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# **BOMBAY SWADESHI STORES LIMITED**

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

## BOMBAY SWADESHI STORES LIMITED

### 112<sup>nd</sup> ANNUAL REPORT 2017-2018

#### COMPANY DETAILS

<b>Board Of Directors</b>	Mrs. Madhu Chandak	DIRECTOR
	Mrs. Manjri Chandak	DIRECTOR
	Mrs. Jyoti Kabra	DIRECTOR
<b>Statutory Auditors</b>	M/s. Banshi Jain & Associates Chartered Accountants	
<b>Bankers</b>	HDFC Bank Limited	
<b>Registered Office</b>	Western India House, Sir Pherozeshah Mehta Road, Fort, Mumbai – 400 001. Phone : 022 – 2288 5048 / 49	
<b>Corporate Office</b>	Anjaneya Building, Ground Floor, Orchard Avenue Road, Near Hiranandani Foundation School, Powai, Mumbai – 400 076. Phone : 022 – 4049 6500	
<b>Email:</b>	investor@bombaystore.com	
<b>Website:</b>	www.thebombaystore.com	

# NOTICE

## NOTICE

**NOTICE** is hereby given that the One Hundred and Twelfth Annual General Meeting of the Members of Bombay Swadeshi Stores Limited will be held on Friday, 28<sup>th</sup> September, 2018 at 11.00 a.m. at Anjaneya CHS Limited, Orchard Avenue Opp. Hiranandani Foundation School, Powai, Mumbai – 400 076 to transact the following business:

### ORDINARY BUSINESS:

#### 1. ADOPTION OF ACCOUNTS:

- a) To receive, consider and adopt the Standalone Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2018 together with the Reports of the Board of Directors and Auditors thereon;
- b) To receive, consider and adopt the Consolidated Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2018 together with the Reports of the Auditors thereon;

#### 2. RETIRE BY ROTATION:

To appoint a Director in place of Mrs.Jyoti Varun Kabra (DIN:07088904), who retires by rotation and being eligible offers herself for re-appointment.

By Order of the Board of Directors of  
**Bombay Swadeshi Stores Limited**

**Manjri Chandak**  
Director  
DIN: 03503615

**Place: Mumbai**

**Dated: 23<sup>rd</sup> August, 2018**

#### Registered Office:

Western India House

Sir Pherozeshah Mehta Road

Fort, Mumbai – 400 001

CIN: U74999MH1905PLC000223

Tel No.: 022 22885048/49

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

Website: [www.thebombaystore.com](http://www.thebombaystore.com)

## 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.

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.

2. Corporate members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. The instrument appointing the proxy should be deposited with the Company at least 48 hours before the commencement of the Meeting.
4. The Register of Members and Share Transfer Books of the Company will be closed from Saturday, 22<sup>nd</sup> September, 2018 to Friday, 28<sup>th</sup> September, 2018. (Both days inclusive)
5. Members who hold shares in dematerialized / electronic form are requested to write their Client ID and DP ID and those holding shares in physical form are requested to write their folio number in the attendance slip and deliver the duly signed attendance slip at the entrance of the meeting hall.
6. 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.
7. Members are requested to intimate all changes pertaining to change of address, bank account details, MICR code, IFSC code, mandates, power of attorney, nominations, change of name, email IDs, contact numbers etc., to their Depository Participant (DP). Changes intimated to the DPs will be automatically updated in the Company's records. Members holding shares in physical form are requested to intimate such changes to the Company's Registrar & Transfer Agent, Link Intime India Pvt. Ltd., C-101, 1<sup>st</sup> Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083.
8. The Register of Directors' and Key Managerial Personnel and their Shareholding maintained under Section 170 and Register of Contracts or Arrangement in which Directors are interested maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting.



9. Queries proposed to be raised at the AGM may be sent at the Registered Office of the Company at least seven days prior to the date of AGM to enable the management to compile relevant documents to reply the same in the meeting.
10. In accordance with the provisions of Section 101 of the Companies Act, 2013 read with Rule 18 of the Companies (Management and Administration) Rules, 2014, this Notice and Annual report for the financial year 2017-18 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 Annual Report and Notice of 112<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 by the permitted mode.
11. Members may note that the Notice of AGM shall be available on the Company's website [www.thebombaystore.com](http://www.thebombaystore.com)
12. M/s. Banshi Jain & Associates, Chartered Accountants (Firm Registration No. 100990W) Chartered Accountants were appointed as Statutory Auditors of the Company by the Members at the 111<sup>th</sup> Annual General Meeting (AGM), to hold office from the conclusion of the 111<sup>th</sup> Annual General Meeting until the conclusion of the 116<sup>th</sup> Annual General Meeting of the Company. In accordance with the provisions of the Companies (Amendment) Act, 2017, enforced on May 7, 2018 by Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every AGM.
13. Brief profile of Director proposed to be appointed/re-appointed, nature of her expertise in specific functional areas, names of companies in which she holds directorships and memberships/ chairmanships of Board Committees, shareholding and relationships between directors inter-se, etc. as stipulated under Secretarial Standard on General Meeting ("SS-2"), is annexed to the Notice of AGM.
14. 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 112<sup>th</sup> Annual General Meeting by electronic

means. Member whose names appear in the Register of Members/List of Beneficial Owners as on Friday, 21<sup>st</sup> September, 2018 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 cut-off date 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 Monday, 24<sup>th</sup> September, 2018 at 9.00 a.m and ends on Thursday, 27<sup>th</sup> September, 2018 at 5.00 p.m. The Company has appointed Mr. Himanshu Kamdar (Membership No. 5171), Partner of M/s. Rathi & Associates, Practicing Company Secretaries, as the Scrutinizer for conducting the scrutiny of the votes cast through remote e-voting and physical ballots in a fair and transparent manner. Members desirous of voting through electronic mode may go through the procedure on e-voting detailed hereunder:

**Procedure/instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on Monday, 24<sup>th</sup> September, 2018 at 9.00 a.m and ends on Thursday, 27<sup>th</sup> September, 2018 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 Friday, 21<sup>st</sup> September, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders / Members
- (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:

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

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

(ix) Members holding shares in physical form will then directly reach 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.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(xii) 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.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) 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.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a 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.

(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) 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.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

15. The Chairperson shall, at the AGM, at the end of discussion on the business matters on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
16. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairperson or a person authorized by her in writing, who shall countersign the same and declare the results of the voting forthwith.
17. 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 Chairperson or by any other person duly authorised in this regard. The results declared along with the Scrutinizer's Report shall be placed on the website the Company [www.thebombaystore.com](http://www.thebombaystore.com) and on CDSL's website immediately after the declaration of result by the Chairperson or a person authorized by her.

By Order of the Board of Directors of  
**Bombay Swadeshi Stores Limited**

**Manjri Chandak**  
**Director**  
**DIN: 03503615**

**Place: Mumbai**

**Dated: 23<sup>rd</sup> August, 2018**

**Registered Office:**

Western India House  
 Sir Pherozeshah Mehta Road  
 Fort, Mumbai – 400 001

**CIN: U74999MH1905PLC000223**

Tel No.: 022 22885048/49

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

Website: [www.thebombaystore.com](http://www.thebombaystore.com)

**BRIEF PROFILE OF DIRECTOR SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING IN ACCORDANCE WITH THE SECRETARIAL STANDARDS (SS - 2):**

Name	Mrs. Jyoti Varun Kabra (DIN:07088904)
Date of Birth/Age	04.05.1987/ 31 years
Date of Appointment on Board	2 <sup>nd</sup> February, 2016
Qualification	B.Com, MBA (Marketing) and Diploma in Advertising.
Shareholding in the Company	30.27%
Experience	Finance and accounts.
Terms and condition of appointment/re-appointment	Appointed as Non-Executive Director liable to retire by rotation
Details of Remuneration sought to be paid	Nil
Number of meetings attended during the year	Five Board Meetings
Relationship with other Director, Manager and other Key Managerial Personnel of the Company	Mrs. Jyoti Kabra is Sister of Mrs. Madhu Chandak & Mrs. Manjri Chandak – Directors of the Company.
Name of the other Companies in which also holds Directorship	- Bombay Store Retail Company Limited - Plastiblends India Limited
Membership/ Chairmanship on the Committees of other Company	None

By Order of the Board of Directors of  
**Bombay Swadeshi Stores Limited**

**Manjri Chandak**  
**Director**  
**DIN: 03503615**

**Place: Mumbai**

**Dated: 23<sup>rd</sup> August, 2018**

**Registered Office:**

Western India House, Sir Pherozeshah Mehta Road,  
 Fort, Mumbai – 400 001  
 CIN: U74999MH1905PLC000223

Tel No.: 022 40496500

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

Website: [www.thebombaystore.com](http://www.thebombaystore.com)



## ROUTE MAP TO AGM

### Venue:

Anjaneya CHS Ltd, Orchard Avenue, Opp. Hiranandani Foundation School, Powai, Mumbai – 400 076



## DIRECTORS' REPORT

To,  
The Members

### **BOMBAY SWADESHI STORES LIMITED (BSSL)**

Your Directors have pleasure presenting 112<sup>th</sup> Annual Report of your Company together with the Audited Financial Statements for the Financial year ended 31<sup>st</sup> March, 2018. ('the year under review', 'the year', or 'FY18')

#### **1. FINANCIAL STATEMENT & RESULTS**

##### **a. Financial results (Standalone)**

The Company's performance during the year ended 31<sup>st</sup> March, 2018 as compared to the previous financial year, is summarized below:

(Rs. in Lakhs)

Particulars	FY 2017-18	FY 2016-17
Income from Operation	3039.23	2811.25
Other Income	30.99	27.06
<b>Total Revenue</b>	<b>3070.22</b>	<b>2838.31</b>
Less: Expenses	2677.84	2842.78
<b>Profit/ (Loss) before tax</b>	<b>392.38</b>	<b>(4.46)</b>
Less: Tax Expense	15.87	-
<b>Profit/ (Loss) after Tax</b>	<b>376.52</b>	<b>(4.46)</b>
Add/(less): Prior year's tax adjustments	34.87	(1.56)
<b>Profit/(loss) for the year</b>	<b>341.64</b>	<b>(2.91)</b>

##### **b. Operations**

The year under review was quite an encouraging and successful for your company. The company has taken several new measures to increase the business and customer experience at the store; we have introduced a new ERP system for the ease of billing and enhanced customer service while checkout process, many new suppliers and new category of products were added to the list of products.

The Company added two mall stores and two hotel stores in KIOSK format in this financial year, thus making the total number of stores from 9 in 2017 to 13 at the end of 31<sup>st</sup> March 2018.

On Standalone basis the Income from Operations has increased to Rs.3039.23 Lakhs as against the previous year's income of Rs. 2811.25 Lakhs. The Net profit after tax (PAT) for FY 2017-18 stood at Rs.376.52 Lakhs as against the previous year's loss of Rs.4.46 Lakhs.

##### **c. Dividend**

With a view to conserve resources, the Board of Directors does not recommend any dividend for the Financial Year ended 31<sup>st</sup> March, 2018.

##### **d. Transfer To Reserves**

During the year under review the Company has not transferred any amount to reserves.

##### **e. Change in the nature of business, if any**

There was no change in the nature of business of the Company during the year under review.

##### **f. Material changes and commitments if any affecting the financial position of the company, occurred after the balance sheet date and as at the date of signing this report:**

No material changes and commitments affecting the financial position of the Company occurred after the Balance Sheet date and as at the date of signing this report.

##### **g. Report on Performance of Subsidiaries, Associates and Joint Venture Companies:**

The performance and financial position of the subsidiary and associate companies for the year ended 31<sup>st</sup> March, 2018 is attached and marked as "Annexure I" and forms part of this report.

##### **h. Particulars of Contract or Arrangement with Related Parties**

All contracts/arrangements/transactions entered into by the Company during the Financial Year with related parties were in the ordinary course of business and on an arm's length basis.

Pursuant to section 134(3) (h) read with Rule 8(2) of the Companies (Accounts) Rules, 2014, there are no transactions required to be reported under section 188(1) of the Companies Act, 2013. Accordingly, the disclosure of Related Party Transactions as required under section 134(3)(h) of the Companies Act, 2013 in Form AOC 2 is not applicable.

##### **i. Revision of Financial Statement**

There was no revision in the financial statements of previous years during the year under review.

##### **j. Particulars of Loans, Guarantees, Investment and Securities**

Details of Loans, Guarantees and Investment covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the financial statements of the Company.

##### **k. Deposits**

During the year under review, the Company has neither accepted any fresh deposit nor has renewed any deposits. As on the date of this Report, there has been no default in repayment of any matured deposit.

##### **l. Changes in the Share Capital**

During the year under review, there was no change in the Share Capital of the Company.

#### **2. MATTERS RELATED TO DIRECTORS**

##### **a. Director retiring by rotation**

As per the provisions of Section 152 of the Companies Act, 2013, Mrs. Jyoti Varun Kabra (DIN: 07088904) retires by rotation and being eligible offers herself for re-appointment at the ensuing Annual General Meeting. Necessary resolution for her re-appointment is included in the Notice of AGM for seeking the approval of Members.

The Directors recommend her re-appointment for your approval.

The brief details of the director proposed to be re-appointed are given separately as an annexure to the Notice of the Annual General Meeting.

### 3. DISCLOSURE RELATED TO BOARD, COMMITTEES AND POLICIES:

#### a. Board Meetings

The Board of Directors met five times during the financial year ended 31<sup>st</sup> March, 2018 in accordance with the provisions of the Companies Act, 2013 and rules made thereunder.

Sr. No.	Date of the Meeting (dd/mm/yyyy)
1	06/05/2017
2	10/08/2017
3	03/11/2017
4	24/01/2018
5	05/03/2018

Attendance of each Director at the Board Meetings and the last Annual General Meeting

Name of Directors	No. of Board Meetings		Attendance at last AGM held on 23 <sup>rd</sup> September, 2017
	Held*	Attended	
Mrs. Manjri Chandak	5	5	Yes
Mrs. Madhu Chandak	5	5	Yes
Mrs. Jyoti Kabra	5	5	Yes

#### b. Stakeholders Relationship Committee

The Stakeholders Relationship Committee of the Company was constituted pursuant to the provisions of Section 178 of the Companies Act, 2013. The scope and composition of the Stakeholders Relationship Committee is in conformity with the provisions of the said section.

The Stakeholders Relationship Committee comprises of:

Composition	Category
Mrs. Manjri Chandak	Chairperson
Mrs. Madhu Chandak	Member

The members of Stakeholder Relationship Committee met once during the financial year under review. The details of the meeting held and attended during the financial year ended 31<sup>st</sup> March, 2018 are given herein below:

Sr. No	Date of the Meeting (dd/mm/yyyy)
1.	17/04/2017

Name of the Member(s)	Meeting(s) details	
	Held	Attended
Mrs. Manjri Chandak	1	1
Mrs. Madhu Chandak	1	1

#### c. Internal Control Systems

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. Internal control systems comprising of policies and procedures are designed to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedure, applicable laws and regulations and that all assets and resources are acquired economically, used efficiently and adequately protected.

#### d. Risk Management:

A detailed review of business risks and the Company's plans to mitigate them is assessed and considered by the Board of Directors of the Company. The Board has adopted the Risk Management Policy and Guidelines to mitigate foreseeable risks, avoid events, situations or circumstances which may lead to negative consequences on the Company's businesses, and define a structured approach to manage uncertainty and to make use of these in their decision making pertaining to all business divisions and corporate functions. Risk evaluation is an ongoing and continuous process within the Company and it is regularly updated to the Board of the Company.

#### e. Directors' Responsibility Statement

As required under Section 134(5) of the Companies Act, 2013, the Directors hereby confirm that:

- in the preparation of the annual accounts for the year ended 31<sup>st</sup> March 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- had 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 and of the profit of the Company for that period;
- the directors had 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;
- the annual accounts of the Company have been prepared on a going concern basis;
- proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### 4. AUDITORS & REPORT

M/s. Banshi Jain & Associates, Chartered Accountants (Firm Registration No. 100990W) were appointed as Statutory Auditors of your Company at the 111th Annual General Meeting for a term of five consecutive years.

The Auditors' Report for the financial year ended 31st March, 2018 is unmodified and does not contain any qualification, reservation, adverse remark or disclaimer except the observation with respect to delay in transferring the amount, required to be transferred to the Investor Education and Protection Fund (IEPF).

The Board of Directors would like to clarify that the Company has transferred Rs.10,000/- to the IEPF on July 26, 2018. Refer foot note of Note 8 of the standalone financial statement.

Except as stated otherwise, the observations in Auditors report read with the explanatory notes therein are self-explanatory and therefore, do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

#### **5. OTHER DISCLOSURES**

Other disclosures as per provisions of Section 134 of the Act read with Companies (Account) Rules, 2014 are furnished as under:

##### **a. Corporate Social Responsibility**

Since the Company's net worth, turnover and net profits are below the minimum prescribed limits, the provisions of clause (o) of Section 134(3) of the Companies Act, 2013 read together with Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014 do not apply and hence disclosures on Corporate Social Responsibility are not required to be given.

##### **b. Extract of the Annual Return**

Pursuant to the provisions of Section 134 (3) (a) of the Companies Act, 2013, extract of the Annual Return for the financial year ended on 31<sup>st</sup> March, 2018 made under the provisions of Section 92 (3) of the Act is attached as "Annexure -II" which forms part of this report.

##### **c. Conservation of Energy, Technology Absorption and Foreign Exchange Earning and outgo.**

Considering the nature of business of the Company, furnishing information with regard to conservation of energy and technology absorption as required under Section 134 of the Companies Act, 2013 and the rules made thereunder is not applicable to the Company during the year under review.

The total foreign exchange used during the year was Rs. NIL (previous year Nil) and earned during the year was Rs. 72,375,064 (previous year Rs. 70,963,843).

##### **d. Secretarial Standard Compliance**

During the year under review, the Company has complied with all the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government pursuant to Section 118 of the Companies Act, 2013.

#### **6. GENERAL**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. None of the Directors received payment of remuneration or commission from the Holding/Subsidiary Company during the financial year 2017-18.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise and under Employees Stock Option Scheme as per provisions of Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
4. There were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Companies Act, 2013 read with Rule 16(4) of the Companies (Share Capital and Debentures) Rules, 2014 as the Company did not create any such scheme during the year; and
5. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

Your Directors further state that pursuant to the provisions of sexual harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013 no case pertaining to sexual harassment has been reported to Company during the Financial Year 2017 -18.

#### **7. APPRECIATION**

Your Directors wish to express their appreciation for the assistance and co-operation received from the members, banks, Government authorities, vendors and the customers during the year under review.

Your Directors also express their appreciation to all its employees for their hard work, dedicated services and collective contribution.

#### **For and on behalf of the Board of Directors of Bombay Swadeshi Stores Limited**

Madhu Chandak  
 Director  
 DIN: 07029901

Manjri Chandak  
 Director  
 DIN: 03503615

**Date: 23<sup>rd</sup> August, 2018**

**Place: Mumbai**

#### **Registered Office:**

Western India House  
 Sir Pherozeshah Mehta Road  
 Fort, Mumbai – 400 001  
 CIN: U74999MH1905PLC000223  
 Tel No.: 022 22885048/49  
 Email Id: [investor@bombaystore.com](mailto:investor@bombaystore.com)  
 Website: [www.thebombaystore.com](http://www.thebombaystore.com)

**ANNEXURE - I**  
**PERFORMANCE OF SUBSIDIARIES & ASSOCIATE COMPANIES**  
**FORM AOC- 1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of Subsidiaries/Associate or joint Venture Companies**

**Part "A": Subsidiaries**

(Rs. in Lakhs)

1	Serial No.	(i)
2	Name of the subsidiary	Bombay Store Retail Company Limited
3	The date since when subsidiary was acquired	25/01/2008
4	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as of the Holding Company
5	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries.	N.A
6	Share capital	5.00
7	Reserves and Surplus	(1307.25)
8	Total Assets	64.74
9	Total Liabilities*	1366.99
10	Investments	0.59
11	Turnover	89.51
12	Profit/(loss) before taxation	(38.28)
13	Provision for taxation	-
14	Profit/(loss) after taxation	(38.28)
15	Proposed Dividend	NIL
16	Extent of shareholding (in percentage)	100%

\*Excluding Share Capital, Reserves & Surplus

1. Name of the subsidiaries which are yet to commence operations – **Not Applicable**
2. Name of the subsidiaries which have been liquidated or sold during the year– **Not Applicable**

**Part "B": Associates and Joint Ventures**

**Statement pursuant to Section 129(3) of the Companies Act, 2013 related to the Associate Companies & Joint Ventures**

(Rs. in Lakhs)

<b>Name of Associates</b>	Out of India Retail Private Limited
<b>1. Latest audited Balance Sheet Date</b>	31/03/2018
<b>2. Date on which the associate was associated or acquired</b>	29/03/2014
<b>3. Shares of Associate held by the Company on the year end</b>	
Number	10,000
Amount of Investment in Associates	1.00
Extend of Holding % ( <i>Bombay Swadeshi Stores Ltd holds 26% 'Class A Shares' of Out of India Retail Private Ltd. Its share holding to total paid up capital is 8.42%</i> )	26.00%
<b>4. Description of how there is significant influence</b>	Voting right in excess of 20%
<b>5. Reason why the associate is not consolidated</b>	NA



<b>6. Net worth attributable to shareholding as per latest audited Balance Sheet</b>	<b>71.70</b>
<b>7. Profit / Loss for the year</b>	<b>70.80</b>
1. Considered in Consolidation	5.96
2. Not Considered in Consolidation	64.84

Names of joint ventures which are yet to commence operations - **NIL**

Names of joint ventures which have been liquidated or sold during the year – **NIL**

**For and on behalf of the Board of Directors of  
Bombay Swadeshi Stores Limited**

Madhu Chandak  
Director  
DIN: 07029901

Manjri Chandak  
Director  
DIN: 03503615

**Date: 23<sup>rd</sup> August, 2018**  
**Place: Mumbai**

**Registered Office:**

Western India House  
Sir Pherozeshah Mehta Road  
Fort, Mumbai – 400 001  
CIN: U74999MH1905PLC000223  
Tel No.: 022 22885048/49  
Email Id: investor@bombaystore.com  
Website: www.thebombaystore.com



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**ANNEXURE - II**  
**FORM NO. MGT - 9**

**EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2018

*[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company*

*(Management & Administration] Rules, 2014*

**I. REGISTRATION & OTHER DETAILS:**

CIN	U74999MH1905PLC000223
Registration Date	11-12-1905
Name of the Company	Bombay Swadeshi Stores Limited
Category/Sub-category of the Company	Company Limited by Shares Non-government Company
Address of the Registered Office & contact details	Western India House, Sir P.M. Road Fort, Mumbai 400 001 Tel: (022) 22885048 E-mail: investor@bombaystore.com
Whether listed company	No
Name, Address & contact details of the Registrar & Transfer Agent, if any.	<b>Link Intime India Pvt Limited</b> C 101, 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai – 400083, Maharashtra, India Tel No.: +91-22-4918 6270 Fax No.: +91-22-4918 6060 Email: <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a>

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)**

Sr. No.	Name and Description of main products/services	*NIC Code of the product/ service	% to total turnover of the company
1.	Home Décor, Home Furnishings and Gift Items (Retail Trade)	47(retail trade except of motor vehicles and motorcycles)	100.00

\*NIC – 2008 codes

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name and address of the Company	CIN/GLN	Holding / Subsidiary/ Associate	% of shares held	Applicable Section
a)	Bombay Store Retail Company Limited	U51909MH2007PLC168960	Subsidiary	100.00	2(87) of Companies Act, 203
b)	Out of India Retail Private Limited	U52605MH2013PTC244017	Associate	26.00	2(6) of Companies Act, 2013

*Bombay Swadeshi Stores Ltd holds 26% 'Class A Shares' of Out of India Retail Private Ltd. Its shareholding to total paid up capital is 8.42%*

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### A. Category-wise Share Holding

Category of shareholders		No. of shares held at the beginning of the year [As on 1st April, 2017]				No. of shares held at the end of the year [As on 31 <sup>st</sup> March, 2018]				% (change during the year)
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A.</b>	<b>Promoters</b>									
1.	Indian									
a	Individuals/ HUF	4598522	3800	4602322	93.16	4602655	-	4602655	93.17	0.01
b	Central Govt.	-	-	-	-	-	-	-	-	-
c	State Govts.	-	-	-	-	-	-	-	-	-
d	Bodies Corporate	-	-	-	-	-	-	-	-	-
e	Banks/Fls	-	-	-	-	-	-	-	-	-
f	Any other (specify)	-	-	-	-	-	-	-	-	-
	<b>Sub-Total A(1)</b>	4598522	3800	4602322	93.16	4602655	-	4602655	93.17	0.01
2.	Foreign									
	Non-resident individuals	-	-	-	-	-	-	-	-	-
b	Other individuals	-	-	-	-	-	-	-	-	-
c	Bodies Corporate	-	-	-	-	-	-	-	-	-
d	Banks/Fls	-	-	-	-	-	-	-	-	-
e	Any other (specify)	-	-	-	-	-	-	-	-	-
	<b>Sub-Total A(2)</b>	-	-	-	-	-	-	-	-	-
	<b>Total shareholding of promoters A = (A1+A2)</b>	4598522	3800	4602322	93.16	4602655	-	4602655	93.17	0.01
<b>B.</b>	<b>Public shareholding</b>									
1.	Institutions	-	-	-	-	-	-	-	-	-
a)	Mutual Funds	-	-	-	-	-	-	-	-	-
b)	Banks/Fl	460	-	460	0.00	460	-	460	0.00	-
c)	Central Govt.	-	-	-	-	-	-	-	-	-
d)	State Govts.	-	-	-	-	-	-	-	-	-
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
sf)	Insurance Companies	-	-	-	-	-	-	-	-	-
g)	FIs	-	-	-	-	-	-	-	-	-
h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)	Others	-	-	-	-	-	-	-	-	-
	<b>Sub-Total B(1)</b>	460	-	460	0.00	460	-	460	0.00	-
2.	Non-Institutions									
a)	Bodies Corporate									
(i)	Indian	16879	1666	18545	0.37	17346	1666	19012	0.38	0.01
(ii)	Overseas	-	-	-	-	-	-	-	-	-
b)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs.1 lac	161969	148086	310055	6.27	162712	147681	310393	6.28	0.01
(ii)	Individual shareholders holding nominal share capital in excess of Rs.1 lac	-	-	-	-	-	-	-	-	-

c)	Others (specify)									
	Non-resident Indians (Non Repat)	263	-	263	0.00	263	-	263	0.00	-
	Non Resident Indians (Repat)	1022	-	1022	0.02	1022	-	1022	0.02	-
	Overseas Corporate Bodies	-	-	-	-					
	Foreign Nationals	6	-	6	0.00	6	-	6	0.00	-
	Trusts	1133	-	1133	0.02	20	-	20	0.00	(0.02)
	Foreign Bodies - DR	-	-	-	-	-	-	-	-	-
	Clearing Member	304	-	304	0.00	279	-	279	0.00	(0.00)
	HUF	5890	-	5890	0.11	5890	-	5890	0.11	-
	<b>Sub-Total (B)(2)</b>	<b>187466</b>	<b>149752</b>	<b>337218</b>	<b>6.82</b>	<b>187538</b>	<b>149347</b>	<b>336885</b>	<b>6.81</b>	<b>(0.01)</b>
	<b>Total public shareholding B= (B1 + B2)</b>	<b>187926</b>	<b>149752</b>	<b>337678</b>	<b>6.83</b>	<b>187998</b>	<b>149347</b>	<b>337345</b>	<b>6.82</b>	<b>(0.01)</b>
C.	Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	<b>Grand Total(A+B+C)</b>	<b>4786448</b>	<b>153552</b>	<b>4940000</b>	<b>100</b>	<b>4790653</b>	<b>149347</b>	<b>4940000</b>	<b>100</b>	<b>-</b>

**B. Shareholding of Promoters**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged/encumbered to total	No. of shares	% of total shares of the company	% of shares pledged/encumbered to total	
1	Madhu Abhay Chandak	1660818	33.62	-	1660818	33.62	-	-
2	Jyoti Varun Kabra	1495186	30.27	-	1495186	30.27	-	-
3	Manjri Aditya Chandak	1446318	29.28	-	1446651	29.28	-	0.00
	<b>Total</b>	<b>4602322</b>	<b>93.17</b>		<b>4602655</b>	<b>93.17</b>	-	<b>0.00</b>

**C. Change in Promoters' Shareholding (please specify, if there is no change)**

Sr. No.	Particulars	Shareholding at the beginning of the year (01.04.2017)		Date (dd/mm/yyyy)	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Madhu Abhay Chandak	1660818	33.62				1660818	33.62
		-	-	NA	NA	NA		
	<b>At the end of the Year</b>						<b>1660818</b>	<b>33.62</b>
2	Jyoti Varun Kabra	1495186	30.27				1495186	30.27
		-	-	NA	NA	NA		
	<b>At the end of the Year</b>						<b>1495186</b>	<b>30.27</b>
3	Manjri Aditya Chandak	1446318	29.28				1446318	29.28
		-	-	17/04/2017	333	Purchase	1446651	29.28
	<b>At the end of the Year</b>						<b>1446651</b>	<b>29.28</b>

D. **Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs/ADRs)**

Sr. No.	Particulars	Shareholding at the beginning of the year (01.04.2017)		Date	Net Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Rajiv R Thakkar	22500	0.45				22500	0.45
				NA	NA	NA		
	At the end of the year	-	-				22500	0.45
2	Manibhai Chaturbhuj Bhupendrasingh Mulji Bhupendrasingh Mulji	14133	0.28				14133	0.28
				NA	NA	NA	-	-
	At the end of the year	-	-				14133	0.28
3	Luxmi Kant Gupta Usha Gupta	13307	0.26				13307	0.26
				NA	NA	NA	-	-
	At the end of the year	-	-				13307	0.26
4	Gautam Maneklal Mehta Rajann Gautam Mehta	10000	0.20				10000	0.20
				NA	NA	NA	-	-
	At the end of the year	-	-				10000	0.20
5	Sudarshanram Narayan Rao	8,333	0.16				8,333	0.16
				NA	NA	NA	-	-
	At the end of the year	-	-				8,333	0.16
6	Pradip Chinubhai Patel Bina Pradip Patel Saloni Pradip Patel	7666	0.15				7666	0.15
				NA	NA	NA	-	-
	At the end of the year	-	-				7666	0.15
7	MSPL Limited	4573	0.09				4573	0.09
				NA	NA	NA	-	-
	At the end of the year	-	-				4573	0.09
8	Saraswati Mangesh Rege Vasanti Vasant Naik	3680	0.07				3680	0.07
				NA	NA	NA	-	-
	At the end of the year	-	-				3680	0.07
9	Shree Sheth Securities And Services Private Ltd	3410	0.07				3410	0.07
				NA	NA	NA	-	-
	At the end of the year	-	-				3410	0.07
10	Savita Ashok Koli	2900	0.06				2900	0.06
				NA	NA	NA	-	-
	At the end of the year	-	-				2900	0.06

Note: The above information is based on the weekly beneficiary position received from the Depositories.



**E. Shareholding of Directors and Key Managerial Personnel**

Sr. No.	Particulars	Shareholding at the beginning of the year (01.04.2017)		Date (dd/mm/yyyy)	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Madhu Abhay Chandak	1660818	33.62				1660818	33.62
		-	-	NA	NA	NA		
	<b>At the end of the Year</b>						<b>1660818</b>	<b>33.62</b>
2	Jyoti Varun Kabra	1495186	30.27				1495186	30.27
		-	-	NA	NA	NA		
	<b>At the end of the Year</b>						<b>1495186</b>	<b>30.27</b>
3	Manjri Aditya Chandak	1446318	29.28				1446318	29.28
		-	-	17/04/2017	333	Purchase	1446651	29.28
	<b>At the end of the Year</b>						<b>1446651</b>	<b>29.28</b>

**V. INDEBTEDNESS: (Indebtedness of the Company including interest outstanding/accrued but not due for payment)**

	Secured Loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
Indebtedness at the beginning of the year				
(i) Principal amount	NIL	347,00,000	2,84,000	34,984,000
(ii) Interest due but not paid			1,65,719	1,65,719
(iii) Interest accrued but not due				
<b>Total (i) + (ii) + (iii)</b>		<b>347,00,000</b>	<b>4,49,719</b>	<b>351,49,719</b>
Change in indebtedness during the financial year				
• Addition		-	-	-
• Reduction		(347,00,000)	(40,000)	(347,40,000)
<b>Net change</b>		<b>(347,00,000)</b>	<b>(40,000)</b>	<b>(347,40,000)</b>
Indebtedness at the end of the year				
(i) Principal amount		NIL	244,000	244,000
(ii) Interest due but not paid			165,719	165,719
(iii) Interest accrued but not due				
<b>Total</b>	-	-	<b>409,719</b>	<b>409,719</b>

**VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

The Company does not have any Managing Director, Whole-time director and / or Manager on its board.

**B. Remuneration to other Directors:**

During the year under review, the Company has not paid any remuneration to other Directors.

**C. Remuneration to key managerial personnel other than MD/Manager/WTM**

The Company has no Key Managerial Personnel.

**VIII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act, 2013	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	NIL				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	NIL				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL				
Punishment					
Compounding					

**For and on behalf of the Board of Directors of  
Bombay Swadeshi Stores Limited**

Madhu Chandak  
Director  
DIN: 07029901

Manjri Chandak  
Director  
DIN: 03503615

**Date: 23<sup>rd</sup> August, 2018**  
**Place: Mumbai**

Registered Office:  
Western India House  
Sir Pherozeshah Mehta Road  
Fort, Mumbai – 400 001  
CIN: U74999MH1905PLC000223  
Tel No.: 022 22885048/49  
Email Id: investor@bombaystore.com  
Website: www.thebombaystore.com

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## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF BOMBAY SWADESHI STORES LIMITED

#### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **BOMBAY SWADESHI STORES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment

of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone 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 the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

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

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2018, and its profit and its cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) the balance sheet, the statement of profit and loss, and the cash flow statement dealt with by this Report are in agreement with the books of account;
  - (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) on the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;

- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B";
- (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been delay in transferring the amounts, required to be transferred to the Investor Education and Protection Fund by the Company as on Balance Sheet Date. Refer foot note of Note 8 of the standalone financial statement.

For **Banshi Jain & Associates**  
Chartered Accountants  
(FRN – 100990W)

**R.B. Golecha**  
Partner

Membership No. **035348**

Place: MUMBAI  
Date: 23/08/2018

### **"Annexure A" to the Independent Auditors' Report**

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended on 31<sup>st</sup> March 2018. We report that:

#### **(1) In Respect of its fixed assets:**

- a) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- b) The fixed assets of the company have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deed of immovable property taken on lease is held in the name of the Company.

#### **(2) In respect of its inventories:**

The physical verification of the merchandises (Finished Goods) have been conducted at reasonable intervals by the management during the year. 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. The discrepancies noticed on physical verification of the inventory as compared to book records were not material

- (3) According to the information and explanation given to us, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. Accordingly, clauses 3 (iii) (a) and 3(iii) (b) of the Order are not applicable.
- (4) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (5) According to information and explanation given to us, the company has not accepted any deposits during the year. There are no unclaimed deposits to which the provision of Section 73 and 76 of the Act or any other relevant provisions of the Companies would apply.
- (6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.



(7) In respect of statutory dues:

- (a) According to the information and explanations given to us and according to the books and records as produced and examined by us, in our opinion, the company is generally regular in
- (b) depositing the undisputed statutory dues including provident fund, employees' state insurance, income-tax, wealth tax, service tax, cess and any other statutory dues as applicable with the appropriate authorities.
- (c) According to the information and explanations given to us, there are no material dues of wealth tax, duty of customs and cess which have not been deposited with the appropriate authorities on account of any dispute.
- (d) However, according to the information and explanations given to us, the particulars of dues of income tax, service tax as at 31st March, 2018 which have not been deposited on account of any dispute, are as follows:

Name of the Statute	Nature of Dues	Amounts involved Rs.	Period to which the amount relates	Forum where dispute is pending
Central Excise and Service Tax	Service Tax	1,45,897	2008-09, 2010-11	Supreme Court
Income Tax Act	Income tax	12,45,390	2015-16	CIT (A)

- (8) In our opinion and according to the information and explanations given to us, the Company has not taken any loans from the financial institution or banks or government. The company has not issued any debentures.
- (9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- (10) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instance of fraud done by the company or any fraud done on the company by its officers or employees, noticed or reported during the year, nor have we been informed of such case by the management.

(11) Based upon the audit procedures performed and the information and explanations given by the management, managerial remuneration has not been paid or provided during the year.

(12) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(13) In our opinion and according to the information and explanation given to us the company is in compliance with section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements etc as required by the applicable accounting standards.

(14) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(15) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(16) The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**For Banshi Jain & Associates**  
Chartered Accountants  
(FRN – 100990W)

Place: MUMBAI  
Date: 23/08/2018

**R.B. Golecha**  
Partner  
Membership No. **035348**

## **Annexure –B to the Auditors' Report'**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to standalone financial statements of **BOMBAY SWADESHI STORES LIMITED** ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls with reference to standalone financial statements (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

our audit opinion on the Company's internal financial controls system with reference to standalone financial statements.

#### **Meaning of Internal Financial Controls with reference to Standalone financial statements**

A company's internal financial with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

#### **Inherent Limitations of Internal Financial Controls With reference to standalone financial statements**

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at 31 March 2018, based on "the internal with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls With reference to standalone financial statements issued by the Institute of Chartered Accountants of India".

For **Banshi Jain & Associates**  
Chartered Accountants  
(FRN – 100990W)

Place: MUMBAI  
Date: 23/08/2018

**R.B. Golecha**  
Partner  
Membership No. **035348**

## Balance Sheet as at 31st March 2018

	Note	2017-18 ₹	2017-18 ₹	2016-17 ₹
<b>EQUITY AND LIABILITIES</b>				
<b>SHAREHOLDERS FUNDS :</b>				
Share Capital	2	9,880,000		9,880,000
Reserves & Surplus	3	113,585,244	123,465,244	79,421,148
				89,301,148
<b>NON CURRENT LIABILITIES:</b>				
Long Term Borrowings	4	-		34,700,000
Long Term Provisions	5	2,013,193	2,013,193	-
				34,700,000
<b>CURRENT LIABILITIES:</b>				
Trade Payables	6	5,299,936		20,518,213
Short Term Provisions	7	10,466,504		1,760,000
Other Current Liabilities	8	6,681,000		9,595,400
			22,447,440	31,873,613
			147,925,877	155,874,761
<b>ASSETS</b>				
<b>NON CURRENT ASSETS:</b>				
<b>FIXED ASSETS</b>				
Tangible Assets	9		11,568,867	7,712,331
Intangible Assets			1,990,415	205,313
<b>NON CURRENT INVESTMENTS:</b>				
	10		600,000	600,000
<b>LONG TERM LOANS AND ADVANCES:</b>				
	11		1,645,848	60,767,233
<b>DEFERRED TAX ASSETS</b>				
	26		4,473,395	-
<b>CURRENT ASSETS:</b>				
Inventories	12	55,437,119		61,387,637
Trade Receivables	13	1,779,510		858,930
Cash & Cash Equivalents	14	40,480,283		2,392,377
Short Term Loans and Advances	15	29,950,440		21,950,940
			127,647,352	86,589,884
			147,925,877	155,874,761
<b>Notes forming part of Financial Statements</b>		<b>1-31</b>		
As per our Report of even dated				
<b>For BANSHI JAIN &amp; ASSOCIATES</b>				
<i>Chartered Accountants</i>				
<i>Reg No. 100990W</i>				
<b>R. B. GOLECHA</b>			<b>Madhu Chandak</b>	
<i>Partner</i>			Director	
<i>Membership No:035348</i>			<b>Manjri Chandak</b>	
			Director	
			<b>Jyoti Kabra</b>	
			Director	
MUMBAI, 23rd August, 2018			MUMBAI, 23rd August, 2018	

## Statement of Profit and Loss for the year ended 31st March 2018

		2017-18	2016-17
CONTINUING OPERATIONS	Note	₹	₹
<b>INCOME :</b>			
Revenue from Operations	16	303,923,039	281,125,273
Other Income	17	3,098,995	2,706,321
<b>Total Revenue</b>		<b>307,022,034</b>	<b>283,831,594</b>
<b>EXPENSES :</b>			
Purchase Of Stock In Trade	18	151,633,963	185,439,711
Change in Inventories of Stock in Trade	19	5,760,585	(25,532,767)
Employee Benefit Expenses	20	36,988,843	30,770,989
Finance Costs	21	4,145,191	4,337,357
Other Expenses	22	66,415,393	87,790,192
Depreciation & amortisation expenses	9	2,839,687	1,472,626
<b>Total Expenses</b>		<b>267,783,662</b>	<b>284,278,108</b>
<b>Profit before Exceptional Items</b>		<b>39,238,372</b>	<b>(446,514)</b>
Exceptional Items		-	-
<b>Profit / (Loss) before Tax</b>		<b>39,238,372</b>	<b>(446,514)</b>
Provision for Tax		7,705,754	-
Less:- MAT Credit Entitlement		(1,645,848)	-
Provision for Deferred Tax		(4,473,395)	-
<b>Total Tax Expenses</b>		<b>1,586,511</b>	<b>-</b>
<b>Profit / (Loss) after Tax</b>		<b>37,651,861</b>	<b>(446,514)</b>
Less: Prior years tax adjustments		3,487,765	(155,686)
<b>Profit/(Loss) for the year</b>		<b>34,164,096</b>	<b>(290,828)</b>
Basic and diluted earning per share (in ₹)	25	6.92	(0.06)
<b>Notes forming part of Financial Statements</b>	<b>1-31</b>		
As per our Report of even dated			
<b>For BANSHI JAIN &amp; ASSOCIATES</b>			
Chartered Accountants			
Reg No. 100990W			
<b>R. B. GOLECHA</b>		<b>Madhu Chandak</b>	
Partner		Director	
Membership No:035348		<b>Manjri Chandak</b>	
		Director	
		<b>Jyoti Kabra</b>	
		Director	
MUMBAI, 23rd August, 2018		MUMBAI, 23rd August, 2018	

## Cash Flow Statement for the year ended 31st March 2018

	2017-18		₹ in Thousand 2016-17	
	₹	₹	₹	₹
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit before tax and Exceptional Items		39,238		(447)
Add: Adjustments for :				
Depreciation & Amortisation	2,840		1,473	
Interest paid	-		561	
Interest received	(137)	2,703	(176)	1,858
<b>Operating Profit before Working Capital Changes</b>		41,941		1,411
Adjustments for :				
Increase / (Decrease) in Trade payables	(15,218)		22,588	
Increase / (Decrease) in Other Current Liabilities	(2,915)		3,355	
Increase / (Decrease) in Long Term Provisions	2,013		-	
Increase / (Decrease) in Short Term Provisions	8,707		-	
(Increase) / Decrease in Inventories	5,951		(25,731)	
(Increase) / Decrease in Long Term Loans & Advances	59,121		26,655	
(Increase) / Decrease in Short Term Loans & Advances	(8,003)		(8,238)	
(Increase) / Decrease in Trade & Other receivables	(921)		1,022	19,651
<b>Cash Generated from Operations</b>		48,735		21,062
Direct taxes paid		(9,544)		(225)
<b>Net Cash from Operating Activities</b>	[A]	81,132		20,837
<b>B CASH FLOW FROM INVESTMENT ACTIVITIES</b>				
Purchase of Assets		(8,481)		(4,578)
Interest received		137		176
<b>Net Cash from Investing Activities</b>	[B]	(8,344)		(4,402)
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings		(34,700)		(19,303)
Interest paid		-		(561)
<b>Net Cash Flow from Financial Activities</b>	[C]	(34,700)		(19,864)
<b>Net Cash increase/(Decrease) in cash and Cash equivalents</b>	(A+B+C)	38,088		(3,429)
<b>Cash and Cash Equivalents (Opening) :</b>				
Cash on Hand	313		189	
Balance with Banks	2,079	2,392	5,632	5,821
<b>Cash and Cash Equivalents (Closing) :</b>				
Cash on Hand	411		313	
Balance with Banks	40,069	40,480	2,079	2,392

**Notes :**

- 1 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 Accountant of India.
- 2 Cash and cash equivalent represent cash and bank balance only.
- 3 Previous year's figures have been regrouped or rearranged wherever necessary.

MUMBAI, 23rd August, 2018

**Manjri Chandak**  
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, 2018. The statement has been prepared as per AS-3 on Cash Flow Statement issued by Institute of Chartered Accountants of India under the "Indirect Method" and is in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report dated 23rd August 2018 to the members of the Company."

For Banshi Jain & Associates  
Chartered Accountants  
Reg No. 100990W

**R. B. GOLECHA**  
Partner

Membership No:035348

MUMBAI, 23rd August 2018



## Notes to Financial Statements for the year ended 31st March 2018

### 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 under the relevant provisions of the Companies Act, 2013.
- 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 II of the Companies Act, 2013 except in respect of the computers where useful life of 6 years estimated by management which is different than those prescribed in Schedule II. Further, 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: 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. Mloyal Royalty Programme

Customer award credits having a predetermined life are granted to customers when they make purchases. The fair value of the consideration on sale of goods resulting in such award credits is allocated between the goods supplied and the award credit granted. The consideration allocated to the award certificate is measured by fair value from standpoint of the holder and revenue is deferred. The Company at the end of each reporting period estimates the number of point redeemed, based on empirical date of redemption/lapses, and revenue is accordingly recognised.

#### I. Gift Voucher

The amount collected on sales of Gift Voucher is recognised as a liability and transferred to revenue (Sales) when redeemed or to revenue (Others) on expiry.

#### J. 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 2018

### ii. **Defined Benefit Plan**

The liability for the defined benefit plan of Gratuity is determined on the basis of an actuarial valuation by an independent actuary at the year end, which is calculated using projected unit credit method. Actuarial gains and losses which comprise experience adjustment and the effect of changes in actuarial assumptions are recognised in the statement of Profit and Loss.

### iii **Leave Liability:**

The employees of the company are entitled to leave as per the leave policy of the company. The liability on account of accumulated leave as on last day of the accounting year is recognised at present value of the defined obligation at the balance sheet date based on the actuarial valuation carried out by an independent actuary using projected unit credit method.

### iv Retirement benefit in the form of provident Fund is a defined contribution scheme. The contributions to the provident fund are charged to the statement of Profit & Loss for the year when the contributions are due. The company has no obligation, other than the contribution payable to the provident fund.

## K. **Taxes on Income :**

- i Tax expenses comprise of current and deferred tax.
- ii Current tax is measured at the amount expected to be paid on the basis of reliefs and deductions available in accordance with the provisions of the Income Tax Act, 1961.
- iii Deferred tax reflects the impact of current year timing differences between accounting and taxable income and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and laws that have been enacted or substantively enacted as of the balance sheet date. Deferred tax assets are recognised only to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised and are reviewed at each balance sheet date.

## L. **Earning per share :**

- i Basic and diluted earning per share are computed in accordance with Accounting Standard-20.
- ii Basic earning per share is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earning per equity share are computed using the weighted average number of equity share and diluted potential equity shares outstanding during the year, except where the result are anti-dilutive.

## M. **Provisions, Contingent Liabilities and Contingent Assets :**

- i Provision is recognised when the company has a present obligation as a result of past events and it is probable that the outflow of resources will be required to settle the obligation and in respect of which reliable estimates can be made.
- ii A disclosure for contingent liability is made when there is a possible obligation, that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision / disclosure is made.
- iii Contingent assets are not recognised in the financial statements.
- iv Provisions and contingencies are reviewed at each balance sheet date and adjusted to reflect the correct management estimates.

As per our Report of even dated

**For BANSHI JAIN & ASSOCIATES**

*Chartered Accountants*

*Reg No. 100990W*

**R. B. GOLECHA**

*Partner*

*Membership No:035348*

**Madhu Chandak**

*Director*

**Manjri Chandak**

*Director*

**Jyoti Kabra**

*Director*

MUMBAI, 23rd August, 2018

MUMBAI, 23rd August, 2018

## Notes to Financial Statements for the year ended 31st March 2018

		2017-18 ₹	2016-17 ₹
<b>2 SHARE CAPITAL</b>			
<b>2.1 Authorised :</b>			
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
		<b>50,000,000</b>	<b>50,000,000</b>
<b>2.2 Issued, subscribed and paid-up:</b>			
4,940,000 (Previous year 4,940,000) Equity shares of ₹ 2/- (Previous year ₹ 2/-) each fully paid-up in cash		9,880,000	9,880,000
		<b>9,880,000</b>	<b>9,880,000</b>
<b>2.3 Reconciliation of Shares outstanding at the beginning and end of the year:</b>			
Particulars	2017-18	2016-17	
	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
<b>2.4 Details of shareholders holding more than 5% of shares as at</b>			
Sr No	Name of Shareholders	2017-18	2016-17
		No of Shares % of Paid up capital	No of Shares % of Paid up capital
1	Mrs. MADHU ABHAY CHANDAK	1,660,818 33.62	1,660,818 33.62
2	Mrs. JYOTI VARUN KABRA	1,495,186 30.27	1,495,186 30.27
3	Mrs. MANJRI CHANDAK	1,446,651 29.28	1,446,318 29.28
		2017-18 ₹	2016-17 ₹
<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		(11,462,422)	(11,171,595)
Add: Profit/(Loss) for the year		34,164,096	(290,827)
<b>Balance carried forward</b>		<b>22,701,674</b>	<b>(11,462,422)</b>
	Total	<b>113,585,244</b>	<b>79,421,148</b>
<b>4 LONG TERM BORROWINGS</b>			
<b>UNSECURED LOANS</b>			
Loan from Directors		-	34,700,000
	Total	-	<b>34,700,000</b>
<b>5 LONG TERM PROVISIONS</b>			
Provision for Gratuity		1,607,038	-
Provision for Leave Encashment		406,155	-
	Total	<b>2,013,193</b>	-
<b>6 TRADE PAYABLES</b>			
Trade Payables		5,299,936	20,518,213
	Total	<b>5,299,936</b>	<b>20,518,213</b>

## Notes to Financial Statements for the year ended 31st March 2018

- 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.

	2017-18	2016-17
	₹	₹
<b>7 SHORT TERM PROVISIONS</b>		
Provision for Gratuity	1,224,673	-
Provision for Leave Encashment	783,091	-
Provision for Taxation	8,458,740	1,760,000
<b>Total</b>	<b>10,466,504</b>	<b>1,760,000</b>
<b>8 OTHER CURRENT LIABILITIES</b>		
Advance from Customers	241,393	75,633
Interest accrued and due	165,719	165,719
Unclaim Fixed Deposit*	244,000	284,000
Payable to Statutory Authorities	900,233	3,693,428
Sundry Creditors for Fixed Assets	248,038	-
Other Payables	3,955,622	5,376,620
Payable to Subsidiary	925,995	-
<b>Total</b>	<b>6,681,000</b>	<b>9,595,400</b>

\* Includes amount of ₹ 10,000/- to be transferred to Investor Education Protection Fund as on balance sheet which is transferred on July 26, 2018.

### Note 9 : Fixed Assets

SR. NO.	DESCRIPTION OF ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		AS AT	ADDITIONS	DEDUCTIONS	AS AT	AS AT	FOR THE YEAR	DEDUCTIONS/ ADJUSTMENT	AS AT	AS AT	AS AT
		01-Apr-17			31-Mar-18	01-Apr-17			31-Mar-18	31-Mar-18	31-Mar-17
	<b>TANGIBLE ASSETS</b>										
1	Lease hold premises	2,500,000	-	-	2,500,000	-	-	-	-	2,500,000	2,500,000
2	Furniture & Fixtures	25,780,029	4,324,011	-	30,104,040	23,269,178	1,285,948	-	24,555,126	5,548,914	2,510,851
3	Computers & Softwares	3,514,164	364,048	-	3,878,212	3,120,478	207,815	-	3,328,293	549,919	393,686
4	Office & Other Equipments	1,934,739	898,364	-	2,833,103	1,616,417	352,181	-	1,968,598	864,505	318,322
5	Electrical Installations	6,876,854	803,166	-	7,680,020	4,887,381	687,110	-	5,574,491	2,105,529	1,989,473
	<b>Total</b>	<b>40,605,786</b>	<b>6,389,589</b>	<b>-</b>	<b>46,995,375</b>	<b>32,893,454</b>	<b>2,533,054</b>	<b>-</b>	<b>35,426,508</b>	<b>11,568,867</b>	<b>7,712,332</b>
	<b>Previous Year ₹</b>	36,138,670	4,467,115	-	40,605,785	31,689,172	1,204,282	-	32,893,454	7,712,331	4,449,498
	<b>INTANGIBLE ASSETS</b>										
6	Software	1,343,606	2,091,735	-	3,435,341	1,138,293	306,633	-	1,444,926	1,990,415	205,313
	<b>Total</b>	<b>1,343,606</b>	<b>2,091,735</b>	<b>-</b>	<b>3,435,341</b>	<b>1,138,293</b>	<b>306,633</b>	<b>-</b>	<b>1,444,926</b>	<b>1,990,415</b>	<b>205,313</b>
	<b>Previous Year ₹</b>	1,232,798	110,808	-	1,343,606	869,949	268,344	-	1,138,293	205,313	362,849

## Notes to Financial Statements for the year ended 31st March 2018

	2017-18 ₹	2016-17 ₹
<b>10 NON CURRENT INVESTMENTS</b>		
<b>Trade - Unquoted</b>		
i 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
ii. Investment in Associates 10,000 (Previous year 10,000) equity shares of Out of India Retail Pvt Ltd. of ₹10/- each fully paid up [ Holding in Associates is 26% of Voting Rights & 8.42% of Ownership Interest ]	100,000	100,000
	<u>600,000</u>	<u>600,000</u>
Less : Diminution in value of Investments	-	-
Total	<u>600,000</u>	<u>600,000</u>
<b>11 LONG TERM LOANS &amp; ADVANCES</b>		
MAT Credit Entitlement	1,645,848	-
Advance to subsidiary	-	60,767,233
	<u>1,645,848</u>	<u>60,767,233</u>
<b>12 INVENTORIES</b>		
Stock in Trade - Merchandise At cost or net realisable value whichever is lower	55,437,119	61,387,637
Total	<u>55,437,119</u>	<u>61,387,637</u>
<b>13 TRADE RECEIVABLES</b> (Unsecured, Considered Good) Due for more than six months from the due date of payment	-	-
Other trade receivables	1,779,510	858,930
Total	<u>1,779,510</u>	<u>858,930</u>
<b>14 CASH AND CASH EQUIVALENTS</b>		
Cash on Hand	411,061	312,920
<b>Balance with Scheduled Banks in:</b>		
Current Accounts	38,524,421	635,404
Other Bank balances : Deposit Accounts	1,544,801	1,444,053
Total	<u>40,480,283</u>	<u>2,392,377</u>
<b>15 SHORT TERM LOANS AND ADVANCES</b> (Unsecured, considered good)		
Advance to Vendors	713,445	2,020,990
Balance with Government Authorities	1,093,350	-
Advance payment of taxes (net)	5,617,453	5,621,185
Security & Other Deposits	22,127,350	13,993,927
Others	398,842	314,838
Total	<u>29,950,440</u>	<u>21,950,940</u>

**Notes to Financial Statements for the year ended 31st March 2018**

		<b>2017-18</b>	<b>2016-17</b>
		<b>₹</b>	<b>₹</b>
<b>16 REVENUE FROM OPERATIONS</b>			
Sales of Merchandise		<b>303,923,039</b>	281,125,273
	<b>Total</b>	<b><u>303,923,039</u></b>	<b><u>281,125,273</u></b>
<b>17 OTHER INCOME</b>			
Interest		<b>136,786</b>	175,633
Deemed Credit		<b>2,139,064</b>	-
Fees Received		-	2,000,000
Miscellaneous receipts		<b>283,111</b>	87,785
Provision for Diminishing Value of Investment		-	75,000
Sundry balances written back		<b>540,034</b>	367,903
	<b>Total</b>	<b><u>3,098,995</u></b>	<b><u>2,706,321</u></b>
<b>18 PURCHASE OF STOCK IN TRADE</b>			
Purchases of Merchandise		<b>151,633,963</b>	185,439,711
		<b><u>151,633,963</u></b>	<b><u>185,439,711</u></b>
<b>19 CHANGE IN INVENTORIES OF STOCK IN TRADE</b>			
Opening Stock		<b>61,157,019</b>	35,624,252
Closing Stock		<b>55,396,434</b>	61,157,019
(Increase)/Decrease	<b>Total</b>	<b><u>5,760,585</u></b>	<b><u>(25,532,767)</u></b>
<b>20 EMPLOYEE BENEFIT EXPENSES</b>			
Salaries, Allowances & Bonus		<b>29,992,062</b>	27,514,381
Provision for Gratuity		<b>3,082,443</b>	1,248,643
Provision for Leave Encashment		<b>1,189,246</b>	-
Contribution to Provident Fund & other Funds		<b>2,207,863</b>	1,693,228
Staff Welfare expenses		<b>517,229</b>	314,737
	<b>Total</b>	<b><u>36,988,843</u></b>	<b><u>30,770,989</u></b>
<b>21 FINANCE COST</b>			
Interest On Others		-	560,560
Bank Charges		<b>566,890</b>	365,556
Credit Card Charges		<b>3,055,315</b>	3,411,241
Interest on Late Payment of taxes		<b>522,986</b>	-
	<b>Total</b>	<b><u>4,145,191</u></b>	<b><u>4,337,357</u></b>



## Notes to Financial Statements for the year ended 31st March 2018

	2017-18 ₹	2016-17 ₹
<b>22 OTHER EXPENSES</b>		
Lease Rent	22,681,593	23,520,851
Repairs & Maintenance - Others	4,453,456	5,605,162
Legal & Professional Charges	1,430,599	3,091,780
Sales & Other Commission	14,039,821	17,456,557
House keeping Expenses	2,116,577	1,909,188
Security services charges	2,312,019	1,902,386
Travelling & Conveyance	1,011,574	825,279
Electricity & Fuel	5,693,175	5,728,739
Insurance	83,198	103,680
Advertisements & Sales Promotion	4,292,646	5,756,635
Packing Charges	2,549,200	2,340,843
Rates & Taxes	706,093	763,579
<b>Auditors Remuneration:</b>		
Audit Fees	250,000	287,500
Tax Audit Fees	50,000	57,500
	300,000	345,000
Miscellaneous Expenses	4,720,359	6,551,965
Investment written off	-	75,000
Advances Written-off	25,083	11,813,548
<b>Total</b>	<b>66,415,393</b>	<b>87,790,192</b>

### 23. Contingent Liabilities:

In respect of Income Tax Assessment Proceedings for AY 2015-16 ₹ 12,45,390/- is assessed as payable in the Assessment Order u/s 143 (3) of The Income Tax Act, 1961 on account of disallowances of expenses. The Company has filed an appeal against the CIT (A).

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

### 25. Calculation of Earnings per Equity Share [ EPS ] :

Particulars		31-Mar-18	31-Mar-17
The numerators and denominators used to calculate the basic and diluted EPS are as follows :			
A	Profit/ (Loss) after tax attributable to Shareholders	₹ 34,164,096	(290,828)
B	Basic and weighted average number of Equity shares	Nos. 4,940,000	4,940,000
C	Nominal value of equity share	₹ 2	2
D	Basic EPS	₹ 6.92	(0.06)
E	Diluted EPS	₹ 6.92	(0.06)

## Notes to Financial Statements for the year ended 31st March 2018

### 26 DEFERRED TAX ASSETS

The breakup of deferred tax assets / liability

	Deferred tax asset/ (liability) as at 31-Mar-18 (₹)	Deferred tax asset/ (liability) as at 31-Mar-17 (₹)
<b>A. Deferred Tax Assets</b>		
Expenses allowable for tax purpose when paid	1,335,166	98,152
Difference between tax and Book Written Down Value	3,138,229	2,948,550
Unabsorbed Business Losses	-	9,969,717
	<b>4,473,395</b>	<b>13,016,419</b>
<b>B. Deferred Tax Liability</b>		
Difference between Book Written Down Value and tax	-	-
	-	-
<b>C. Net Deferred Tax Assets</b>	<b>4,473,395</b>	<b>13016419*</b>

\* As on 31st March, 2017, the Management was of the view that it was not virtually certain to realize the deferred tax assets in the near future and hence has not recognized the same, however as on 31st March, 2018, the management is of the view that it is virtually certain to realize the deferred tax assets in the near future and thus recognized the deferred tax assets in the books of accounts.

### 27. Related Party Disclosures

#### A. Relationship

##### I) Subsidiary Company

Bombay Store Retail Company Limited

##### II) Associate Company

Out Of India Retail Pvt Ltd [ No transactions during the the year ]

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

Mrs.Madhu Chandak-Director

Mrs.Manjri Chandak-Director

Mrs.Jyoti Kabra-Director

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

Avenue Supermarts Limited

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

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

Sr. No.	Nature of Transactions	Related Party Referred in			
		A (I)	A (II)	A (III)	A (IV)
i.	<b>Purchases of goods and material</b>	<b>8,951,498</b>	-	-	-
		(34,428,744)	(-)	(-)	-
	Purchase of Capital Assets	-	-	-	-
		(2,561,317)	(-)	-	-
ii.	<b>Expenditure</b>				
	Rent and Utilities Reimbursement	<b>6,086,570</b>	-	-	<b>2,748,500</b>
		(18,518,659)	(-)	(-)	(1,587,000)

## Notes to Financial Statements for the year ended 31st March 2018

Sr. No.	Nature of Transactions	Related Party Referred in			
		A (I)	A (II)	A (III)	A (IV)
	Electricity Expenses	147,641 (721,160)	- (-)	- (-)	214,807 (98,525)
iii.	<b>Income</b>				
	Sales	- (-)	- (527,864)	- (-)	- (132,284)
	Fees Received	- (2,000,000)	- (-)	- (-)	- (-)
iv.	<b>Outstanding Balance</b>				
	Loans & Advances receivable	- (60,767,233)	- (-)	- (-)	- (-)
	Loans & Advances received	- (-)	- (-)	- (34,700,000)	- (-)
	Trade Receivable	- (-)	- (84,017)	- (-)	- (-)
	Trade Payable	- (-)	- (-)	- (-)	18,134 (945,000)
	Other Current Liabilities	925,995 (-)	- (-)	- (-)	- (-)

Figures in brackets are for previous year.

### 28. Earning in Foreign Exchange

- FOB value of exports of goods ₹ NIL/- (Previous year ₹ NIL/-).
- Receipts on account of sale of merchandise ₹ 72,375,064/- (Previous year ₹ 72,889,728/-).

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

### 30. Expenditure in Foreign Currencies:

- Other Expenses ₹ NIL/- (Previous year ₹ NIL/-).

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

As per our Report of even dated  
**For BANSHI JAIN & ASSOCIATES**  
*Chartered Accountants*  
*Reg No. 100990W*

**R. B. GOLECHA**  
*Partner*  
*Membership No:035348*

**Madhu Chandak**  
*Director*

**Manjri Chandak**  
*Director*

**Jyoti Kabra**  
*Director*

MUMBAI, 23rd August, 2018

MUMBAI, 23rd August, 2018



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

To

**The Board of Directors of**

**BOMBAY SWADESHI STORES LTD**

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of **BOMBAY SWADESHI STORES LIMITED** ("the Holding Company") its subsidiary **BOMBAY STORE RETAIL COMPANY LIMITED** and its associate **OUT OF INDIA RETAIL PRIVATE LIMITED** (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at **31 March 2018**, the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information. (hereinafter referred to as "the consolidated financial statements").

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

The Holding Company's Board of Directors is responsible for the preparation of the consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 (hereinafter referred to as "the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014. The Board of Directors of the Company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. 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.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, 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 financial control relevant to the Holding Company's preparation 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 the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Company, as at 31st March 2018, and their consolidated profit and their consolidated cashflow for the year ended as on that date.

### **Other Matter**

We did not audit the financial statements of the associate company – Out of India Retail Private Limited, whose financial statements reflect total assets of ₹ 169.12 lakhs as at March 31, 2018, total revenues of ₹ 136.12 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report has been furnished to us by the management and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of the associate company, and our report in terms of section 143(3) of the Act, insofar as it relates to the aforesaid associate company is based solely on the report of the other auditors.

Our opinion on the consolidated financial statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and reports of the other auditors.

**Report on Other Legal and Regulatory Requirements**

1. As required by sub-section 3 of Section 143 of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- (c) The consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2018 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary company, none of the Directors of the Group companies is disqualified as on 31 March 2018 from being appointed as a Director of that company in terms of sub-section 2 of Section 164 of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
- (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. the Company does not have any pending litigations which would impact its financial position;

- ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There has been delay in transferring the amounts, required to be transferred to the Investor Education and Protection Fund by the Company as on Balance Sheet Date. Refer foot note of Note 8 of the consolidated financial statement.

**For Banshi Jain & Associates**  
**Chartered Accountants**  
 (FRN – 100990W)

Place: MUMBAI  
 Date: 23/08/2018

**R.B. Golecha**  
 Partner  
 Membership No. 035348

**Annexure - A to the Auditors' Report**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March 2018, we have audited the internal financial controls with reference to financial statements of Bombay Swadeshi Stores Limited ("the Holding Company") and its subsidiary company and associate company as of that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.



### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls with reference to financial statements (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

### **Meaning of Internal Financial Controls with reference to Consolidated financial statements**

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the

assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

### **Inherent Limitations of Internal Financial Controls With reference to Consolidated financial statements**

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Holding Company its subsidiary company and associate company, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2018, based on the internal control with reference to consolidated financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls With reference to financial statements issued by the Institute of Chartered Accountants of India.

For **Banshi Jain & Associates**  
**Chartered Accountants**  
(FRN – 100990W)

Place: MUMBAI  
Date: 23/08/2018

**R.B. Golecha**  
Partner  
Membership No. 035348

## Consolidated Balance Sheet as at 31st March 2018

	Note	2017-18 ₹	2017-18 ₹	2016-17 ₹
<b>EQUITY AND LIABILITIES</b>				
<b>SHAREHOLDERS FUNDS :</b>				
Share Capital	2	9,880,000		9,880,000
Reserves & Surplus	3	(10,068,795)	(188,795)	(47,058,352)
				(37,178,352)
<b>NON CURRENT LIABILITIES:</b>				
Long Term Borrowings	4	133,900,090		112,700,001
Long Term Provisions	5	2,013,193		-
			135,913,283	112,700,001
<b>CURRENT LIABILITIES:</b>				
Trade Payables	6	6,245,880		26,350,301
Short Term Provisions	7	10,466,504		1,760,000
Other Current Liabilities	8	7,608,807		11,947,924
			24,321,191	40,058,225
			<b>160,045,679</b>	<b>115,579,874</b>
<b>ASSETS</b>				
<b>NON CURRENT ASSETS:</b>				
<b>FIXED ASSETS</b>				
Tangible Assets	9		13,105,496	9,788,747
Intangible Assets			1,999,404	235,874
<b>NON CURRENT INVESTMENTS:</b>	10		7,170,717	100,000
<b>LONG TERM LOANS AND ADVANCES:</b>	11		1,645,848	-
<b>DEFERRED TAX ASSETS</b>	28		4,473,395	-
<b>CURRENT ASSETS:</b>				
Current Investment	12	59,168		55,496
Inventories	13	55,437,119		76,084,683
Trade Receivables	14	1,814,339		894,904
Cash & Cash Equivalents	15	40,555,303		2,676,006
Short Term Loans and Advances	16	33,784,890		25,744,164
			131,650,819	105,455,253
			<b>160,045,679</b>	<b>115,579,874</b>
<b>Notes forming part of Financial Statements</b>	<b>1-33</b>			

As per our Report of even dated  
**For BANSHI JAIN & ASSOCIATES**  
Chartered Accountants  
Reg No. 100990W

**R. B. GOLECHA**  
Partner  
Membership No:035348

**Madhu Chandak**  
Director

**Manjri Chandak**  
Director

**Jyoti Kabra**  
Director

MUMBAI, 23rd August, 2018

MUMBAI, 23rd August, 2018

## Consolidated Statement of Profit and Loss for the year ended 31st March 2018

	Note	2017-18 ₹	2016-17 ₹
<b>INCOME :</b>			
Revenue from Operations	17	303,923,039	281,413,776
Other Income	18	5,745,118	7,036,454
<b>Total Revenue</b>		<b>309,668,157</b>	<b>288,450,230</b>
<b>EXPENDITURE :</b>			
Purchase Of Stock In Trade	19	142,682,464	151,063,486
Change in Inventories of Stock in Trade	20	20,457,631	23,654,660
Employee Benefit Expenses	21	36,988,843	30,798,390
Finance Costs	22	4,146,011	4,481,293
Other Expenses	23	66,582,621	92,281,070
Depreciation & amortisation expenses	9	3,401,046	3,131,404
<b>Total Expenses</b>		<b>274,258,616</b>	<b>305,410,304</b>
<b>Profit before Exceptional Items</b>		<b>35,409,541</b>	<b>(16,960,074)</b>
Exceptional Items		-	-
<b>Profit / (Loss) before Tax</b>		<b>35,409,541</b>	<b>(16,960,074)</b>
Provision for Tax		7,705,754	-
Less:- MAT Credit Entitlement		(1,645,848)	-
Provision for Deferred Tax		(4,473,395)	-
<b>Total Tax Expenses</b>		<b>1,586,511</b>	<b>-</b>
<b>Profit / (Loss) after tax</b>		<b>33,823,030</b>	<b>(16,960,074)</b>
Less: Prior years tax adjustments		3,904,191	(155,686)
Add:- Share of Profit of Associate		596,213	-
<b>Profit/(Loss) for the year</b>		<b>30,515,052</b>	<b>(16,804,388)</b>
Basic and diluted earning per share (in Rs.)	27	6.18	(3.40)
<b>Notes forming part of Financial Statements</b>	<b>1-33</b>		

As per our Report of even dated  
**For BANSHI JAIN & ASSOCIATES**  
Chartered Accountants  
Reg No. 100990W

**R. B. GOLECHA**  
Partner  
Membership No:035348

MUMBAI, 23rd August, 2018

**Madhu Chandak**  
Director

**Manjri Chandak**  
Director

**Jyoti Kabra**  
Director

MUMBAI, 23rd August, 2018

## Consolidated Cash Flow Statement for the year ended 31st March 2018

	2017-18		2016-17	
	₹	₹	₹	₹
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit before tax and Exceptional Items		35,410		(16,961)
Add: Adjustments for :				
Depreciation	3,400		3,131	
Interest paid	-		562	
Interest received	(137)		(176)	
(Profit) / Loss on sales of fixed assets (net)	-		2,831	
Dividend received	(4)	3,259	(4)	6,344
<b>Operating Profit before Working Capital Changes</b>		<b>38,669</b>		<b>(10,617)</b>
Adjustments for :				
Increase / (Decrease) in Trade payables	(20,105)		(11,363)	
Increase / (Decrease) in Other Current Liabilities	(3,413)		657	
Increase / (Decrease) in Long Term Provisions	2,013		-	
Increase / (Decrease) in Short Term Provisions	8,707		-	
(Increase) / Decrease in Inventories	20,647		23,734	
(Increase) / Decrease in Long Term Loans & Advances	59,121		26,655	
(Increase) / Decrease in Short Term Loans & Advances	(8,843)		5,486	
(Increase) / Decrease in Trade & Other receivables	(920)	57,207	1,312	46,481
<b>Cash Generated from Operations</b>		<b>95,876</b>		<b>35,864</b>
Direct taxes paid		(10,089)		(828)
<b>Net Cash from Operating Activities</b>	<b>[A]</b>	<b>85,787</b>		<b>35,037</b>
<b>B CASH FLOW FROM INVESTMENT ACTIVITIES</b>				
Purchase of Assets		(8,481)		(71)
Sales of Assets		-		(1,958)
Interest received		137		176
Dividend received		4		4
<b>Net Cash from Investing Activities</b>	<b>[B]</b>	<b>(8,340)</b>		<b>(1,849)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings		(39,568)		(37,180)
Interest paid		-		(562)
<b>Net Cash Flow from Financial Activities</b>	<b>[C]</b>	<b>(39,568)</b>		<b>(37,742)</b>
<b>Net Cash increase/(Decrease) in cash and Cash equivalents</b>	<b>(A+B+C)</b>	<b>37,879</b>		<b>(4,555)</b>
<b>Cash and Cash Equivalents (Opening) :</b>				
Cash on Hand	313		450	
Balance with Banks	2,363	2,676	6,780	7,230
<b>Cash and Cash Equivalents (Closing) :</b>				
Cash on Hand	411		313	
Balance with Banks	40,144	40,555	2,363	2,676

**Notes :**

- 1 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 Accountant of India.
- 2 Cash and cash equivalent represent cash and bank balance only.
- 3 Previous year's figures have been regrouped or rearranged wherever necessary.

MUMBAI, 23rd August, 2018

**Manjri Chandak**  
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, 2018. The statement has been prepared as per AS-3 on Cash Flow Statement issued by Institute of Chartered Accountants of India under the "Indirect Method" and is in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report dated 23rd August 2018 to the members of the Company."

For Banshi Jain & Associates  
Chartered Accountants  
Reg No. 100990W

MUMBAI, 23rd August 2018

**R. B. GOLECHA**  
Partner  
Membership No:035348

## Notes to Consolidated Financial Statements for the year ended 31st March 2018

### 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 Consolidated 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 Consolidated Financial Statements as Goodwill or Capital Reserve as the case may be.

The Consolidated financial Statements of the Company and its Associate have been consolidated using the Equity Method.

C. **Use of Estimates**: The preparation of Consolidated Financial Statements requires management to make certain estimates and assumptions that affect the amount reported in the Consolidated 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 II of the Companies Act 2013 except in respect of the computers where useful life of 6 years estimated by management which is different than those prescribed in Schedule II. Further 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 2018**

### **I. Mloyal Royalty Programme**

Customer award credits having a predetermined life are granted to customers when they make purchases. The fair value of the consideration on sale of goods resulting in such award credits is allocated between the goods supplied and the award credit granted. The consideration allocated to the award certificate is measured by fair value from standpoint of the holder and revenue is deferred. The company at the end of each reporting period estimates the number of point redeemed, based on empirical date of redemption/lapses, and revenue is accordingly recognised.

### **J. Gift Voucher**

The amount collected on sales of Gift Voucher is recognised as a liability and transferred to revenue (Sales) when redeemed or to revenue (Others) on expiry.

### **K. Employees Benefits**

#### **A (Company Policy)**

##### **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.

##### **ii. Defined Benefit Plan**

The liability for the defined benefit plan of Gratuity is determined on the basis of an actuarial valuation by an independent actuary at the year end, which is calculated using projected unit credit method. Actuarial gains and losses which comprise experience adjustment and the effect of changes in actuarial assumptions are recognised in the statement of Profit and Loss.

##### **iii. Leave Liability**

The liability for the defined benefit plan of Gratuity is determined on the basis of an actuarial valuation by an independent actuary at the year end, which is calculated using projected unit credit method. Actuarial gains and losses which comprise experience adjustment and the effect of changes in actuarial assumptions are recognised in the statement of Profit and Loss.

iv. Retirement benefit in the form of provident Fund is a defined contribution scheme. The contributions to the provident fund are charged to the statement of Profit & Loss for the year when the contributions are due. The company has no obligation, other than the contribution payable to the provident fund.

#### **B (Subsidiary Policy)**

##### **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.

##### **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.

### **L. Taxes on Income:**

i. Tax expenses comprise of current and deferred tax.

ii. Current tax is measured at the amount expected to be paid on the basis of reliefs and deductions available in accordance with the provisions of the Income Tax Act, 1961.

iii. Deferred tax reflects the impact of current year timing differences between accounting and taxable income and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and laws that have been enacted or substantively enacted as of the balance sheet date. Deferred tax assets are recognised only to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised and are reviewed at each balance sheet date.

### **M. Earning per share :**

i. Basic and diluted earning per share are computed in accordance with Accounting Standard-20.



## Notes to Consolidated Financial Statements for the year ended 31st March 2018

- ii. Basic earning per share is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earning per equity share are computed using the weighted average number of equity share and diluted potential equity shares outstanding during the year, except where the result are anti-dilutive.

### N. Provisions, Contingent Liabilities and Contingent Assets :

- i. Provision is recognised when the company has a present obligation as a result of past events and it is probable that the outflow of resources will be required to settle the obligation and in respect of which reliable estimates can be made.
- ii. A disclosure for contingent liability is made when there is a possible obligation, that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision / disclosure is made.
- iii. Contingent assets are not recognised in the Consolidated Financial Statements.
- iv. Provisions and contingencies are reviewed at each balance sheet date and adjusted to reflect the correct management estimates..

As per our Report of even dated  
**For BANSHI JAIN & ASSOCIATES**  
*Chartered Accountants*  
*Reg No. 100990W*

**R. B. GOLECHA**  
*Partner*  
*Membership No:035348*

MUMBAI, 23rd August, 2018

**Madhu Chandak**  
Director

**Manjri Chandak**  
Director

**Jyoti Kabra**  
Director

MUMBAI, 23rd August, 2018

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## Notes to Consolidated Financial Statements for the year ended 31st March 2018

### Notes to Consolidated Financial Statements for the year ended 31st March, 2018

			2017-18	2016-17	
			₹	₹	
<b>2 SHARE CAPITAL</b>					
<b>2.1 Authorised :</b>					
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	
			<u>50,000,000</u>	<u>50,000,000</u>	
<b>2.2 Issued, subscribed and paid-up:</b>					
4,940,000 (Previous year 4,940,000) Equity shares of ₹ 2/- (Previous year ₹ 2/-) each fully paid-up in cash			9,880,000	9,880,000	
			<u>9,880,000</u>	<u>9,880,000</u>	
<b>2.3 Reconciliation of Shares outstanding at the beginning and end of the year:</b>					
Particulars		2017-18		2016-17	
		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
<b>2.4 Details of shareholders holding more than 5% of shares as at</b>					
Sr No	Name of Shareholders	2017-18		2016-17	
		No of Shares	% of Paid up capital	No of Shares	% of Paid up capital
1	Mrs. MADHU ABHAY CHANDAK	1,660,818	33.62	1,660,818	33.62
2	Mrs. JYOTI VARUN KABRA	1,495,186	30.27	1,495,186	30.27
3	Mrs. MANJRI CHANDAK	1,446,651	29.28	1,446,318	29.28
			2017-18	2016-17	
			₹	₹	
<b>3 RESERVES AND SURPLUS</b>					
<b>Capital Reserve</b>					
Balance as per last Balance Sheet			6,974,307	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			(137,941,921)	(121,137,535)	
Add: Profit/(Loss) for the year			30,515,052	(16,804,388)	
Add:- Share of Net Profit on Consolidation of Associate (pertaining to previous years)			504,561	-	
<b>Balance carried forward</b>			<u>(106,922,308)</u>	<u>(137,941,923)</u>	
			<b>Total</b>	<u>(10,068,795)</u>	
<b>4 LONG TERM BORROWINGS</b>					
<b>UNSECURED LOANS</b>					
Loan from Directors			133,900,000	112,700,000	
Inter Corporate Deposits from Companies			90	1	
			<b>Total</b>	<u>133,900,090</u>	
<b>5 LONG TERM PROVISIONS</b>					
Provision for Gratuity			1,607,038	-	
Provision for Leave Encashment			406,155	-	
			<b>Total</b>	<u>2,013,193</u>	

**6 TRADE PAYABLES**

Trade Payables

	<b>6,245,880</b>	26,350,301
Total	<b>6,245,880</b>	26,350,301

- 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.

**7 SHORT TERM PROVISIONS**

Provision for Gratuity

1,224,673 -

Provision for Leave Encashment

783,091 -

Provision for Taxation

8,458,740 1,760,000

Total **10,466,504** 1,760,000

**8 OTHER CURRENT LIABILITIES**

Advance from Customers

241,393 75,633

Deposit

- 125,000

Interest accrued and due

165,719 165,719

Unclaim Fixed Deposit\*

244,000 284,000

Payable to Statutory Authorities

2,372,486 5,405,192

Sundry Creditors for Fixed Assets

248,038 -

Other Payables

4,337,171 5,892,380

Total **7,608,807** 11,947,924

\* Includes amount of ₹ 10,000/- to be transferred to Investor Education Protection Fund as on balance sheet which is transferred on July 26, 2018.

**Note 9 : Consolidated Fixed Assets**

SR. NO.	DESCRIPTION OF ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		AS AT	ADDITIONS	DEDUCTIONS	AS AT	AS AT	FOR THE YEAR	DEDUCTIONS/ ADJUSTMENT	AS AT	AS AT	AS AT
		01-Apr-17			31-Mar-18	01-Apr-17			31-Mar-18	31-Mar-18	31-Mar-17
	<b>TANGIBLE ASSETS</b>										
1	Leasehold premises	2,500,000	-	-	2,500,000	-	-	-	-	2,500,000	2,500,000
2	Leasehold Improvement	-	-	-	-	-	-	-	-	-	-
3	Furniture & Fixtures	32,175,588	4,324,011	-	36,499,599	27,643,126	1,809,344	-	29,452,470	7,047,129	4,532,462
4	Computers & Softwares	3,556,984	364,048	-	3,921,032	3,159,023	209,515	-	3,368,538	552,494	397,961
5	Office & Other Equipments	1,995,235	898,364	-	2,893,599	1,668,532	355,959	-	2,024,491	869,108	326,703
6	Electrical Installations	7,020,555	803,166	-	7,823,721	4,988,933	698,023	-	5,686,956	2,136,765	2,031,622
	<b>Total</b>	<b>47,248,362</b>	<b>6,389,589</b>	<b>-</b>	<b>53,637,951</b>	<b>37,459,614</b>	<b>3,072,841</b>	<b>-</b>	<b>40,532,455</b>	<b>13,105,496</b>	<b>9,788,748</b>
	<b>Previous Year ₹</b>	60,811,603	4,538,515	18,101,757	47,248,361	47,267,865	2,841,488	12,649,739	37,459,614	9,788,748	13,543,738
	<b>INTANGIBLE ASSETS</b>										
7	Software	1,451,467	2,091,735	-	3,543,202	1,215,593	328,205	-	1,543,798	1,999,404	235,874
	<b>Total</b>	<b>1,451,467</b>	<b>2,091,735</b>	<b>-</b>	<b>3,543,202</b>	<b>1,215,593</b>	<b>328,205</b>	<b>-</b>	<b>1,543,798</b>	<b>1,999,404</b>	<b>235,874</b>
	<b>Previous Year ₹</b>	1,340,659	110,808	-	1,451,467	925,677	289,916	-	1,215,593	235,874	414,982

**Notes to Consolidated Financial Statements for the year ended 31st March 2018**

	2017-18 ₹	2016-17 ₹
<b>10 NON CURRENT INVESTMENTS</b>		
Long term		
Trade - Unquoted		
ii. Investment in Associates	100,000	100,000
10000 (Previous year 10000) equity shares of Out of India Retail Pvt Ltd. of Rs.10/- each fully paid up		
Add:- Capital Reserve on account of Consolidation of Associate Company	5,969,943	-
	<u>6,069,943</u>	<u>100,000</u>
Add:- Share of Net Profit on Consolidation of Associate	1,100,774	-
Total	<u>7,170,717</u>	<u>100,000</u>
<b>11 LONG TERM LOANS &amp; ADVANCES</b>		
MAT Credit Entitlement	1,645,848	-
Total	<u>1,645,848</u>	<u>-</u>
<b>12 CURRENT INVESTMENT</b>		
Current - Trade Unquoted		
805.81 ( Previous Year 769.13)units of ₹ 100/- each of ICICI Prudential Liquid Plan - Daily Dividend Option	59,168	55,496
Total	<u>59,168</u>	<u>55,496</u>
<b>13 INVENTORIES</b>		
Stock in Trade - Merchandise		
At cost or net realisable value whichever is lower	55,437,119	76,084,683
Total	<u>55,437,119</u>	<u>76,084,683</u>
<b>14 TRADE RECEIVABLES</b>		
(Unsecured, Considered Good)		
Due for more than six months from the due date of payment	25,305	34,683
Others	1,789,034	860,222
Total	<u>1,814,339</u>	<u>894,904</u>
<b>15 CASH AND CASH EQUIVALENTS</b>		
Cash on Hand	411,061	312,920
Balance with Scheduled Banks in:		
Current Accounts	38,587,663	908,243
Other Bank balances : Deposit Accounts	1,556,579	1,454,842
Total	<u>40,555,303</u>	<u>2,676,006</u>
<b>16 SHORT TERM LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
Advance to Vendors	760,136	2,067,681
Balance with Government Authorities	1,118,289	111,730
Advance payment of taxes	6,470,576	6,346,115
Security & Other Deposits	25,023,635	16,890,212
Others	412,254	328,427
Total	<u>33,784,890</u>	<u>25,744,164</u>

## Notes to Consolidated Financial Statements for the year ended 31st March 2018

		2017-18 ₹	2016-17 ₹
<b>17 REVENUE FROM OPERATIONS</b>			
Sales of Merchandise		303,923,039	281,413,776
	Total	<u>303,923,039</u>	<u>281,413,776</u>
<b>18 OTHER INCOME</b>			
Interest		136,786	175,633
Dividend from Current Investments		3,673	3,873
Deemed Credit		2,139,064	-
Professional Fees Received		2,605,930	6,000,000
Miscellaneous receipts		292,625	99,004
Provision for Diminishing Value of Investment		-	75,000
Sundry balances written back		567,040	682,944
	Total	<u>5,745,118</u>	<u>7,036,454</u>
<b>19 PURCHASE OF STOCK IN TRADE</b>			
Purchases of Merchandise		142,682,464	151,063,486
	Total	<u>142,682,464</u>	<u>151,063,486</u>
<b>20 CHANGE IN INVENTORIES OF STOCK IN TRADE</b>			
Opening Stock		75,854,065	99,508,725
Closing Stock		55,396,434	75,854,065
(Increase)/Decrease	Total	<u>20,457,631</u>	<u>23,654,660</u>
<b>21 EMPLOYEE BENEFIT EXPENSES</b>			
Salaries, Allowances & Bonus		29,992,062	27,541,230
Provision for Gratuity		3,082,443	1,248,643
Provision for Leave Encashment		1,189,246	-
Contribution to Provided Fund & other Funds		2,207,863	1,693,228
Staff Welfare expenses		517,229	315,289
	Total	<u>36,988,843</u>	<u>30,798,390</u>
<b>22 FINANCE COSTS</b>			
Interest On Others		-	561,316
Bank Charges		567,711	504,487
Credit Card Charges		3,055,314	3,415,490
Interest on Late Payment of taxes		522,986	-
	Total	<u>4,146,011</u>	<u>4,481,293</u>

## Notes to Consolidated Financial Statements for the year ended 31st March 2018

### 23 OTHER EXPENSES

Lease Rent	22,681,593	23,567,377
Repairs & Maintenance - Others	4,453,456	5,877,995
Legal & Professional Charges	1,481,099	3,246,888
Sales & Other Commission	14,039,821	17,456,557
House keeping Expenses	2,116,577	1,909,188
Security services charges	2,312,019	1,902,386
Travelling & Conveyance	1,011,574	846,338
Electricity & Fuel	5,693,175	5,738,739
Insurance	83,198	107,155
Advertisements & Sales Promotion	4,292,646	5,756,635
Rate & Taxes	713,666	1,071,022
Packing Charges	2,549,200	2,620,586
<b>Auditors Remuneration:</b>		
Audit Fees	300,000	337,500
Tax Audit Fees	75,000	82,500
	<b>375,000</b>	<b>420,000</b>
Miscellaneous Expenses	4,754,514	6,693,633
Investment written off	-	75,000
Other Advances Written-off	25,083	12,159,927
Loss on Sale of fixed assets	-	1,372,787
Loss on Discard of fixed assets	-	1,458,857
<b>Total</b>	<b>66,582,621</b>	<b>92,281,070</b>

### 24. Details of Subsidiary and Associate Company

The Consolidated Financial Statements comprise the Financial Statement of the Parent Company, Bombay Swadeshi Stores Limited and the following subsidiary and Associate.

Name of the Subsidiary / Associate	Country of Incorporation	Proportion of Ownership Interest/ Voting Interest	Date of Investment
Bombay Store Retail Company Limited	India	100%	25/01/2008
[ Subsidiary ]			
Out of India Retail Private Ltd	India	26%*	29/03/2014
[ Associate ]			

\*Holding in Associates is 26% of Voting Rights & 8.42% of Ownership Interest

### 25. Contingent Liabilities:

In respect of Income Tax Assessment Proceedings for AY 2015-16 ₹ 12,45,390/- is assessed as payable in the Assessment Order u/s 143 (3) of The Income Tax Act, 1961 on account of disallowances of expenses. The Company has filed an appeal against the CIT (A).

### 26. The Company considers its entire operations under single segment 'Retailing'. The Companies' operations are only in India.



## Notes to Consolidated Financial Statements for the year ended 31st March 2018

### 27. Calculation of Earnings per Equity Share [ EPS ] :

Particulars			31-Mar-18	31-Mar-17
The numerators and denominators used to calculate the basic and diluted EPS are as follows :				
A	Profit/ (Loss) after tax attributable to Shareholders	₹	30,515,050	(16,804,388)
B	Basic and weighted average number of Equity shares	Nos.	4,940,000	4,940,000
C	Nominal value of equity share	₹	2	2
D	Basic EPS	₹	6.18	(3.40)
E	Diluted EPS	₹	6.18	(3.40)

### 28 DEFERRED TAX ASSETS

The breakup of deferred tax assets / liability

	Deferred tax asset/ (liability) as at 31-Mar-18 (₹)	Deferred tax asset/ (liability) as at 31-Mar-17 (₹)
<b>A. Deferred Tax Assets</b>		
Expenses allowable for tax purpose when paid	1,335,166	98,152
Difference between tax and Book Written Down Value	3,138,229	2,948,550
Unabsorbed Business Losses	-	9,969,717
	<b>4,473,395</b>	<b>13,016,419</b>
<b>B. Deferred Tax Liability</b>		
Difference between Book Written Down Value and tax	-	-
	-	-
<b>C. Net Deferred Tax Assets</b>	<b>4,473,395</b>	<b>13,016,419*</b>

\* As on 31st March, 2017, the Management was of the view that it was not virtually certain to realize the deferred tax assets in the near future and hence has not recognized the same, however as on 31st March, 2018, the management is of the view that it is virtually certain to realize the deferred tax assets in the near future and thus recognized the deferred tax assets in the books of accounts.

The Subsidiary Company has, on prudence not recognised Deferred Tax Assets ₹ 36,842,326/- (Previous year ₹ 34,517,726/-) 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.

### 29. Related Party Disclosures

#### A. Relationship

##### I) Associate Company

Out Of India Retail Pvt Ltd

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

Mrs.Madhu Chandak-Director

Mrs.Manjri Chandak-Director

Mrs.Jyoti Kabra-Director

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

Avenue Supermarts Limited

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 2018

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

Sr. No.	Nature of Transactions	Related Party Referred in		
		A (I)	A (II)	A (III)
i.	<b>Expenditure</b>			
	Interest paid	-	-	-
		(-)	(-)	(-)
	Rent Reimbursement	-	-	<b>2,748,500</b>
		(-)	(-)	(1,587,000)
	Electricity Expenses	-	-	<b>214,807</b>
		(-)	(-)	(98,525)
ii.	<b>Income</b>			
	Sales	-	-	-
		(527,864)	(-)	(132,284)
	Professional Fees Received	<b>2,605,930</b>	-	-
		(6,000,000)	(-)	(-)
iii.	<b>Outstanding Balance</b>			
	Loans & Advances	-	<b>133,900,000</b>	-
	received	(-)	(112,700,000)	(-)
	Trade Receivable	-	-	-
		(84,017)	(-)	(-)
	Trade Payable	-	-	<b>18,134</b>
		(-)	(-)	(945,000)

Figures in brackets are for previous year.

### 30. Earning in Foreign Exchange

- FOB value of exports of goods ₹ NIL/- (Previous year ₹ NIL/-).
- Receipts on account of sale of merchandise ₹ 72,375,064/- (Previous year ₹ 72,889,728/-).

### 31. CIF Value of Imports : Goods ₹ NIL (Previous year ₹ NIL).

### 32. Expenditure in Foreign Currencies:

- Other Expenses ₹ NIL/- (Previous year ₹ NIL/-).

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

As per our Report of even dated  
**For BANSHI JAIN & ASSOCIATES**  
Chartered Accountants  
Reg No. 100990W

**R. B. GOLECHA**  
Partner  
Membership No:035348

**Madhu Chandak**  
Director

**Manjri Chandak**  
Director

**Jyoti Kabra**  
Director

MUMBAI, 23rd August, 2018

MUMBAI, 23rd August, 2018

## BOMBAY SWADESHI STORES LIMITED

CIN: U74999MH1905PLC000223

**Registered Office:** Western India House, Sir P. M. Road, Fort, Mumbai 400 001

Phone No. +91 22 22885048/49;

**Corporate Office:** Anjaneya Building, Ground Floor, Near Hiranandani Foundation School,  
Powai, Mumbai – 400 076: Tel: 4049 6500

Email: [investor@bombaystore.com](mailto:investor@bombaystore.com); Website: [www.thebombaystore.com](http://www.thebombaystore.com)

### ATTENDANCE SLIP

(To be presented at the entrance)

Sr. no.:

Name and address of Member(s):

Name (s) of the Joint Shareholder (s):

Registered Folio/DPID & Client ID No:

No. of Shares held:

I hereby record my/our presence at the 112<sup>th</sup> Annual General Meeting of the Company on Friday, 28<sup>th</sup> September, 2018 at 11.00 a.m. at Anjaneya CHS Limited, Orchard Avenue Opp. Hiranandani Foundation School, Powai, Mumbai – 400 076.

Signature of Shareholder/Proxy

**Note: Please fill the attendance slip and hand it over at the entrance of the Meeting Hall.**

*(Please cut here and bring the above Attendance Slip to the Meeting Hall)*

Particular for voting through electronic means		
EVSN	User ID	Password/PIN
180829017	Folio Number/DP-Client ID or PAN/ Sequence number	

**Note:** Please read instructions given in the Notice of the 112<sup>th</sup> Annual General Meeting carefully before voting electronically. The remote e-voting period commences on Monday, 24<sup>th</sup> September, 2018 at 9.00 a.m and ends on Thursday, 27<sup>th</sup> September, 2018 at 5.00 p.m. During this period members of the Company holding shares as on cut-off date Friday, 21<sup>st</sup> September, 2018, may cast their vote by remote e-voting.



## BOMBAY SWADESHI STORES LIMITED

CIN: U74999MH1905PLC000223

**Registered Office:** Western India House, Sir P. M. Road, Fort, Mumbai 400 001

Phone No. +91 22 22885048/49;

**Corporate Office:** Anjaneya Building, Ground Floor, Near Hiranandani Foundation School,  
Powai, Mumbai – 400 076: Tel: 4049 6500

Email: [investor@bombaystore.com](mailto:investor@bombaystore.com); Website: [www.thebombaystore.com](http://www.thebombaystore.com)

### PROXY FORM

*[Pursuant to Section 105 (6) of the Companies Act, 2013 read with Rule 19 (3) of the Companies  
(Management and Administration) Rules, 2014]*

**Name of the Member(s):**

**Registered address:**

**E-mail Id:**

**Folio No/ DP Id-Client Id::**

I/ We being the member(s) of \_\_\_\_\_ shares of the Bombay Swadeshi Stores Limited hereby appoint:

1. Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
E-mail Id: \_\_\_\_\_  
Signature: \_\_\_\_\_ or failing him;
2. Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
E-mail Id: \_\_\_\_\_  
Signature: or failing him;
3. Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
E-mail Id: \_\_\_\_\_  
Signature: \_\_\_\_\_

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/our behalf at the 112<sup>th</sup> Annual General Meeting of the Company to be held on Friday, 28<sup>th</sup> September, 2018 at 11.00a.m. at Anjaneya CHS Limited, Orchard Avenue Opp. Hiranandani Foundation School, Powai, Mumbai – 400 076 and at any adjournment thereof in respect of resolutions, as indicated below:

Item No.	Description	Type of resolution (Ordinary / Special)	I / We assent to the resolution (For)	I / We dissent to the resolution (Against)
1.	To receive, consider and adopt the Standalone & Consolidated Audited Accounts of the Company along with the reports Board of Directors and of the Auditors thereon	Ordinary		
2.	Re-appointment of Mrs. Jyoti Varun Kabra (DIN:07088904), who retires by rotation and being eligible, has offered herself for re-appointment	Ordinary		

Signed this ..... day of ..... 2018.

Signature of shareholder(s): \_\_\_\_\_

Signature of Proxy holder(s): \_\_\_\_\_

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the Commencement of the Meeting.

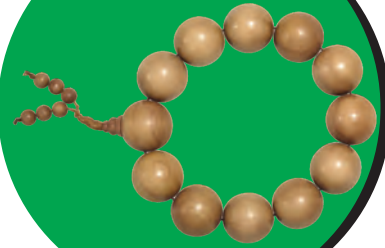
- A Proxy need not be a member of the Company.
- Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.

**AFFIX  
Rs.1/-  
REVENUE  
STAMP**

SINCE 1906



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JAIPUR | BENGALURU | HYDERABAD

Regd. Office: Western India House, Sir. P.M.Road, Fort, Mumbai-400001 Tel. : +91 22 2288 5048 / 49

