



BOMBAY SWADESHI STORES LTD.

109th ANNUAL REPORT 2014-2015

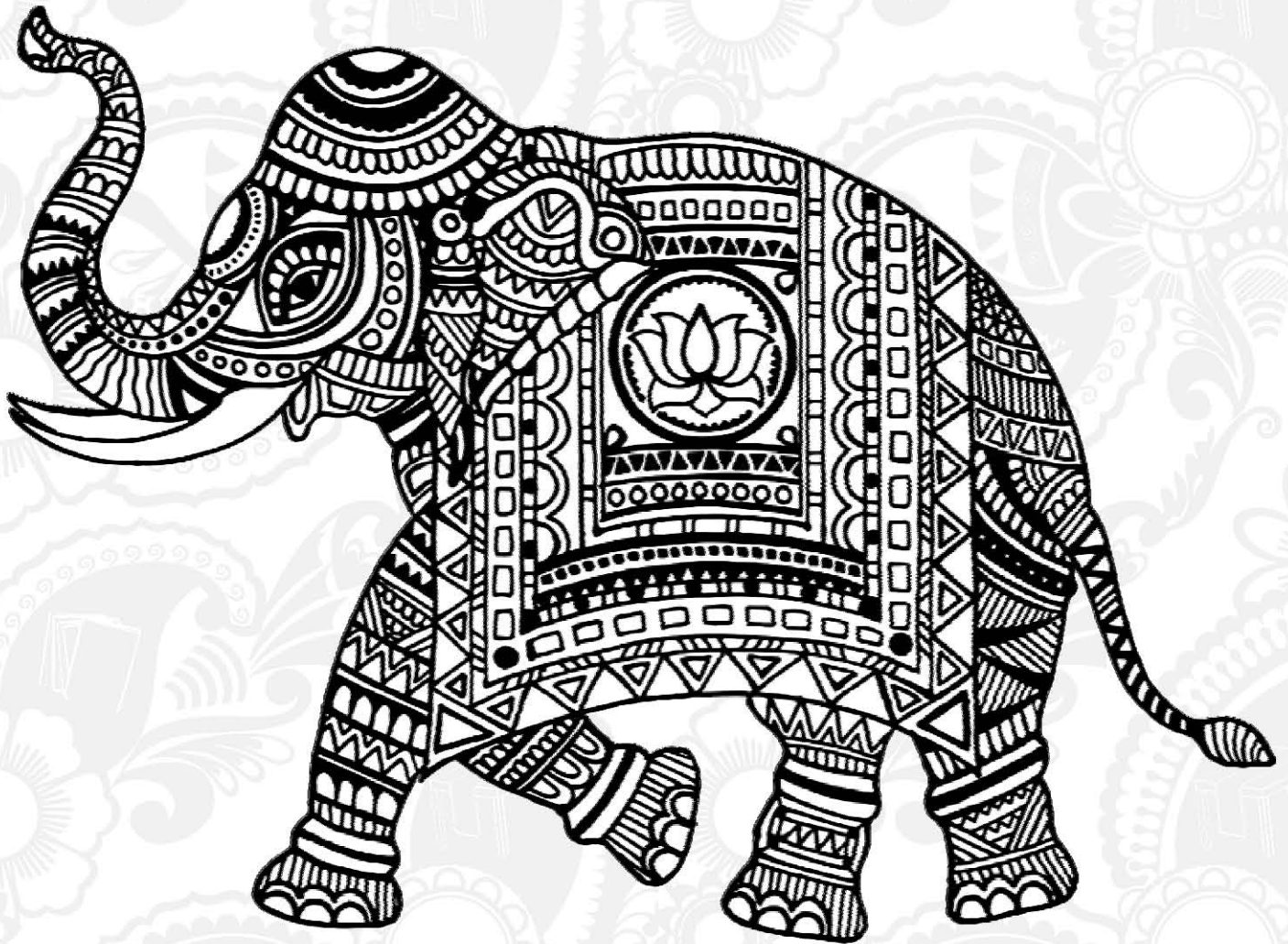


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BOMBAY SWADESHI STORES LIMITED

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

BOMBAY SWADESHI STORES LIMITED

109th ANNUAL REPORT 2014-2015

COMPANY DETAILS

BOARD OF DIRECTORS

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

STATUTORY AUDITORS

M/s. M.D. PANDYA & ASSOCIATES
Chartered Accountants

BANKERS

YES Bank Limited

REGISTERED OFFICE

WESTERN INDIA HOUSE,
SIR PHEROZESHAH MEHTA ROAD,
FORT, MUMBAI - 400 001
Tel : 022 22885048 / 49
CIN: L74999MH1905PLC000223

INVESTOR GRIEVANCES EMAILID investor@bombaystore.com

CORPORATE OFFICE

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

LISTED AT

BOMBAY STOCK EXCHANGE LIMITED

NOTICE

NOTICE is hereby given that the **ONE HUNDRED AND NINTH ANNUAL GENERAL MEETING** of the Members of **BOMBAY SWADESHI STORES LIMITED** will be held on Tuesday, 29th September, 2015 at 3.00 p.m. at Orchid, 1st Floor, MVIRDC, World Trade Centre, Centre-1, Cuffe Parade, Mumbai 400 005 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2015 and the Profit & Loss Account of the Company for the year ended on that date alongwith the Reports of the Directors and Auditors thereon.
2. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution.

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

SPECIAL BUSINESS:

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

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

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

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

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

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

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

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

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

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

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

BY ORDER OF THE BOARD

MADHU CHANDAK
Director
DIN: 07029901

Mumbai
Dated: 14th August, 2015

NOTES:

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

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

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

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

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

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

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

BY ORDER OF THE BOARD

MADHU CHANDAK
Director
DIN: 07029901

Mumbai
Dated: 14th August, 2015

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

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

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

Item No.3

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

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

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

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

Hence the Special Resolution.

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

Item No.4

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

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

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

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

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

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

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

Item No.5

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

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

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

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

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

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

Item Nos.6 and 7

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

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

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

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

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

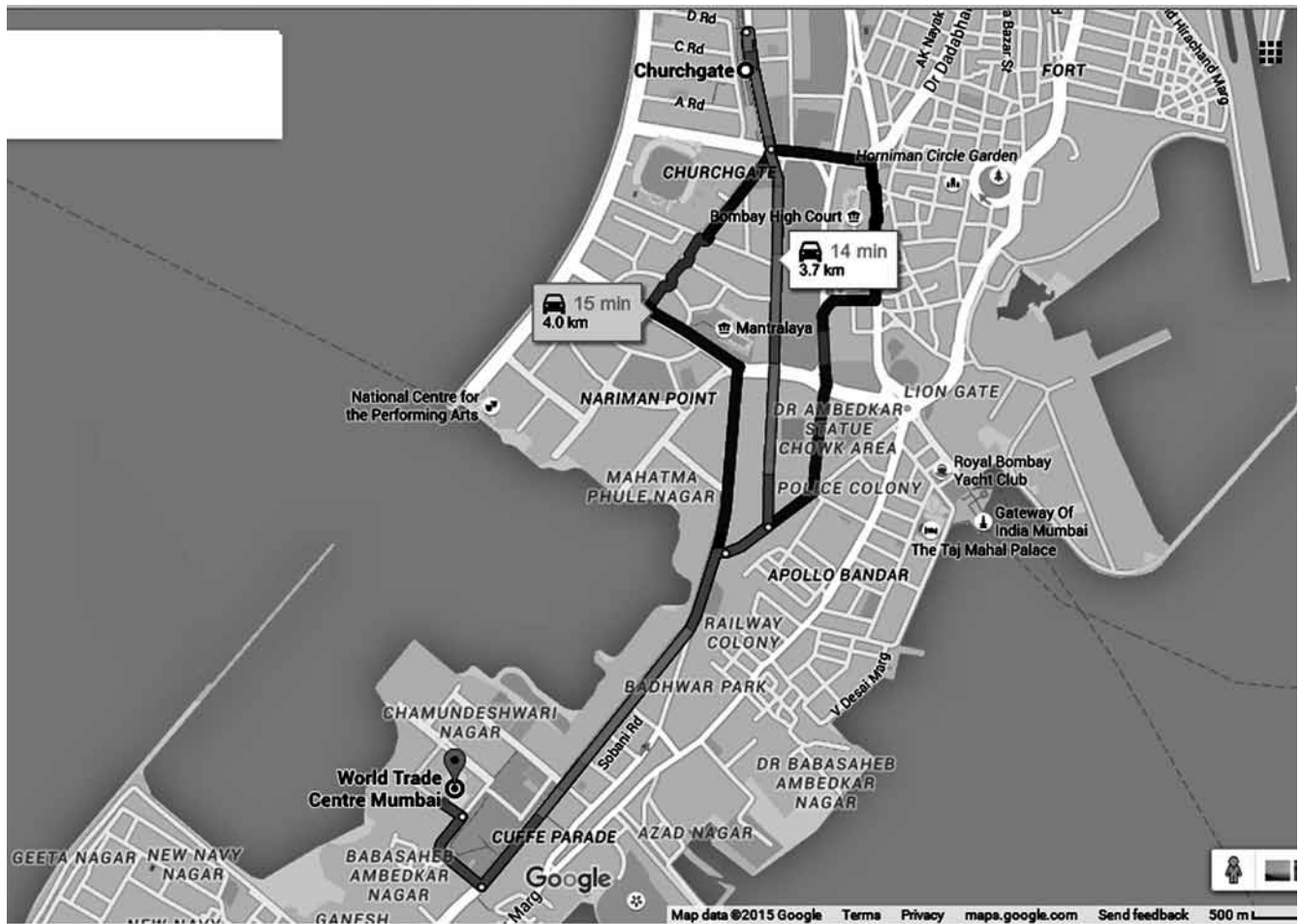
BY ORDER OF THE BOARD

MADHU CHANDAK
Director
DIN: 07029901

Mumbai
Dated: 14th August, 2015

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

Route Map to the Venue of the AGM



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

REPORT OF THE DIRECTORS TO THE SHAREHOLDERS

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

1. FINANCIAL RESULTS

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

2. TRANSFER TO RESERVES

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

3. DIVIDEND

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

4. CHANGE IN THE NATURE OF BUSINESS, IF ANY

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

5. MANAGEMENT ANALYSIS

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

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

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

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

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

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

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

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

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

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

8. DETAILS OF SUBSIDIARY/JOINT VENTURES

As on the date of this Report, the Company has one Subsidiary viz. Bombay Store Retail Company Limited.

| Name and address of the Company | CIN | % of shares held |
|---|-----------------------|------------------|
| Bombay Store Retail Company Limited Western India House, Sir P.M.Road Fort, Mumbai 400 001 | U51909MH2007PLC168960 | 100.00 |

9. PERFORMANCE AND FINANCIAL POSITION OF THE SUBSIDIARY INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENT

Revenue from operation - Rs.19.19 crores
Other Income - Rs.0.76 crores
Profit/(Loss) before Tax - (Rs.1.97 crores)

10. ASSOCIATE COMPANIES

As on the date of this Report, the Company has one Associate Company viz. Out of India Retail Private Limited.

| Name and address of the Company | CIN | % of shares held |
|--|-----------------------|------------------|
| Out of India Retail Private Limited 1st Floor, B-Wing Todi Estate, Sun Mill Compound, Lower Parel (W) Mumbai Maharashtra | U52605MH2013PTC244017 | 26.00 |

11. FIXED DEPOSITS

As on 1st April, 2014, the Company neither accepted any fresh deposit nor did it renew any deposits which matured during the Financial Year beginning on that date.

Further, the Company has been repaying all deposits as and when they have matured and as on the date of this Report, there has been no default in repayment of any matured deposit.

12. AUDITORS

M/s M.D.Pandya & Associates, Chartered Accountants, Mumbai, bearing ICAI Registration No.107325W hold office as Auditors of your Company upto the conclusion of the forthcoming Annual General Meeting. A certificate has been obtained from them pursuant to Section 141(3)(g) of the Companies Act, 2013 to the effect that their appointment, if made, would be within the limits prescribed thereunder.

13. AUDITORS' REPORT

There is no comment/qualification/adverse remark/ explanation made by the Auditors in their Report.

14. SHARE CAPITAL

During the year under report, the Company has not issued any shares.

15. NOMINATION AND REMUNERATION COMMITTEE, RISK MANAGEMENT COMMITTEE OR ANY OTHER COMMITTEE

The provisions pertaining to Corporate Governance do not apply to the Company and hence there is no requirement of constitution of any Committee.

16. EXTRACT OF THE ANNUAL RETURN

The extract of the Annual Return prepared in Form MGT-9 in pursuance of Section 92 of the Companies Act, 2013 is annexed and forms part of this Report.

17. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The nature of business being retailing, providing information with regard to conservation of energy and technology absorption as required under Section 134 of the Companies Act, 2013 and the Rules thereunder and forming part of this Report does not arise for your Company.

The total foreign exchange used during the year was Rs.381,591/- (previous year Rs.464,163/-) and earned during the year was Rs.27,114,436/- (previous year Rs.23,851,961/-).

18. CORPORATE SOCIAL RESPONSIBILITY

Since the Company's net worth as well as its net profits are both 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.

19. DIRECTORS:

In terms of the Articles of Association of the Company, Mr.Devanshu Desai and Mr.Hetal Gandhi retire at the ensuing Annual General Meeting.

The Company has received notices in writing from some members proposing the candidatures of Mr.Devanshu Desai and Mr.Hetal Gandhi for appointments as Independent Directors. The Company has received individual declarations from Mr.Devanshu Desai and Mr.Hetal Gandhi confirming that they meet with the criteria of independence as prescribed under of Section 149(6) of the Companies Act, 2013.

Your Directors recommend the appointments of Mr.Devanshu Desai and Mr.Hetal Gandhi as Independent Directors.

During the year under report, Ms.Bijal Shroff was appointed Additional Director in the category of Woman Director in compliance of the provisions of the Listing requirements.

Subsequent to the year under report, Ms.Madhu Chandak and Ms.Manjri Chandak were appointed Additional Directors

The Company has received notices in writing from some members proposing the candidatures of Mrs.Bijal Shroff as Independent Director and Ms.Madhu Chandak and Ms.Manjri Chandak as Directors liable to retire by rotation.

The Company has received declaration from Ms.Bijal Shroff confirming that she meets with the criteria of independence as prescribed under of Section 149(6) of the Companies Act, 2013.

Subsequent to the year under report, Mr. Milan Dalal resigned has Chairman and also as Director from the Board of Directors of the Company.

Further, Mr. Asim Dalal resigned as Managing Director of the Company. He has however agreed to continue as a Director.

Further, Mr. Pratul Dalal and Mr. Bharat Patel resigned as Directors from the Board of Directors of the Company.

The Board acknowledges the valued advice and guidance rendered by Mr. Milan Dalal, Mr. Pratul Dalal and Mr. Bharat Patel during their respective tenures as Directors of the Company.

The Board also acknowledges the continued efforts of Mr. Asim Dalal in moulding the Company's future as the Managing Director.

20. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the year 2014-2015, the Board of Directors met four times viz. on 30th May, 2014; 8th August, 2014, 14th November, 2014 and 12th February, 2015.

21. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

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, 2013 and hence no information is required to be furnished.

Details of investments in all bodies corporate are given in Note 10 in the Financial Statements.

22. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Company's contracts or arrangements with related parties amount to Rs.12,81,20,776/-, the details of which are given in Note 28 of the Financial Statements.

23. MANAGERIAL REMUNERATION

(a) Remuneration to Directors and Key Managerial Personnel

The Managing Director is the only Key Managerial Personnel.

The remuneration paid to the Managing Director and the ratio of the remuneration paid to the Managing Director to the median remuneration of the employees for the Financial Year 2014-2015 is given below: (Rs. Lacs)

| Sl. No. | Name of the Director/ KMP and Designation | Remuneration of the KMP for the Financial Year 2014-2015 | % increase in remuneration in the Financial Year 2014-2015 | Ratio of the remuneration of the KMP to median remuneration of employees | Comparison of the remuneration of KMP against the Company's performance |
|---------|---|--|--|--|---|
| 1. | Mr.Asim Dalal Managing Director | 22.80 | 34.21 | 73.37 | 1.77% |

24. SECRETARIAL AUDIT REPORT AND COST AUDIT REPORT

M/s Sanjay Soman & Associates, Company Secretaries in Whole-time Practice, Mumbai, were appointed Secretarial Auditors of the Company pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Rules made thereunder.

The Secretarial Audit Report issued by M/s Sanjay Soman & Associates is annexed and forms part of this Report.

The said Report does not contain any qualification, reservation or adverse remark or disclaimer.

Given the nature of the Company's activities, the provisions relating to submission of Cost Auditors' Report do not apply to the Company.

25. CORPORATE GOVERNANCE CERTIFICATE

The provisions pertaining to Corporate Governance do not apply to the Company and hence the Company is not required to furnish any certificate with regard to Corporate Governance.

26. RISK MANAGEMENT POLICY

The provisions pertaining to Corporate Governance do not apply to the Company and hence the Company is not required to furnish any report regarding Risk Management Policy.

27. PARTICULARS OF EMPLOYEES

During the year under report, there was no employee of the category mentioned in Section 134 of the Companies Act, 2013 and the Rules thereunder and hence information in this regard is not required to be furnished.

28. DIRECTORS' RESPONSIBILITY STATEMENT

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

1. In the preparation of the Annual Accounts, the applicable accounting standards have been followed;
2. They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year covered under this Report and of the profit of your Company for the year;
3. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;

4. The Annual Accounts have been prepared on a going concern basis.

5. They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

6. They have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

29. ACKNOWLEDGEMENTS

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

For and on behalf of the Board

Mumbai
Dated: 14th August, 2015

MADHU CHANDAK
DIN: 07029901

MANJRI CHANDAK
DIN: 03503615



SINCE 1906

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2015

**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:

| | | |
|----|--|--|
| 1. | CIN | L74999MH1905PLC000223 |
| 2. | Registration Date | 11-12-1905 |
| 3. | Name of the Company | Bombay Swadeshi Stores Limited |
| 4. | Category/Sub-category of the Company | Company Limited by Shares |
| 5. | Address of the Registered Office & contact details | Western India House, Sir P.M. Road Fort, Mumbai 400 001 Tel: (022) 22885048 / 49 E-mail: asim@bombaystore.com |
| 6. | Whether listed company | Yes |
| 7. | Name, Address & contact details of the Registrar & Transfer Agent, if any. | Link Intime India Pvt Limited C-13 Pannalal Silk Mills Compound, Lal Bahadur Shastri Road, Bhandup (W), Mumbai 400078 |

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)

| Sl. 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 | -- | 100.00 |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

| Sl. No. | Name and address of the Company | CIN/GLN | Holding / Subsidiary/ Associate | % of shares held | Applicable Section |
|---------|-------------------------------------|-----------------------|---------------------------------|------------------|--------------------|
| 1 | Bombay Store Retail Company Limited | U51909MH2007PLC168960 | Subsidiary | 100.00 | 2(89) |

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, 2014] | | | | No. of shares held at the end of the year [As on 31st March, 2015] | | | | % (change during the year) |
|--------------------------|---|---|----------|---------|-------------------|--|----------|---------|-------------------|----------------------------|
| | | Demat | Physical | Total | % of total shares | Demat | Physical | Total | % of total shares | |
| A. | Promoters | | | | | | | | | |
| 1. | Indian | | | | | | | | | |
| (a) | Individuals/ HUF | 2312897 | 216256 | 2529153 | 51.20 | 2312897 | 216256 | 2529153 | 51.20 | - |
| (b) | Central Govt. | - | - | - | - | - | - | - | - | - |
| (c) | State Govts. | - | - | - | - | - | - | - | - | - |
| (d) | Bodies Corporate | 56039 | - | 56039 | 1.13 | 56039 | - | 56039 | 1.13 | - |
| (e) | Banks/FIs | - | - | - | - | - | - | - | - | - |
| (f) | Any other (specify) | - | - | - | - | - | - | - | - | - |
| | Sub-Total A(1) | 2368936 | 216256 | 2585192 | 52.33 | 2368936 | 216256 | 2585192 | 52.33 | - |
| 2. | Foreign | | | | | | | | | |
| | Non-resident individuals | - | - | - | - | - | - | - | - | - |
| | Other individuals | - | - | - | - | - | - | - | - | - |
| | Bodies Corporate | - | - | - | - | - | - | - | - | - |
| | Banks/FIs | - | - | - | - | - | - | - | - | - |
| | Any other (specify) | - | - | - | - | - | - | - | - | - |
| | Sub-Total A(2) | - | - | - | - | - | - | - | - | - |
| | Total share-holding of promoters A=(A1+A2) | 2368936 | 216256 | 2585192 | 52.33 | 2368936 | 216256 | 2585192 | 52.33 | - |
| B. | Public share-holding | | | | | | | | | |
| 1. | Institutions | - | - | - | - | - | - | - | - | - |
| a) | Mutual Funds | - | - | - | - | - | - | - | - | - |
| b) | Banks/FI | 460 | 18853 | 19313 | 0.39 | 460 | 18853 | 19313 | 0.39 | - |
| c) | Central Govt. | - | - | - | - | - | - | - | - | - |
| d) | State Govts. | - | - | - | - | - | - | - | - | - |
| e) | Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| f) | Insurance Companies | - | - | - | - | - | - | - | - | - |
| g) | FIs | 433000 | - | 433000 | 8.77 | 383000 | - | 383000 | 7.75 | (1.02) |
| h) | Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | -- |

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

| Category of shareholders | | No. of shares held at the beginning of the year [As on 1st April, 2014] | | | | No. of shares held at the end of the year [As on 31st March, 2015] | | | | % (change during the year) |
|--------------------------|--|---|----------------|----------------|-------------------|--|----------------|----------------|-------------------|----------------------------|
| | | Demat | Physical | Total | % of total shares | Demat | Physical | Total | % of total shares | |
| i) | Others | - | - | - | - | - | - | - | - | - |
| | Sub-Total B(1) | 433460 | 18853 | 452313 | 9.16 | 383460 | 18853 | 402313 | 8.14 | (1.02) |
| 2. | Non-Institutions | | | | | | | | | |
| a) | Bodies Corporate | 544139 | 741666 | 1285805 | 26.03 | 556546 | 741666 | 1298212 | 26.28 | 0.25 |
| (i) | Indian | - | - | - | - | - | - | - | - | - |
| (ii) | Overseas | - | - | - | - | - | - | - | - | - |
| b) | Individuals | | | | | | | | | |
| (i) | Individual share-holders holding nominal share capital upto Rs.1 lac | 360448 | 184028 | 544476 | 11.02 | 292913 | 182398 | 475311 | 9.62 | (1.40) |
| (ii) | Individual share-holders holding nominal share capital in excess of Rs.1 lac | 64426 | - | 64426 | 1.30 | 118926 | - | 118926 | 2.41 | 1.11 |
| c) | Others (specify) | - | - | - | - | - | - | - | - | - |
| | Non-resident Indians | 2264 | - | 2264 | 0.04 | 2550 | - | 2550 | 0.05 | 0.01 |
| | Overseas Corporate Bodies | - | - | - | - | - | - | - | - | - |
| | Foreign Nationals | - | - | - | - | - | - | - | - | - |
| | Trusts | 1133 | - | 1133 | 0.02 | 1133 | - | 1133 | 0.02 | - |
| | Foreign Bodies - DR | - | - | - | - | - | - | - | - | - |
| | Clearing Member | 3090 | - | 3090 | 0.06 | 55062 | - | 55062 | 1.11 | 1.05 |
| | Directors/ relatives | 666 | 635 | 1301 | 0.03 | 666 | 635 | 1301 | 0.03 | - |
| | Sub-Total (B) (2) | 976166 | 926329 | 1902495 | 38.51 | 1027796 | 924699 | 1952495 | 39.52 | 1.02 |
| | Total public share-holding B= (B1 + B2) | 1409626 | 945182 | 2354808 | 47.67 | 1411256 | 943552 | 2354808 | 47.67 | - |
| C. | Shares held by Custodian for GDRs & ADRs | - | - | - | - | - | - | - | - | - |
| | Grand Total (A + B +C) | 3778562 | 1161438 | 4940000 | 100.00 | 3780192 | 1159808 | 4940000 | 100.00 | - |

B. Shareholding of Promoters

| Sl. No. | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in share-holding 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. | Mr.Milan B.Dalal | 1426666 | 28.88 | - | 142666 | 28.88 | - | - |
| 2. | Mr. Asim Dalal | 333620 | 6.75 | - | 333620 | 6.75 | - | - |
| 3. | Mr. Satyen Dalal | 333353 | 6.75 | - | 333353 | 6.75 | - | - |
| 4. | Mr. Bhupendra Dalal | 209286 | 4.23 | - | 209286 | 4.23 | - | - |
| 5. | B.C. Dalal (HUF) | 200000 | 4.05 | - | 200000 | 4.05 | - | - |
| 6. | Cifco Limited | 56039 | 1.13 | - | 56039 | 1.13 | - | - |
| 7. | Veena Dalal | 9100 | 0.18 | - | 91000 | 0.18 | - | - |
| 8. | Devdut Dalal | 7999 | 0.16 | - | 7999 | 0.16 | - | - |
| 9. | Avanti Dalal | 5898 | 0.12 | - | 5898 | 0.12 | - | - |
| 10. | Gaurika Dalal | 1999 | 0.04 | - | 1999 | 0.04 | - | - |
| 11. | Amaya Dalal | 1072 | 0.02 | - | 1072 | 0.02 | - | - |
| 12. | Yohaam Dalal | 160 | 0.00 | - | 160 | 0.00 | - | - |

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

| Sl. No. | Particulars | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------|---|--|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| | At the beginning of the year | No changes in the promoters shareholdings from 1-4-2014 to 31-3-2015 | | | |
| | Date wise increase/ decrease in promoters' share-holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.) | | | | |
| | At the end of the year | | | | |

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

| Sl. No. | | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------|--|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| 1. | Fidelity Multitrade Private Limited | 740000 | 14.98 | 740000 | 14.98 |
| 2 | Hypnos Fund Limited | 400000 | 8.10 | 350000 | 7.09 |
| 3 | Arcadia Investments Company Limited | 194666 | 3.94 | 194666 | 3.94 |
| 4 | Oceanic Investments | 124666 | 2.52 | 124666 | 2.52 |
| 5 | Tropical Securities and Investments Pvt. Ltd | 83673 | 1.69 | 83673 | 1.69 |
| 6 | Srihari Sirdeshpande | 64426 | 1.30 | 64426 | 1.30 |
| 7 | Pursarth Trading Company Pvt.Ltd | 54766 | 1.10 | 54766 | 1.10 |
| 8 | Rajeev Thakkar | 46150 | 0.93 | 54500 | 1.10 |
| 9 | Orange Mauritius Investments Limited | 33000 | 0.67 | 33000 | 0.67 |

| | | | | | |
|----|--------------------------------|---|---|-------|------|
| 10 | ITI Financial Services Limited | - | - | 50589 | 1.02 |
|----|--------------------------------|---|---|-------|------|

Shareholding of Directors and Key Managerial Personnel

| Sl. No. | Shareholding of each Director and each Key Managerial Personnel | Shareholding at the beginning of the year | | Cumulative shareholding during the year | |
|---------|---|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| 1. | Mr.Milan B.Dalal At the beginning of the year | 1426666 | 28.88 | 1426666 | 28.88 |
| | Date wise increase/ decrease in promoters' shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc.) | - | - | - | - |
| | At the end of the year | 1426666 | 28.88 | 1426666 | 28.88 |
| 2. | Mr.Asim Dalal At the beginning of the year | 333620 | 6.75 | 333620 | 6.75 |
| | Date wise increase/ decrease in promoters' shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc.) | - | - | - | - |
| | At the end of the year | 333620 | 6.75 | 333620 | 6.75 |
| 3. | Mr.Devanshu Desai At the beginning of the year | 666 | 0.01 | 666 | 0.01 |
| | Date wise increase/ decrease in promoters' shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc.) | - | - | - | - |
| | At the end of the year | 666 | 0.01 | 666 | 0.01 |
| 4. | Mr.Pratul Dalal At the beginning of the year | 1666 | 0.03 | 1666 | 0.03 |
| | Date wise increase/ decrease in promoters' shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc.) | - | - | - | - |
| | At the end of the year | 1666 | 0.03 | 1666 | 0.03 |

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 | - | - | - | - |
| (ii) Interest due but not paid | - | - | - | - |
| (iii) Interest accrued but not due | - | - | - | - |
| Total (i) + (ii) + (iii) | - | - | - | - |
| Change in indebtedness during the financial year | - | - | - | - |
| · Addition | - | - | - | - |
| · Reduction | - | - | - | - |
| Net change | - | - | - | - |
| Indebtedness at the end of the year | | | | |

| | | | | | |
|-------|------------------------------|---|---|---|---|
| (i) | Principal amount | - | - | - | - |
| (ii) | Interest due but not paid | - | - | - | - |
| (iii) | Interest accrued but not due | - | - | - | - |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

| Sl. No. | Particulars of Remuneration | Asim Dalal Managing Director | Total Amount |
|---------|---|---------------------------------|--------------|
| | Gross salary | 2280000 | 2280000 |
| | Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 | 2280000 | 2280000 |
| | Value of perquisites under Section 17(2) Income-tax Act, 1961 | -- | -- |
| | Profits in lieu of salary under Section 17(3) Income- tax Act, 1961 | -- | -- |
| | Stock Option | -- | -- |
| | Sweat Equity | -- | -- |
| | Commission - as % of profit - others, specify | -- | -- |
| | Others, please specify | -- | -- |
| | Total (A) | 2280000 | 2280000 |
| | Ceiling as per the Act | 4200000 | 4200000 |

B. Remuneration to other Directors:

| Sl.No. | Particulars of Remuneration | Names of Directors | | | | Total Amount |
|--------|--|--------------------|--------------|--------------|---|--------------|
| 1 | Independent Directors: | Devanshu Desai | Bharat Patel | Hetal Gandhi | Bijal Shroff (appointed on 30-3-15) | |
| | Fee for attending Board/ Committee Meetings | 6000 | -- | 2000 | -- | 8000 |
| | Commission | -- | -- | -- | -- | -- |
| | Others, please specify | -- | -- | -- | -- | -- |
| | Total (1) | 6000 | -- | 2000 | -- | 8000 |
| | Other Non-Executive Directors | | | | | |
| 2 | Other Non-Executive Directors | Milan Dalal | Pratul Dalal | | | |
| | Fee for attending Board/ Committee Meetings | 6000 | 6000 | | | 12000 |
| | Commission | -- | -- | | | -- |
| | Others, please specify | -- | -- | | | -- |
| | Total (2) | 6000 | 6000 | | | 12000 |
| | Total B = (1) + (2) | 6000 | 6000 | | | 20000 |

REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTM

The Company has no Key Managerial Personnel other than the Managing Director

| Sl.No. | Particulars of Remuneration | Key Managerial Personnel | | | Total Amount |
|--------|---|--------------------------|----|-----|-----------------|
| | | CEO | CS | CFO | |
| 1. | Gross salary | | | | |
| | Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 | - | - | - | - |
| | Value of perquisites under Section 17(2) of the Income-tax Act, 1961 | - | - | - | - |
| | Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961 | - | - | - | - |
| 2. | Stock Option | - | - | - | - |
| 3. | Sweat Equity | - | - | - | - |
| 4. | Commission - as % of profit - others, specify | - | - | - | - |
| 5. | Others, please specify | - | - | - | - |
| | Total | - | - | - | - |

INDEPENDENT AUDITORS' REPORT

To the Members of Bombay Swadeshi Stores Limited.

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of **BOMBAY SWADESHI STORES LIMITED** which comprises of Balance Sheet as at 31st March, 2015 and the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting 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 the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, 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.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. 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.
5. 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 financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

8. 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 state of affairs of the Company as at March 31, 2015 and its profit and its cash flows for the year ended on that date.

Emphasis of matter

9. We draw attention to Notes 13.2 regarding Trade receivables aggregating to Rs.5,376,992/- considered good and recoverable by the Company.

Our opinion is not qualified/modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2015 issued by the Central Government of India in terms of Section (11) of section 143 of the Act (hereinafter referred to as the "Order") and on basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

11. As required by section 143(3) of the Act, we report that:

- a) We have sought all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
- c) The Balance Sheet, Statement of Profit and Loss Account and Cash Flow statement dealt with by this report are in agreement with the books of account;
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).
- e) On the basis of written representations received from the directors, as on 31st March, 2015, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms section 164(2) of the Act.
- f) With respect to the other matters included in the Auditor's Report 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 derivatives contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which required to be transferred to the Investor Education and Protection Fund by the Company.

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

A. D. PANDYA
Partner
Membership No.:033930

Mumbai,

Dated : 30th May, 2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

- i a The records of Fixed assets maintained by the company have not been properly up dated.
- b The Fixed Assets have not been physically verified by the management during the year.
- ii a The merchandises (Finished Goods) have been physically verified during the year by the management. On account of the nature of the trade being retail business dealing in hundreds of small items, in our opinion the frequency of the verification is reasonable.
- b In our opinion and according to the information and explanations given to us, the procedures of physical verification of merchandise followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c The Company has not maintained proper book records of its merchandises, and as such it is not possible for us to ascertain whether there was any material discrepancies noticed on physical verification as compared to book records.
- iii a The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, provisions of sub-clause (b) are not applicable.
- iv. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. During the course of audit no major weakness has been noticed in these internal controls.
- v In our opinion and according to the information and explanation given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Section 73 and 76 of the Act or any other relevant provisions of the Companies Act and rules framed there under where applicable have been complied with.
- vi The provisions of clause 4 (vi) of the Companies (Auditors Report) Order 2015 are not applicable to the Company.

- vii a According to the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues in respect of Provident Fund, Employee's State Insurance, Income tax, Sales-tax, Wealth tax, Custom Duty, Excise Duty, value added tax, cess and any other statutory dues with appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employee's State Insurance, Income tax, Sales-tax, Wealth tax, Custom Duty, Excise Duty, value added tax, cess and any other statutory dues were in arrears as at 31st March, 2015 for a period of more than six months from the date they became payable.

- b According to the information and explanations given to us, there were no dues in respect of Income tax, wealth tax, sales tax, service tax, duty of custom and value added tax which have not been deposited on account of any dispute.

- c According to the information and explanation given to us, the amount required to be transferred to investor education and protection fund in accordance with the relevant provision of the Companies Act, 1956(I of 1956) and rules made there under has been transferred to such fund within time.

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

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

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

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

- xii According to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the year.

For M. D. PANDYA & ASSOCIATES

Chartered Accountants
Reg. No. 107325W

A. D. PANDYA

Partner
 Membership No.:033930

Mumbai,

Dated : 30th May, 2015

SINCE 1906

FORM MR3: SECRETARIAL AUDIT REPORT

For the financial year 2014-15

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014].

To,
The Members
Bombay Swadeshi Stores Limited,
Western India House, Sir P M Road, Mumbai 400001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Bombay swadeshi stores Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon. Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period ended on 31st March 2015 and the extended period till the date of this report for the sake of continuity, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period mentioned above according to the provisions of:
 - I. The Companies Act, 2013 (the Act) and the Rules made thereunder;
 - II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
 - III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company :-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

We have also examined compliance with the applicable clauses of the following:

- i) Secretarial Standards issued by The Institute of Company Secretaries of India (Not notified hence not applicable to the Company during the audit period)
- ii) The Listing Agreement entered into by the Company with the BSE Limited,

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

2. We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has, in our opinion, complied with the provisions of the following acts :
 - i) The Employees State Insurance Act, 1948,
 - ii) Employees Provident Fund and Miscellaneous provisions Act 1952, and other applicable labour related laws,
 - iii) Other applicable rules and regulations of local civic bodies, state governments and authorities wherever applicable as per management representation letter given to us; And
 - iv) Companies Act, 2013 and the Rules made under that Act, and the Memorandum and Articles of Association of the Company, with regard to:

- a) maintenance of various statutory registers and documents and making necessary entries therein;
- b) closure of the Register of Members.
- c) forms, returns, documents and resolutions required to be filed with the Registrar of Companies and other Authorities;
- d) service of documents by the Company on its Members, Auditors and the Registrar of Companies, stock exchange, or law offices;
- e) notice of Board meetings, the meetings of Directors, passing of resolutions, minutes of the proceedings of the Board meetings and of 108th Annual General Meeting held on 8th August 2014;
- f) approvals of the Members, the Board of Directors, and the government authorities, wherever required with or without dissents on the items in the proceedings;
- g) constitution of the Board of Directors, appointment, retirement and reappointment of Directors including the Managing Director, Auditors, Practising Company Secretary etc ;
- h) payment of remuneration to the Managing Director; remuneration of Auditors;
- i) transfers and transmissions of the Company's shares and issue and dispatch of duplicate certificates of shares wherever necessary;
- j) borrowings and registration, modification and satisfaction of charges wherever applicable;
- k) investment of the Company's funds ;
- l) form of balance sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule VI to the Act;
- m) Directors' Report;
- n) contracts, common seal, registered office and publication of name of the Company; and
- o) Generally, all other applicable provisions of the Act and the Rules made under the Act.

3. We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Woman & Independent Directors. The changes in the composition of the Board of Directors that took place during the extended period under review were carried out in compliance with the provisions of the Act. We observe that Managing Director has resigned w.e.f. 15th June 2015 and thus, company needs to appoint either Whole Time Director and /or a Key Management Person during a period of six months to be compliant with provisions; and company has assured to take necessary steps in that regard.

The Company has obtained all necessary approvals under the various provisions of the Act; and there was no prosecution initiated and no fines or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers, except for a matter u/s 211 of Co Act 1956 initiated by Registrar of Companies, being argued at CLB and pending for decision;

The Directors have complied with the disclosure requirements in respect of their being eligible for appointment, their being independent and being compliant, as per applicable provisions;

4. The Company has complied with the provisions of the Securities Contracts (Regulation) Act, 1956 and the Rules made under that Act, with regard to maintenance of minimum public shareholding.

5. We further report that the Company has complied with the provisions of the Depositories Act, 1996 and the Byelaws framed thereunder by the Depositories with regard to dematerialization / rematerialisation of securities and reconciliation of records of dematerialized securities with all securities issued by the Company as per records maintained at Registrar & Transfer agent including e Voting and postal Ballot arrangements with the help of Registrar and Transfer Agents;.

6. We further report that:

based on the information received and records maintained by the company there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

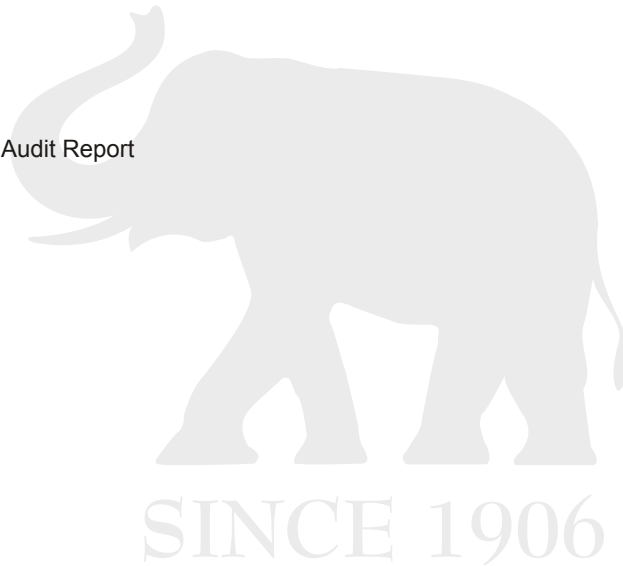
For Sanjay Soman & Associates
Company Secretaries

Sd/-
Sanjay Soman
Prop
CP817

Place : Mumbai

Date : 14th August 2015.

Encl. Annexure 'A' to Secretarial Audit Report



Annexure 'A' to Secretarial Audit Report

To
The Members,
Bombay Swadeshi Stores Limited,

Statement regarding Secretarial Audit Report for the Financial Year ended 31.03.2015

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have relied on Statutory Auditors Report on Financial Statements so far as the correctness and appropriateness of financial records, observations and reporting and Books of Accounts of the Company and we have not verified them.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management of the Company. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Sanjay Soman & Associates
Company Secretaries

Sd/-
Sanjay Soman
Prop
CP817

Place : Mumbai

Date : 14th Aug 2015.

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Balance Sheet as at 31st March, 2015

| | Notes | 2014-15 ₹ | 2014-15 ₹ | 2013-14 ₹ |
|--|--------------|--------------------|--------------------|--------------|
| EQUITY AND LIABILITIES | | | | |
| SHAREHOLDERS FUNDS : | | | | |
| Share Capital | 2 | 9,880,000 | | 9,880,000 |
| Reserves & Surplus | 3 | 115,443,434 | 125,323,434 | 118,565,932 |
| | | | | 1,28,445,932 |
| NON CURRENT LIABILITIES | | | | |
| Long Term Borrowings | 4 | | 10,694,000 | 23,153,000 |
| CURRENT LIABILITIES | | | | |
| 1) Short Term Borrowings | 5 | 87,774,047 | | 57,335,974 |
| 2) Trade Payables | 6 | 22,040,696 | | 7,770,597 |
| 3) Other Current Liabilities | 7 | 2,234,365 | | 3,084,442 |
| 4) Short Term Provisions | 8 | - | | - |
| | | | 112,049,108 | 68,191,012 |
| | | | 248,066,542 | 219,789,945 |
| ASSETS | | | | |
| NON CURRENT ASSETS | | | | |
| <u>Fixed Assets</u> | 9 | | | |
| Tangible Assets | | | 5,296,172 | 10,127,539 |
| Intangible Assets | | | 3,392,797 | 3,879,888 |
| Non Current Investments | 10 | | 610,767 | 696,089 |
| Long Term Loans & Advances | 11 | | 11,777,995 | 14,854,475 |
| CURRENT ASSETS | | | | |
| 1) Inventories | 12 | 181,347,767 | | 165,250,653 |
| 2) Trade Receivables | 13 | 8,230,129 | | 7,577,564 |
| 3) Cash & Cash Equivalents | 14 | 8,724,556 | | 4,039,148 |
| 4) Short Term Loans & Advances | 15 | 28,686,359 | | 13,364,590 |
| | | | 226,988,811 | 190,231,954 |
| | | | 248,066,542 | 219,789,945 |
| Notes forming part of Financial Statements | 1 -32 | | | |
| <p>As per record produced before us For M. D. PANDYA & ASSOCIATES Chartered Accountants Reg. No. 107325W</p> <p>A. D. Pandya Partner Membership No: 33930</p> <p>Mumbai, 30th May, 2015</p> | | | | |
| <p>Asim Dalal Managing Director</p> <p>Pratul Dalal Director</p> <p>Mumbai, 30th May, 2015</p> | | | | |

Statement of Profit and Loss for the year ended 31st March, 2015

| | Notes | 2014-15 ₹ | 2013-14 ₹ |
|--|-------------|---------------------------|--------------------|
| CONTINUING OPERATIONS | | | |
| INCOME : | | | |
| Revenue from Operation | 16 | 128,457,920 | 127,865,467 |
| Other Income | 17 | 3,944,449 | 3,869,758 |
| Total Revenue | | <u>132,402,369</u> | <u>131,735,225</u> |
| EXPENSES : | | | |
| Purchase of Stock In Trade | 18 | 87,457,034 | 73,926,399 |
| Change in Inventories of Stock in Trade | 19 | (16,116,084) | 416,172 |
| Employee Benefit Expenses | 20 | 21,504,217 | 18,676,216 |
| Finance Cost | 21 | 9,568,675 | 12,071,275 |
| Other Expenses | 22 | 27,011,212 | 21,742,211 |
| Depreciation & amortisation expenses | 9 | 1,948,289 | 2,593,522 |
| | | <u>131,373,343</u> | <u>129,425,794</u> |
| Profit before Extraordinary Exp. | | 1,029,026 | 2,309,433 |
| Extraordinary Expenses | | - | - |
| Profit before Tax | | 1,029,026 | 2,309,433 |
| Provision for Tax | | 230,000 | 710,000 |
| Profit After Tax | | 799,026 | 1,599,433 |
| Less: Prior years tax adjustments | | (111,450) | - |
| Profit for the year | | <u>910,476</u> | <u>1,599,433</u> |
| Basic and diluted earning per share (in ₹) | | 0.16 | 0.32 |
| Notes forming part of Financial Statements | 1-32 | | |
| <p>As per record produced before us For M. D. PANDYA & ASSOCIATES Chartered Accountants Reg. No. 107325W</p> <p>A. D. Pandya Partner Membership No: 33930</p> <p>Mumbai, 30th May, 2015</p> | | | |
| <p>Asim Dalal Managing Director</p> <p>Pratul Dalal Director</p> <p>Mumbai, 30th May, 2015</p> | | | |

Cash Flow Statement for the year ended 31st March, 2015

| | 2014-15 | | 2013-14 | |
|--|----------|----------|---------|----------|
| | ₹ | ₹ | ₹ | ₹ |
| A CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| Net Profit before tax and extra-ordinary items | | 1,029 | | 2,309 |
| Add: Adjustments for : | | | | |
| Depreciation | 1,948 | | 2,594 | |
| Interest paid | 9,569 | | 10,689 | |
| Interest received | (380) | | (325) | |
| (Profit) / Loss on sales of fixed assets (net) | - | | (356) | |
| Dividend received | (4) | 11,133 | (8) | 12,593 |
| <i>Operating Profit before Working Capital Changes</i> | | 12,162 | | 14,903 |
| Adjustments for : | | | | |
| Increase / (Decrease) in Trade payables | 14,270 | | (984) | |
| Increase / (Decrease) in Other Current Liabilities | (850) | | 1,090 | |
| Increase / (Decrease) in Short Term Provisions | - | | - | |
| (Increase) / Decrease in Inventories | (16,097) | | 483 | |
| (Increase) / Decrease in Long Term Loans & Advances | 3,076 | | 290 | |
| (Increase) / Decrease in Short Term Loans & Advances | (14,815) | | (1,577) | |
| (Increase) / Decrease in Trade & Other receivables | (653) | (15,069) | 1,188 | 490 |
| <i>Cash Generated from Operations</i> | | (2,907) | | 15,393 |
| Direct taxes paid | | (625) | | (517) |
| Deferred payments | | | | |
| Net Cash from Operating Activities | [A] | (3,532) | | 14,875 |
| B CASH FLOW FROM INVESTMENT ACTIVITIES | | | | |
| Purchase of Assets | | (663) | | (805) |
| Sales of Assets | | - | | 1,149 |
| Sales / (Purchases) of Investments | | 85 | | (84) |
| Interest received | | 380 | | 325 |
| Dividend received | | 4 | | 8 |
| Net Cash from Operating Activities | [B] | (193) | | 594 |
| C CASH FLOW FROM FINANCING ACTIVITIES | | | | |
| Proceeds from borrowings | | 17,979 | | - |
| Repayment of borrowings | | - | | (5,109) |
| Interest paid | | (9,569) | | (10,689) |
| Net Cash Flow from Financial Activities | [C] | 8,410 | | (15,799) |
| Net Cash increase/(Decrease) in cash and Cash equivalents | (A+B+C) | 4,685 | | (330) |
| Cash and Cash Equivalents (Opening) : | | | | |
| Cash on Hand | 1,199 | | 557 | |
| Balance with Banks | 2,840 | 4,039 | 3,812 | 4,369 |
| Cash and Cash Equivalents (Closing) : | | | | |
| Cash on Hand | 2,603 | | 1,199 | |
| Balance with Banks | 6,121 | 8,724 | 2,840 | 4,039 |

Notes :

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

MUMBAI, 30th May 2015

Asim Dalal
Managing Director

AUDITORS' REPORT ON CASH FLOW STATEMENT

We have examined the attached Cash Flow Statement of Bombay Swadeshi Stores Limited for the year ended 31st March, 2015. The statement has been prepared by the Company in accordance with the requirements of Clause 32 of the Listing Agreement with Stock Exchange, Mumbai, and is based on and is in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report dated 30th May, 2015 to the members of the Company.

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

A D PANDYA
Partner

MUMBAI, 30th May 2015

Membership No: 033930

Notes to Financial Statements for the year ended 31st March, 2015

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: Goodwill has been amortized over 20 years & Software has been amortised over a period of 60 months.
- D. **Investments**
 - i. Long term Investments are recorded in the books at cost inclusive of all expenses incidental to acquisition thereof. Long term Investments are stated at cost, provision for decline in value, other than temporary is made to recognize such decline.
 - ii. Current Investments are valued at lower of cost or market value/net asset value.
- E. **Inventories:** Stock in trade - Merchandise is valued at cost or net realizable value whichever is lower. Cost includes direct expenses such as freight, taxes etc. Stock is valued on first-in-first-out basis.
- F. **Cash & Cash Equivalents for purpose of Cash Flow:**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.
- G. **Sales**
 - i. Export sales in foreign currency are accounted at the exchange rate prevailing on the date of the Bill of Lading.
 - ii. Counter Sales in foreign exchange are converted in to Indian Rupees at the exchange rate ruling on the date of the transactions.

Notes to Financial Statements for the year ended 31st March, 2015

H. Employees Benefits:

i. Defined Contribution Plan

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

ii. Defined Benefit Plan

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

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

I. Taxation:

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

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

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

K. Traveling Agency Business:

i. Commission and discount on airlines tickets is accounted on basis of completion of fortnightly sales.

ii. In case of cancellation of tickets, the commission and discount refundable is accounted only on final acceptance by the airlines.

| | 2014-15 ₹ | 2013-14 ₹ |
|---|-------------------|-------------------|
| 2 SHARE CAPITAL | | |
| 2.1 Authorised : | | |
| 15,000,000 Equity shares of ₹ 2/- each | 30,000,000 | 30,000,000 |
| 200,000 Preference shares of ₹ 100/- each | 20,000,000 | 20,000,000 |
| Total | <u>50,000,000</u> | <u>50,000,000</u> |
| 2.2 Issued, subscribed and paid-up: | | |
| 4,815,000 (Previous year 4,815,000) Equity shares of ₹ 2/- (Previous year ₹ 2/-) each fully paid-up in cash | 9,630,000 | 9,630,000 |
| 125,000 (Previous year 125,000) Equity shares of ₹ 2/- (Previous year ₹ 2/-) each fully paid up issued for consideration other than in cash | 250,000 | 250,000 |
| Total | <u>9,880,000</u> | <u>9,880,000</u> |
| 2.3 Reconciliation of Shares outstanding at the beginning and end of the year: | | |

| Particulars | 2014-2015 | | 2013-2014 | |
|--|---------------|-----------|---------------|-----------|
| | 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 : Issue during the year | -- | -- | -- | -- |
| Equity shares at the end of the year | 4,940,000 | 9,880,000 | 4,940,000 | 9,880,000 |

Notes to Financial Statements for the year ended 31st March, 2015

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

| Sr No | Name of Shareholders | 2014-15 | | 2013-14 | |
|-------|-------------------------------------|--------------|----------------------|--------------|----------------------|
| | | No of Shares | % of Paid up capital | No of Shares | % of Paid up capital |
| 1 | Milan Bhupendra Dalal | 1,426,666 | 28.88 | 1,426,666 | 28.88 |
| 2 | Asim Dalal | 333,620 | 6.75 | 333,620 | 6.75 |
| 3 | Satyen B Dalal | 333,353 | 6.75 | 333,353 | 6.75 |
| 4 | Fidelity Multitrade Private Limited | 740,000 | 14.98 | 740,000 | 14.98 |
| 5 | Hypnos Fund Limited | 350,000 | 7.09 | 400,000 | 8.10 |

3 RESERVES AND SURPLUS

Capital Reserve

Balance as per last Balance Sheet

2014-15
₹

2013-14
₹

1,004,364 1,004,364

Share Premium Account

Balance as per last Balance Sheet

89,879,206 89,879,206

Statement of Profit & Loss

Balance as per last Balance Sheet

27,682,362 26,082,930

Less: Additional Depreciation pursuant to enactment of companies Act 2013 (Refer Note 9.1)

(4,032,975)

Add: Profit/(Loss) for the year

910,476 1,599,433

24,559,864 27,682,362

Total

115,443,434 118,565,932

4 LONG TERM BORROWING

UNSECURED LOANS

Fixed Deposits

10,694,000 23,153,000

Total

10,694,000 23,153,000

5 SHORT TERM BORROWING

SECURED LOANS

Working Capital Loan from Banks

- 24,183,026

Other Loans

1,914,885 181,461

Total (A)

1,914,885 24,364,487

UNSECURED LOANS

Fixed Deposits (due within one year)

12,959,000 18,430,000

Loan From Managing Director

14,000,000 -

Inter Corporate Deposits from Companies

58,900,162 14,541,487

Total (B)

85,859,162 32,971,487

Total (A) + (B)

87,774,047 57,335,974

5.1 Other secured loans are secured by hypothecation of vehicles.

Notes to Financial Statements for the year ended 31st March, 2015

| | | 2014-15 | 2013-14 |
|------------------------------------|--|-------------------|----------------|
| | | ₹ | ₹ |
| 6 TRADE PAYABLES | | | |
| Other Trade Payables | | 22,040,696 | 7,770,597 |
| | Total | 22,040,696 | 7,770,597 |
| 6.1 | In the absence of any intimation from vendors regarding the status of their registration under the “Micro, small and Medium Enterprises Development Act, 2006”, the Company is unable to comply with the disclosures required to be made under the said Act. | | |
| 6.2 | Balance of Sundry Creditors are subject to confirmations. Adjustments, if any, will be made on receipts of the confirmations. | | |
| 7 OTHER CURRENT LIABILITIES | | | |
| Interest accrued and due | | 967,607 | 1,789,993 |
| Other Payables | | 1,266,758 | 1,294,449 |
| | Total | 2,234,365 | 3,084,442 |
| 8 SHORT TERM PROVISIONS | | | |
| Others | | - | - |
| | Total | - | - |

9 Fixed Assets

| SR. NO. | DESCRIPTION OF ASSETS | GROSS BLOCK | | | DEPRECIATION | | | | NET BLOCK | | |
|---------|---------------------------|-------------------|----------------|------------|-------------------|-------------------|------------|------------------|-------------------|------------------|-------------------|
| | | AS AT 1-Apr-14 | ADDITIONS | DEDUCTIONS | AS AT 31-Mar-15 | AS AT 1-Apr-14 | DEDUCTIONS | FOR THE YEAR | AS AT 31-Mar-15 | AS AT 31-Mar-15 | AS AT 31-Mar-14 |
| | TANGIBLE ASSETS | | | | | | | | | | |
| 1 | Leasehold premises | 2,500,000 | | | 2,500,000 | - | - | - | - | 2,500,000 | 2,500,000 |
| 2 | Furniture & Fixtures | 29,210,103 | 84,810 | | 29,294,913 | 27,247,054 | | 518,761 | 27,765,815 | 1,529,098 | 3,429,041 |
| 3 | Computers | 18,887,946 | 261,082 | | 19,149,028 | 18,222,219 | | 295,506 | 18,517,725 | 631,303 | 876,730 |
| 4 | Office & Other Equipments | 4,664,974 | 101,675 | | 4,766,649 | 4,440,539 | | 124,168 | 4,564,707 | 201,941 | 1,204,192 |
| 5 | Electrical Installations | 6,046,801 | | | 6,046,801 | 5,414,356 | | 273,512 | 5,687,868 | 358,933 | 1,850,252 |
| 6 | Vehicles | 3,799,134 | | | 3,799,134 | 3,690,225 | | 34,012 | 3,724,237 | 74,897 | 267,324 |
| | Total | 65,108,957 | 447,567 | - | 65,556,524 | 59,014,393 | - | 1,245,959 | 60,260,352 | 5,296,172 | 10,127,539 |
| | Previous Year ₹ | 68,527,247 | 1,193,573 | 4,611,863 | 65,108,957 | 56,520,956 | 3,430,356 | 1,890,818 | 54,981,418 | 10,127,539 | 12,006,291 |
| | INTANGIBLE ASSETS | | | | | | | | | | |
| 7 | Goodwill | 10,400,000 | - | - | 10,400,000 | 7,044,275 | - | 502,300 | 7,546,575 | 2,853,425 | 3,693,021 |
| 8 | Software | 913,523 | 215,239 | | 1,128,762 | 389,360 | - | 200,030 | 589,390 | 539,372 | 186,867 |
| | Total | 11,313,523 | 215,239 | - | 11,528,762 | 7,433,635 | - | 702,330 | 8,135,965 | 3,392,797 | 3,879,888 |
| | Previous Year ₹ | 11,313,523 | - | - | 11,313,523 | 6,730,931 | - | 702,704 | 7,433,635 | 3,879,888 | 4,582,592 |

9.1 Pursuant to the enactment of companies Act 2013, the company has applied the estimated useful lives as specified in Schedule II, except in respect of certain assets as disclosed in Accounting Policy on Depreciation. The Realignment of the useful lives have resulted in adjustment of Rs.40.33 lacs against the opening balance of retained earnings.

Notes to Financial Statements for the year ended 31st March, 2015

| | 2014-15 ₹ | 2013-14 ₹ |
|---|--------------------------|--------------------|
| 10 NON CURRENT INVESTMENTS | | |
| A. Trade - Unquoted | | |
| i In Equity instruments : (fully paid -up) | | |
| 5000 (Previous year 5,000) Equity shares of Dravya Industrial Chemicals Ltd. of ₹ 10/- each fully paid up | 75,000 | 75,000 |
| ii Investment in Subsidiary Company: | | |
| 50,000 (Previous year 50,000) Equity shares of Bombay Store Retail Company Ltd. of ₹ 10/- each fully paid up | 500,000 | 500,000 |
| iii Investment in Associates | | |
| 10000 (Previous year 10000) equity shares of Out of India Retail Pvt Ltd. of ₹ 10/- each fully paid up | 100,000 | 100,000 |
| Total (A) | <u>675,000</u> | <u>675,000</u> |
| Note: Holding in Associates is 26% of Voting Rights & 8.42% of Ownership Interest | | |
| In view of Losses which are temporary in nature carrying amount of Investment in Associates is taken at cost. | | |
| B. Trade - Quoted | | |
| In Equity instruments : (fully paid -up) | | |
| NIL (Previous year 180) Equity shares of State Bank of India of ₹ 10/- each | - | 62,700 |
| NIL (Previous year 200) Equity shares of Bharti Tele-Venture Ltd. of ₹ 5/- each | - | 11,453 |
| 100 (Previous year 100) Equity shares of Rashtriya Chemical Fertilizers Limited of ₹ 10/- each | 6,323 | 6,323 |
| NIL (Previous year 50) Equity shares of Tata Chemicals Limited, of ₹ 10/- each | - | 8,419 |
| 100 (Previous year 100) Equity shares of Foods & Inns Ltd. of ₹ 10/- each | 4,444 | 4,444 |
| Total (B) | <u>10,767</u> | <u>93,339</u> |
| Total (A+B) | <u>685,767</u> | <u>768,339</u> |
| Less : Diminution in value of Investments | <u>75,000</u> | <u>72,250</u> |
| Total | <u>610,767</u> | <u>696,089</u> |
| [Market value of Quoted Investments ₹ 78,645/-(Previous Year ₹ 436,288/-)] | | |
| 11 LONG TERM LOANS & ADVANCES | | |
| Advance towards Premises | 10,877,995 | 10,927,995 |
| Others | 900,000 | 3,926,481 |
| Total | <u>11,777,995</u> | <u>14,854,475</u> |
| 11.1 Advance towards premises includes payment made to Grishma Constructions & Trading Co. Pvt. Ltd. | | |
| 12 INVENTORIES | | |
| Stock in Trade - Merchandise | 181,347,767 | 165,250,653 |
| At cost or net realisable value whichever is lower | | |
| (As per Inventories certified by the Managing Director) | Total <u>181,347,767</u> | <u>165,250,653</u> |

Notes to Financial Statements for the year ended 31st March, 2015

| | 2014-15 | 2013-14 |
|---|--------------------|--------------------|
| | ₹ | ₹ |
| 13 TRADE RECEIVABLES | | |
| (Unsecured, Considered Good) | | |
| Due for more than six months from the due date of payment | 6,822,811 | 5,987,274 |
| Other trade receivables | 1,407,319 | 1,590,290 |
| Total | 8,230,129 | 7,577,564 |
| 13.1 Balance of Trade Receivables are subject to confirmations. Adjustments, if any, will be made on receipts of the confirmations. | | |
| 13.2 Trade Receivable includes ₹ 5,376,992/- (Previous year ₹ 5,487,988/-) due from the customers for which no provision is considered necessary as the Company is of the view that the same are recoverable. | | |
| 14 CASH AND CASH EQUIVALENTS | | |
| Cash on Hand | 2,603,427 | 1,198,848 |
| Balance with Scheduled Banks in: | | |
| Current Accounts | 3,622,795 | 524,150 |
| Other Bank balances : Deposit Accounts | 2,498,335 | 2,316,151 |
| Total | 8,724,556 | 4,039,148 |
| 15 SHORT TERM LOANS AND ADVANCES | | |
| (Unsecured, considered good) | | |
| Advance to Subsidiary | 24,257,371 | 7,767,312 |
| Other Short Term Advances | 179,875 | 757,656 |
| Advance payment of taxes (net) | 3,705,228 | 3,198,637 |
| Security & Other Deposits | 543,885 | 1,640,985 |
| Total | 28,686,359 | 13,364,590 |
| 15.1 Above advance includes due from subsidiary company Bombay Store Retail Co. Ltd for purchase of merchandise ₹ 24,257,372/- (Previous year ₹ 7,767,312/-) | | |
| 15.2 Balance of Loans & Advances are subject to confirmations. Adjustments, if any, will be made on receipt of the confirmations. | | |
| | 2014-15 | 2013-14 |
| | ₹ | ₹ |
| 16 REVENUE FROM OPERATIONS | | |
| Gross Sales of Merchandise | 139,202,619 | 138,327,599 |
| Less : Value Added Tax | 10,744,699 | 10,462,132 |
| Net Sales | 128,457,920 | 127,865,467 |
| 17 OTHER INCOME | | |
| Interest | 380,035 | 325,008 |
| Dividend from Long Term Investments | 4,216 | 8,420 |
| Commission & Discounts received on Travel Agency Business | 2,327,394 | 1,901,268 |
| Other Commission received | 8,568 | 10,279 |
| Miscellaneous receipts | 185,524 | 126,944 |
| Profit on Sale of Investment | 526,990 | - |
| Service Charge Received | 54,470 | - |
| Profit on sale of assets(Net) | - | 356,055 |
| Sundry balances written back | 457,252 | 1,141,785 |
| Total | 3,944,449 | 3,869,758 |

Notes to Financial Statements for the year ended 31st March, 2015

| | | 2014-15 ₹ | 2013-14 ₹ |
|---|---------|---------------------|-------------------|
| 18 PURCHASE OF STOCK IN TRADE | | | |
| Purchases of Merchandise | | 87,457,034 | 73,926,399 |
| Total | | <u>87,457,034</u> | <u>73,926,399</u> |
| 19 CHANGE IN INVENTORIES OF STOCK IN TRADE | | | |
| Opening Stock | | 165,215,533 | 165,631,705 |
| Closing Stock | | 181,331,617 | 165,215,533 |
| (Increase)/Decrease | Total | <u>(16,116,084)</u> | <u>416,172</u> |
| 20 EMPLOYEE BENEFIT EXPENSES | | | |
| Salaries, Allowances & Bonus | | 17,600,213 | 15,503,963 |
| Managing Director's Remuneration | | 2,280,000 | 1,500,000 |
| Contribution to Gratuity Fund | | 68,234 | 193,901 |
| Contribution to Provided Fund & other Funds | | 1,039,475 | 838,622 |
| Staff Welfare expenses | | 516,295 | 639,730 |
| Total | | <u>21,504,217</u> | <u>18,676,216</u> |
| 21 FINANCE COST | | | |
| Interest On Bank Borrowings | | 2,023,781 | 4,426,660 |
| Interest On Others | | 5,974,603 | 5,968,631 |
| Bank Charges | | 124,804 | 293,973 |
| Credit Card Charges | | 1,445,487 | 1,382,011 |
| Total | | <u>9,568,675</u> | <u>12,071,275</u> |
| 22 OTHER EXPENSES | | | |
| Lease Rent | | 309,436 | 701,311 |
| Repairs & Maintenance - Others | | 706,929 | 669,362 |
| Legal & Professional Charges | | 4,838,924 | 2,896,499 |
| Sales & Other Commission | | 2,935,181 | 2,647,927 |
| Travelling & Conveyance | | 1,535,890 | 1,574,247 |
| Electricity & Fuel | | 3,356,012 | 3,227,972 |
| Insurance | | 180,868 | 254,381 |
| Advertisements & Sales Promotion | | 3,440,497 | 1,419,709 |
| Packing Charges | | 164,225 | 220,691 |
| Sales Tax & Other Tax | | 273,606 | 46,264 |
| Auditors Remuneration: | | | |
| Audit Fees | 252,810 | | 252,810 |
| Tax Audit Fees | 28,090 | | 28,090 |
| | | <u>280,900</u> | <u>280,900</u> |
| Miscellaneous Expenses | | 7,358,859 | 7,424,592 |
| Prior Period Expenses | | 6,292 | 24,943 |
| Bad Debts & Sundry Advances Written-off | | 1,623,593 | 353,413 |
| Total | | <u>27,011,212</u> | <u>21,742,211</u> |

Notes to Financial Statements for the year ended 31st March, 2015

23. Contingent Liabilities:

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

24. The Company has adopted useful lives of the fixed assets as those specified in Schedule II to the Companies Act, 2013 (the Act) effective 1.4.2014. Accordingly the carrying amount of assets for which the useful lives as per the revised estimate are exhausted as of 1.4.2014 have been recognized in the retained earnings /opening balance of profit and loss account as on that date after retaining the residual value of the assets. The carrying amount as on 1.4.2014 is depreciated over the revised remaining useful life. As the result of these changes the depreciation charge for the year is higher by ₹ 427,946/-
25. The Company considers its entire operations under single segment 'Retailing'. The Company's operations are only in India.
26. Earning per share has been computed with reference to profit after tax of ₹ 910,476/- (Previous year ₹1,599,433 /-) and weighted average number of equity shares 4,940,000 shares (Previous year 4,940,000) There is no diluted earning per share as there are no dilutive potential equity shares.
27. The Company has, on prudence not recognised Deferred Tax Assets ₹ 7,438,700/- (Previous year ₹ 4,183,007/-) mainly representing expenses allowable for tax purposes when paid and difference between tax and book written down value of fixed assets, due to uncertainty of future profits in terms of Accounting Standard 22 (AS-22) for Taxes on Income issued by The Institute of Chartered Accountants of India.

The breakup of deferred tax assets / liability

| | Deferred tax asset/ (liability) as at 31-Mar-15 ₹ | Deferred tax asset/ (liability) as at 31-Mar-14 ₹ |
|--|--|--|
| A. Deferred Tax Assets | | |
| Expenses allowable for tax purpose when paid | - | 22,025 |
| Difference between tax and Book Written Down Value | 7,438,700 | 4,160,198 |
| | 7,438,700 | 4,183,007 |
| B. Deferred Tax Liability | | |
| Difference between Book Written Down Value and tax | - | - |
| | - | - |
| C. Net Deferred Tax Assets | 7,438,700 | 4,183,007 |
| D. Deferred Tax Assets / (Liability) | 2,298,558 | 1,292,549 |

28. Related Party Disclosures

A. Relationship

I) Subsidiary Company

Bombay Store Retail Company Limited

II) Key Management Personnel & Relatives:

Mr. Milan Dalal - Chairman

Mr. Asim Dalal - Managing Director

Mr. Satyen Dalal - Relative

Mr. Bhupen C. Dalal - Relative

Mrs. Rekha Dalal - Relative

Mrs. Aditi Dalal - Relative

Mrs. Veena Dalal - Relative

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

Gateway International Pvt. Ltd.

Grishma Constructions & Trading Co. Pvt. Ltd.

First Overseas Capital Limited

Asda Trading Company Pvt. Ltd.

Western Press Pvt. Ltd.

Milan Investments Pvt. Ltd.

Elephant Company Retail Pvt Ltd.

Out Of India Retail Pvt. Ltd.

Amalgamated Business Solutions Ltd

Stanford Securities Pvt. Ltd

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

Notes to Financial Statements for the year ended 31st March, 2015

B. Details of Transactions with Related Parties.

| Sr. No. | Nature of Transactions | Related Party Referred in | | |
|---------|---------------------------------|-----------------------------------|---------------------------------|-----------------------------------|
| | | A (I) | A (II) | A (III) |
| i. | Purchases of goods and material | 73,416,359 (72,928,106) | - (-) | - - |
| ii. | Expenditure | | | |
| | Remuneration | - (-) | 2,280,000 (1,680,000) | - (-) |
| | Interest paid | - (-) | 33,936 (60,500) | - (-) |
| | Printing & stationery | - (-) | - (-) | 37,360 (87,259) |
| | General Expenses | - (-) | - (-) | 4,150 (180,550) |
| | Professional Fees | - (-) | 234,000 (234,000) | - (-) |
| | Commission & Discounts given | - (-) | - (-) | 6,067 (255,253) |
| iii. | Income | | | |
| | Sales | - (-) | - (-) | 15,000 (-) |
| | Miscellaneous Receipt | - (-) | - (-) | 54,470 (-) |
| iv. | Outstanding Balance | | | |
| | Loans & Advances receivable | 24,257,372 (7,767,312) | - (-) | 11,777,995 (12,127,995) |
| | Loans & Advances received | - (-) | 14,200,000 (500,000) | - - |
| | Trade Receivable | - (-) | - (-) | 1,112,191 (935,650) |
| | Trade Payable | - | 510,351 (252,977) | 181,524 (258,486) |

Figures in brackets are for previous year.

Notes to Financial Statements for the year ended 31st March, 2015

29. Earning in Foreign Exchange:

- i. FOB value of exports of goods NIL /- (Previous year NIL/-).
- ii. Receipts on account of sale of merchandise ₹ 27,114,436/- (Previous year ₹ 23,851,961/-).

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

31. Expenditure in Foreign Currency:

Other Expenses ₹ 381,591/ - (Previous year ₹ 461,143/-).

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

As per our report of even dated

For M. D. PANDYA & ASSOCIATES

Chartered Accountants

Reg. No. 107325W

A. D. Pandya

Partner

Membership No: 033930

Mumbai, 30th May, 2015

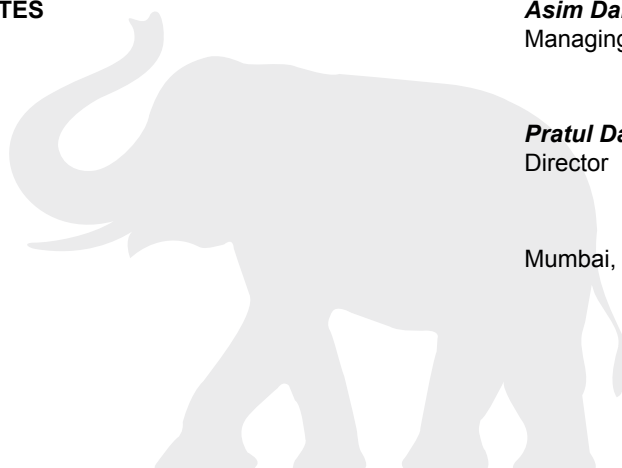
Asim Dalal

Managing Director

Pratul Dalal

Director

Mumbai, 30th May, 2015



SINCE 1906

**STATEMENT PURSUANT TO DIRECTIONS ISSUED VIDE CIRCULAR NO. 2/2011 UNDER
SECTION 129 OF THE COMPANIES ACT, 2013 RELATING TO SUBSIDIARY COMPANIES**

1. Name of Subsidiary Bombay Store Retail Company Ltd.

2. Financial Year ended 31st March, 2015

3. Equity shares of the Subsidiary held by the Company
 - i Number of shares and face value per share 50,000 shares of ₹ 10/- each
 - ii Extent of Holding 100%

| Sr. No. | Particulars | Amount (₹ '000) |
|---------|--|--------------------|
| a. | Capital | 500 |
| b. | Unsecured Loans | 50,000 |
| c. | Reserves | (85,489) |
| d. | Total Assets | (138,139) |
| e. | Total Liabilities | (138,139) |
| f. | Investment (except investment in Subsidiary) | 47 |
| g. | Turnover | 191,950 |
| h. | Profit/(Loss) before Taxation | (19,707) |
| i. | Provision for Taxation | - |
| j. | Profit/(Loss) after Taxation | (19,707) |
| k. | Proposed Dividend | - |



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

To the Board of Directors of Bombay Swadeshi Stores Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of **BOMBAY SWADESHI STORES LIMITED** (hereinafter referred to as "the Holding Company") its subsidiary and associate company hereinafter referred to as "the Group" which comprises of the Consolidated Balance Sheet as at 31st March, 2015, the consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as the "Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group 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 (as amended). The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

4. 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.
5. We have 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.
6. 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 but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial control system over financial reporting in place and the operating effectiveness of such controls. 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.
7. 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

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 Group, as at 31st March, 2015, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Emphasis of matter

9. We draw attention to Note 14.2 regarding Trade receivables aggregating to Rs. 5,376,992/- (Previous year Rs. 5,487,988/-) considered good and recoverable by the Company.

Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, and subsidiary company, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

11. As required by Section 143(3) 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 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company, none of the directors of the Group companies is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. There were no pending litigations which would impact the consolidated financial position of the Group.
- ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company.

For M D PANDYA & ASSOCIATES

Chartered Accountants

Reg no 107325W

A. D. PANDYA

Partner

Membership No.:033930

Mumbai,

Dated : 30th May, 2015

**ANNEXURE TO THE INDEPENDENT
AUDITORS' REPORT**

As stated in Para 10- Report on Other Legal and Regulatory Requirements in our Report of even date, the following statement is based on the comments in the Auditors' Reports on the standalone financial statements of the Holding Company and subsidiary company.

- i a The Holding Company and the subsidiary Company has not maintained proper records of its Fixed assets.
- b The Fixed assets have not been physically verified by the management of the respective companies during the year.
- ii a The merchandises (Finished Goods) have been physically verified during the year by the managements of the respective companies. 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.
- b In our opinion and according to the information and explanations given to us, the procedures of physical verification of merchandise followed by the management of respective companies are reasonable and adequate in relation to the size of the group and the nature of their businesses.
- c The Holding company and the subsidiary has not maintained proper book records of its merchandises,

and as such it is not possible for us to ascertain whether there were any material discrepancies noticed on physical verification as compared to book records.

- iii a The Holding Company and the subsidiary 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, 2013. Accordingly, provisions of sub-clause (b) are not applicable.
- iv. In our opinion and according to the information and explanation given to us, the Holding Company and subsidiary company have adequate internal control procedures commensurate with the size of the respective company and the nature of its businesses, for the purchase of inventory and fixed assets and for the sale of goods. In our opinion and according to the information and explanations given to us, we have neither come across nor have we been informed of any continuing failure to correct any major weakness in the aforesaid internal control system.
- v In our opinion and according to the information and explanation given to us, in respect of deposit accepted from public, the Holding Company has complied with the directives issued by the Reserve Bank of India and the provisions of Section 73 and 76 of the Act or any other relevant provisions of the Companies Act and rules framed there under where applicable have been complied with. The subsidiary company has not accepted any deposits from public.
- vi The provisions of clause 4(vi) of the Companies (Auditors Report) Order 2015 are not applicable to the Holding Company and its subsidiary.
- vii a According to the information and explanations given to us, the Holding Company and subsidiary company have been generally regular in depositing the undisputed statutory dues in respect of Provident Fund, , Employee's State Insurance, Income tax, Sales-tax, Wealth tax, Custom Duty, Excise Duty, value added tax Cess and any other statutory dues with appropriate authorities.
- b According to the information and explanations given to us, the Holding Company and its subsidiary had no dues in respect of wealth tax, sales tax, service tax, customs duty and excise duty which have not been deposited on account of any dispute.

c According to the information and explanation given to us, on basis of examination of the records of the holding company and subsidiary company, the amount required to be transferred to investor education and protection fund in accordance with the relevant provision of the Companies Act, 1956(I of 1956) and rules made there under has been transferred to such fund within time.

- viii The Holding Company did not have accumulated losses at the end of the financial year on standalone basis and it has not incurred any cash losses in the current or in the immediately preceding financial year.
The subsidiary company has accumulated losses on standalone basis and has also incurred cash losses on standalone basis during the year.
- ix According to information and explanation given to us, the Holding Company and the subsidiary company has not defaulted in repayment of dues to the financial institution or banks. The Company has not issued any debentures.
- x According to information and explanation given to us, the Holding Company and the subsidiary company have not given any guarantee for loans taken by others from bank or financial institutions during the year.
- xi According to information and explanation given to us, the term loans availed by the Holding company and the subsidiary company have been applied for the purposes for which they were obtained.
- xii According to the information and explanation given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year nor have been informed of such case by the Holding Company and the subsidiary company.

For **M D PANDYA & ASSOCIATES**

Chartered Accountants

Reg no 107325W

A. D. PANDYA

Partner

Membership No.:033930

Mumbai,

Dated : 30th May, 2015

Consolidated Balance Sheet as at 31st March, 2015

| | Notes | 2014-15 ₹ | 2014-15 ₹ | 2013-14 ₹ |
|---|-------|------------------------|--------------|--------------|
| EQUITY AND LIABILITIES | | | | |
| SHAREHOLDERS FUNDS : | | | | |
| Share Capital | 2 | 9,880,000 | | 9,880,000 |
| Reserves & Surplus | 3 | 29,454,560 | 39,334,560 | 57,977,294 |
| | | | | 67,857,294 |
| NON CURRENT LIABILITIES | | | | |
| Long Term Borrowing | 4 | | 60,694,000 | 73,153,000 |
| CURRENT LIABILITIES | | | | |
| 1) Short Term Borrowings | 5 | 87,774,047 | | 57,335,974 |
| 2) Trade Payables | 6 | 166,595,498 | | 131,142,068 |
| 3) Other Current Liabilities | 7 | 7,050,553 | | 12,267,552 |
| 4) Short Term Provisions | 8 | - | | - |
| | | | 261,420,098 | 200,745,594 |
| | | | 361,448,658 | 341,755,888 |
| APPLICATION OF FUNDS : | | | | |
| NON CURRENT ASSETS | | | | |
| FIXED ASSETS : | | | | |
| | 9 | | | |
| Tangible Assets | | | 20,995,701 | 30,164,311 |
| Intangible Assets | | | 3,466,502 | 3,879,888 |
| Capital Work-in-progress | | | - | 3,190,393 |
| NON CURRENT INVESTMENTS | 10 | | 110,767 | 196,090 |
| LONG TERM LOANS AND ADVANCES | 11 | | 11,777,995 | 14,991,754 |
| CURRENT ASSETS | | | | |
| 1) Current Investment | 12 | 47,512 | | 43,207 |
| 2) Inventories | 13 | 280,169,529 | | 256,725,734 |
| 3) Trade Receivables | 14 | 10,007,359 | | 8,189,419 |
| 4) Cash & Cash Equivalents | 15 | 12,470,311 | | 4,659,246 |
| 5) Short Term Loans and Advances | 16 | 22,402,982 | | 19,715,847 |
| | | | 325,097,693 | 289,333,453 |
| | | | 361,448,658 | 341,755,889 |
| Notes forming part of Financial Statements | | 1 -34 | | |
| As per our Report of even dated | | | | |
| For M. D. PANDYA & ASSOCIATES | | Asim Dalal | | |
| Chartered Accountants | | Managing Director | | |
| Reg. No. 107325W | | | | |
| A. D. Pandya | | Pratul Dalal | | |
| Partner | | Director | | |
| Membership No: 33930 | | | | |
| Mumbai, 30th May, 2015 | | Mumbai, 30th May, 2015 | | |

Consolidated Statement of Profit & Loss for the year ended 31st March, 2015

| | Notes | 2014-15 ₹ | 2013-14 ₹ |
|---|--------------|----------------------------|--------------------|
| INCOME : | | | |
| Revenue from Operations (Net) | 17 | 246,991,077 | 236,843,288 |
| Other Income | 18 | 11,502,102 | 9,893,526 |
| Total Revenue | | <u>258,493,179</u> | <u>246,736,814</u> |
| EXPENDITURE : | | | |
| Purchase Of Stock In Trade | 19 | 159,250,202 | 124,266,000 |
| Change in Inventories of Stock in Trade | 20 | (23,430,822) | (4,962,288) |
| Employee Benefit Expenses | 21 | 36,984,454 | 36,020,634 |
| Finance Cost | 22 | 17,432,090 | 17,654,220 |
| Other Expenses | 23 | 79,772,720 | 74,603,165 |
| Depreciation & amortisation expenses | 9 | 7,162,888 | 6,511,909 |
| | | <u>277,171,532</u> | <u>254,093,640</u> |
| Profit before Tax | | (18,678,353) | (7,356,826) |
| Provision for Tax | | 230,000 | 710,000 |
| Profit after Tax | | (18,908,353) | (8,066,826) |
| Less: Prior years tax adjustments | | (111,450) | - |
| Profit for the year | | <u>(18,796,903)</u> | <u>(8,066,826)</u> |
| Basic and diluted earning per share (in Rs.) | | (3.83) | (1.63) |
| Notes forming part of Financial Statements | 1 -34 | | |
| <p>As per our Report of even dated For M. D. PANDYA & ASSOCIATES Chartered Accountants Reg. No. 107325W</p> <p>A. D. Pandya Partner Membership No: 33930</p> <p>Mumbai, 30th May, 2015</p> | | | |
| <p>Asim Dalal Managing Director</p> <p>Pratul Dalal Director</p> <p>Mumbai, 30th May, 2015</p> | | | |

Consolidated Cash Flow Statement for the year ended 31st March, 2015

| | 2014-15 | | 2013-14 | |
|--|----------------|----------------|---------|-----------------|
| | ₹ | ₹ | ₹ | ₹ |
| A CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| Net Profit before tax and extra-ordinary items | | (18,678) | | (7,357) |
| Add: Adjustments for : | | | | |
| Depreciation | 7,163 | | 6,512 | |
| Interest paid | 15,864 | | 14,725 | |
| Interest received | (380) | | (325) | |
| (Profit) / Loss on sales of fixed assets (net) | 388 | | 4,651 | |
| Preliminary & Deferred expenses w/o | - | | 75 | |
| Dividend received | (8) | 23,026 | (16) | 25,623 |
| Operating Profit before Working Capital Changes | | 4,347 | | 18,266 |
| Adjustments for : | | | | |
| Increase / (Decrease) in Trade payables | 51,943 | | (177) | |
| Increase / (Decrease) in Other Current Liabilities | (5,217) | | 5,241 | |
| Increase / (Decrease) in Short Term Provisions | - | | - | |
| (Increase) / Decrease in Inventories | (23,444) | | (5,003) | |
| (Increase) / Decrease in Long Term Loans & Advances | 3,214 | | 523 | |
| (Increase) / Decrease in Short Term Loans & Advances | (18,618) | | 8,938 | |
| (Increase) / Decrease in Trade & Other receivables | (1,818) | 6,060 | 1,275 | 10,797 |
| Cash Generated from Operations | | 10,408 | | 29,063 |
| Direct taxes paid | | (677) | | (744) |
| Net Cash from Operating Activities | [A] | 9,730 | | 28,318 |
| B CASH FLOW FROM INVESTMENT ACTIVITIES | | | | |
| Purchase of Assets | | (4,553) | | (11,340) |
| Sales of Assets | | 49 | | 1,632 |
| Sales / (Purchases) of Investments | | 81 | | (91) |
| Interest received | | 380 | | 325 |
| Dividend received | | 8 | | 16 |
| Net Cash from Operating Activities | [B] | (4,034) | | (9,458) |
| C CASH FLOW FROM FINANCING ACTIVITIES | | | | |
| Proceeds from borrowings | | 17,979 | | - |
| Repayment of borrowings | | - | | (19) |
| Interest paid | | (15,864) | | (14,725) |
| Net Cash Flow from Financial Activities | [C] | 2,115 | | (14,745) |
| Net Cash increase/(Decrease) in cash and Cash equivalents | (A+B+C) | 7,811 | | 4,116 |
| Cash and Cash Equivalents (Opening) : | | | | |
| Cash on Hand | 1,607 | | 901 | |
| Balance with Banks | 3,052 | 4,659 | 4,733 | 5,634 |
| Cash and Cash Equivalents (Closing) : | | | | |
| Cash on Hand | 3,588 | | 1,607 | |
| Balance with Banks | 8,882 | 12,470 | 3,052 | 4,659 |

Notes :

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

MUMBAI, 30th May 2015

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, 2015. The statement has been prepared by the Company in accordance with the requirements of Clause 32 of the Listing Agreement with Stock Exchange, Mumbai, and is based on and is in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report dated 30th May, 2015 to the members of the Company.

For M D Pandya & Associates
Chartered Accountants
Reg No. 107325W
A D PANDYA
Partner
Membership No:33930

MUMBAI, 30th May 2015

Notes to Consolidated Financial Statements for the year ended 31st March, 2015

1. Company Background

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

1.1 Significant Accounting Policies of Consolidated Accounts

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

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

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

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

D. Fixed Assets

- i. Tangible Fixed Assets are recorded at cost inclusive of Inward Freight, Duties, Taxes and Incidental Expenses related to acquisition of the Assets. Leasehold Premises are carried forward at cost. In case final settlement of bills with contractors is pending, but the asset is complete and ready for use, capitalisation is done on estimation basis subject to necessary adjustments, including those arising out of settlement of arbitration / court cases, in the year of final settlement.
- ii. Depreciation: Depreciation on Tangible Fixed Assets has been provided on the written down value method at the rates specified in Schedule 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, 2015

I. Employees Benefits:

i. Defined Contribution Plan

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

ii. Defined Benefit Plan

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

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

J. Taxation:

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

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

L. Traveling Agency Business:

i. Commission and discount on airlines tickets is accounted on basis of completion of fortnightly sales.

ii. In case of cancellation of tickets, the commission and discount refundable is accounted only on final acceptance by the airlines.

| | 2014-15 ₹ | 2013-14 ₹ |
|---|-------------------|-------------------|
| 2 SHARE CAPITAL | | |
| 2.1 Authorised : | | |
| 1,50,00,000 Equity shares of ₹ 2/- each | 30,000,000 | 30,000,000 |
| 2,00,000 preference shares of ₹ 100/- each | 20,000,000 | 20,000,000 |
| | 50,000,000 | 50,000,000 |
| 2.2 Issued, subscribed and paid-up: | | |
| 4,815,000 (Previous year 4,815,000) Equity shares of ₹ 2/- (Previous year ₹ 2/-) each fully paid-up in cash | 9,630,000 | 9,630,000 |
| 125,000 (Previous year 125,000) Equity shares of ₹ 2/- (Previous year ₹ 2/-) each fully paid up issued for consideration other than in cash | 250,000 | 250,000 |
| | 9,880,000 | 9,880,000 |

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

| Particulars | 2014-15 | | 2013-14 | |
|--|--------------|-----------|--------------|-----------|
| | No of Shares | Amount | No of Shares | Amount |
| Equity Shares at the beginning of the year | 4,940,000 | 9,880,000 | 4,940,000 | 9,880,000 |
| Add: Issued during the year | — | — | — | — |
| Equity Shares at the end of the year | 4,940,000 | 9,880,000 | 4,940,000 | 9,880,000 |

Notes to Consolidated Financial Statements for the year ended 31st March, 2015

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

| Sr No | Name of Shareholders | 2014-15 | | 2013-14 | |
|-------|-------------------------------------|--------------|----------------------|--------------|----------------------|
| | | No of Shares | % of Paid up capital | No of Shares | % of Paid up capital |
| 1 | Milan Bhupendra Dalal | 1426666 | 28.88 | 1426666 | 28.88 |
| 2 | Asim Dalal | 333620 | 6.75 | 333620 | 6.75 |
| 3 | Satyen B Dalal | 333353 | 6.75 | 333353 | 6.75 |
| 4 | Fidelity Multitrade Private Limited | 740000 | 14.98 | 740000 | 14.98 |
| 5 | Hypnos Fund Limited | 350000 | 7.09 | 400000 | 8.10 |

| | 2014-15 ₹ | 2013-14 ₹ |
|---|---------------------|--------------|
| 3 RESERVES AND SURPLUS | | |
| Capital Reserve | | |
| Balance as per last Balance Sheet | 1,004,364 | 1,004,364 |
| Share Premium Account | | |
| Balance as per last Balance Sheet | 89,879,206 | 89,879,206 |
| Statement of Profit & Loss | | |
| Balance as per last Balance Sheet | (32,906,274) | (24,839,450) |
| Less: Additional Depreciation pursuant to enactment of companies Act 2013 | (9,725,833) | - |
| Add: Profit/(Loss) for the year | (18,796,903) | (8,066,826) |
| | (61,429,011) | (32,906,276) |
| | 29,454,560 | 57,977,295 |
| 4 LONG TERM BORROWINGS | | |
| UNSECURED LOANS | | |
| Fixed Deposits | 10,694,000 | 23,153,000 |
| Inter Corporate Deposits from Companies | 50,000,000 | 50,000,000 |
| | 60,694,000 | 73,153,000 |
| 5 SHORT TERM BORROWINGS | | |
| SECURED LOANS | | |
| Working Capital Loan from Banks | - | 24,183,026 |
| Other Loans | 1,914,885 | 181,461 |
| Total (A) | 1,914,885 | 24,364,487 |
| UNSECURED LOANS | | |
| Fixed Deposits (due within one year) | 12,959,000 | 18,430,000 |
| Loan From Managing Director | 14,000,000 | - |
| Inter Corporate Deposits from Companies | 58,900,162 | 14,541,487 |
| Total (B) | 85,859,162 | 32,971,487 |
| Total (A) + (B) | 87,774,047 | 57,335,974 |

5.1 Other secured loans are secured by hypothecation of vehicles.

Notes to Consolidated Financial Statements for the year ended 31st March, 2015

| | | 2014-15 | 2013-14 |
|------------------------------------|--|--------------------|----------------|
| | | ₹ | ₹ |
| 6 TRADE PAYABLES | | | |
| Acceptances | | 33,408,000 | 36,478,899 |
| Other Trade Payables | | 133,187,498 | 94,663,169 |
| Total | | 166,595,498 | 131,142,068 |
| 6.1 | In the absence of any intimation from vendors regarding the status of their registration under the “Micro, small and Medium Enterprises Development Act, 2006”, the Company is unable to comply with the disclosures required to be made under the said Act. | | |
| 6.2 | Balance of Sundry Creditors are subject to confirmations. Adjustments, if any, will be made on receipts of the confirmations. | | |
| 7 OTHER CURRENT LIABILITIES | | | |
| Interest accrued and due | | 967,607 | 1,789,993 |
| Other Payables | | 6,082,946 | 10,477,559 |
| Total | | 7,050,553 | 12,267,552 |
| 8 SHORT TERM PROVISIONS | | | |
| Provision | | - | - |
| | | - | - |

NOTES 9 : CONSOLIDATED FIXED ASSETS

| SR. NO. | DESCRIPTION OF ASSETS | GROSS BLOCK | | | DEPERCIATION | | | | NET BLOCK | | |
|---------|---------------------------|-------------------|------------------|------------------|-------------------|-------------------|------------------|------------------|-------------------|-------------------|-------------------|
| | | AS AT 1-Apr-14 | ADDITIONS | DEDUCTIONS | AS AT 31-Mar-15 | AS AT 1-Apr-14 | DEDUCTIONS | FOR THE YEAR | AS AT 31-Mar-15 | AS AT 31-Mar-15 | AS AT 31-Mar-14 |
| | TANGIBLE ASSETS | | | | | | | | | | |
| 1 | Leasehold Premises | 2,500,000 | - | - | 2,500,000 | - | - | - | - | 2,500,000 | 2,500,000 |
| 2 | Leasehold Improvement | 1,531,465 | - | 967,929 | 563,536 | 1,367,034 | 932,737 | 83,502 | 517,799 | 45,737 | 164,431 |
| 3 | Furniture & Fixtures | 50,682,706 | 4,199,842 | 1,106,371 | 53,776,177 | 37,059,280 | 654,125 | 4,228,485 | 40,633,640 | 13,142,538 | 13,623,427 |
| 4 | Computers | 19,580,596 | 329,292 | 20,000 | 19,889,888 | 18,781,429 | 15,336 | 353,523 | 19,119,616 | 770,272 | 799,167 |
| 5 | Office & Other Equipments | 5,688,205 | 929,928 | - | 6,618,133 | 5,248,781 | - | 436,391 | 5,685,172 | 932,961 | 439,424 |
| 6 | Electrical Installations | 10,220,027 | 2,525,804 | 1,179,051 | 11,566,780 | 7,512,184 | 777,774 | 1,303,073 | 8,037,483 | 3,529,297 | 2,707,843 |
| 7 | Vehicles | 3,799,134 | - | - | 3,799,134 | 3,690,225 | - | 34,012 | 3,724,237 | 74,897 | 108,909 |
| | Total | 94,002,133 | 7,984,866 | 3,273,351 | 98,713,648 | 73,658,933 | 2,379,972 | 6,438,986 | 77,717,947 | 20,995,701 | 20,343,200 |
| | Previous Year Rs | 103,754,900 | 14,183,932 | 23,828,838 | 94,109,994 | 69,646,710 | 11,510,232 | 5,809,205 | 63,945,683 | 30,164,311 | 34,108,191 |
| | INTANGIBLE ASSETS | | | | | | | | | | |
| 8 | Goodwill | 10,400,000 | - | - | 10,400,000 | 7,044,275 | - | 502,300 | 7,546,575 | 2,853,425 | 3,355,725 |
| 9 | Software | 1,021,384 | 215,239 | - | 1,236,623 | 401,944 | - | 221,602 | 623,546 | 613,077 | 619,440 |
| | Total | 11,421,384 | 215,239 | - | 11,636,626 | 7,446,219 | - | 723,902 | 8,170,121 | 3,466,520 | 3,975,165 |
| | Previous Year Rs | 11,313,523 | - | - | 11,313,523 | 6,730,931 | - | 702,704 | 7,433,635 | 3,879,888 | 4,582,592 |

- 9.1 Pursuant to the enactment of companies Act 2013, the company has applied the estimated useful lives as specified in Schedule II, except in respect of certain assets as disclosed in Accounting Policy on Depreciation. The Realignment of the useful lives have resulted in adjustment of Rs.97.26 lacs against the opening balance of retained earnings.

Notes to Consolidated Financial Statements for the year ended 31st March, 2015

| | 2014-15 ₹ | 2013-14 ₹ |
|--|-------------------|-------------------|
| 10 NON CURRENT INVESTMENTS | | |
| Long term | | |
| A. Trade - Unquoted | | |
| i. In Equity instruments : (fully paid -up) 5,000 (Previous year 5,000) Equity shares of Dravya Industrial Chemicals Ltd. of ₹ 10/- each | 75,000 | 75,000 |
| ii Investment in Associates 10,000 (Previous year 10,000) equity shares of Out of India Retail Pvt Ltd. of Rs.10/- each fully paid up (26% of Voting Rights & 8.42% of Ownership Interest) Note: Holding in Associates is 26% of Voting Rights & 8.42% of Ownership Interest In view of Losses which are temporary in nature carrying amount of Investment in Associates is taken at cost. | 100,000 | 100,000 |
| Total (A) | 175,000 | 175,000 |
| B. Trade - Quoted | | |
| Investment in Equity Instruments: (fully paid-up) | | |
| 180 (Previous year 180) Equity shares of State Bank of India of ₹ 10/- each | - | 62,700 |
| 200 (Previous year 200) Equity shares of Bharti Tele-Venture Ltd. of ₹ 5/- each | - | 11,453 |
| 100 (Previous year 100) Equity shares of Rashtriya Chemical Fertilizers Limited Ltd. of ₹ 10/- each | 6,323 | 6,323 |
| 50 (Previous year 50) Equity shares of Tata Chemicals Limited, of ₹ 10/- each | - | 8,419 |
| 100 (Previous year 100) Equity shares of Foods & Inns Ltd. of ₹ 10/- each | 4,444 | 4,444 |
| Total (B) | 10,767 | 93,339 |
| Total (A+B) | 185,767 | 268,340 |
| Less : Diminution in value of long term Investments | 75,000 | 72,250 |
| Total | 110,767 | 196,090 |
| [Market value of Quoted Investments ₹ 436,288/-(Previous Year ₹ 467,335/-)] | | |
| 11 LONG TERM LOANS & ADVANCES | | |
| Advance towards Premises | 10,877,995 | 10,927,995 |
| Others | 900,000 | 4,063,759 |
| | 11,777,995 | 14,991,754 |
| 11.1 Advance towards premises includes payment made to Grishma Constructions & Trading Co. Pvt. Ltd. | | |
| 12 CURRENT INVESTMENT | | |
| Current - Trade Unquoted | | |
| 646.75 (Previous Year 585.99)units of ₹ 100/- each of ICICI Prudential Liquid Plan - Daily Dividend Option | 47,512 | 43,207 |
| | 47,512 | 43,207 |

Notes to Consolidated Financial Statements for the year ended 31st March, 2015

| | 2014-15 ₹ | 2013-14 ₹ |
|--|---------------------------|--------------------|
| 13 INVENTORIES | | |
| Stock in Trade - Merchandise | 280,169,529 | 256,725,734 |
| At cost or net realisable value whichever is lower (As per Inventories certified by the Managing Director/Director) | <u>280,169,529</u> | <u>256,725,734</u> |
| 14 TRADE RECEIVABLES | | |
| (Unsecured, Considered Good) | | |
| Due for more than six months from the due date of payment | 6,822,812 | 5,987,274 |
| Others | 3,184,547 | 2,202,145 |
| | <u>10,007,359</u> | <u>8,189,419</u> |
| 14.1 Balance of Trade Receivables are subject to confirmations. Adjustments, if any, will be made on receipts of the confirmations. | | |
| 14.2 Trade Receivables includes ₹ 5,376,992/- (Previous year ₹ 5,487,988/-) due from the customers for which no provision is considered necessary as the Company is of the view that the same are recoverable. | | |
| 15 CASH AND CASH EQUIVALENTS | | |
| Cash on Hand | 3,587,827 | 1,606,758 |
| Balance with Scheduled Banks in: | | |
| Current Accounts | 6,375,119 | 728,076 |
| Other Bank balances : Deposit Accounts | 2,507,365 | 2,324,412 |
| Total | <u>12,470,311</u> | <u>4,659,245</u> |
| 16 SHORT TERM LOANS AND ADVANCES | | |
| (Unsecured, considered good) | | |
| Advances recoverable in cash or in kind or for value to be received | 2,359,138 | 1,515,074 |
| Advance payment of taxes | 3,984,566 | 3,425,715 |
| Security & Other Deposits | 16,059,278 | 14,775,058 |
| Total | <u>22,402,982</u> | <u>19,715,847</u> |
| 16.1 Balance of Loans & Advances are subject to confirmations. Adjustments, if any, will be made on receipts of the confirmations. | | |
| 17 REVENUE FROM OPERATIONS | | |
| Gross Sales of Merchandise | 275,732,367 | 263,498,137 |
| Less : Value Added Tax | 28,741,290 | 26,654,849 |
| Net Sales | <u>246,991,077</u> | <u>236,843,288</u> |

Notes to Consolidated Financial Statements for the year ended 31st March, 2015

| | 2014-15 ₹ | 2013-14 ₹ |
|---|---------------------|--------------------|
| 18 OTHER INCOME | | |
| Interest | 380,035 | 325,008 |
| Dividend from Non Current Investments | 4,216 | 8,420 |
| Dividend from Current Investments | 4,305 | 7,200 |
| Commission & Discounts received on Travel Agency Business | 2,327,394 | 1,901,268 |
| Other Commission received | 10,012 | 14,400 |
| Professional Fees Received | 6,054,470 | 3,654,000 |
| Miscellaneous receipts | 477,637 | 436,333 |
| Profit on Sale of Investment | 526,990 | - |
| Profit on Sale of Assets | - | 356,055 |
| Sundry Creditors credit balances written back | 1,717,043 | 3,190,844 |
| Total | <u>11,502,102</u> | <u>9,893,526</u> |
| 19 PURCHASE OF STOCK IN TRADE | | |
| Purchases of Merchandise | 159,250,202 | 124,266,000 |
| | <u>159,250,202</u> | <u>124,266,000</u> |
| 20 CHANGE IN INVENTORIES OF STOCK IN TRADE | | |
| Opening Stock | 256,493,020 | 251,530,732 |
| Closing Stock | 279,923,842 | 256,493,020 |
| (Increase)/Decrease | <u>(23,430,822)</u> | <u>(4,962,288)</u> |
| 21 EMPLOYEE BENEFIT EXPENSES | | |
| Salaries, Allowances & Bonus | 32,046,043 | 31,781,105 |
| Managing Director's Remuneration | 2,280,000 | 1,500,000 |
| Contribution to Gratuity Fund | 111,221 | 217,802 |
| Contribution to Provided Fund & other Funds | 1,718,721 | 1,649,005 |
| Staff Welfare expenses | 828,469 | 872,722 |
| | <u>36,984,454</u> | <u>36,020,634</u> |
| 22 FINANCE COST | | |
| Interest On Bank Borrowings | 2,023,781 | 4,426,660 |
| Interest On Others | 12,269,578 | 10,004,659 |
| Bank Charges | 322,282 | 581,968 |
| Credit Card Charges | 2,816,449 | 2,640,932 |
| | <u>17,432,090</u> | <u>17,654,220</u> |

Notes to Consolidated Financial Statements for the year ended 31st March, 2015

| | 2014-15 ₹ | 2013-14 ₹ |
|---|-------------------|-------------------|
| 23 OTHER EXPENSES | | |
| Lease Rent | 26,322,281 | 26,448,848 |
| Repairs & Maintenance - Others | 8,692,977 | 7,663,286 |
| Legal & Professional Charges | 7,142,930 | 3,308,699 |
| Sales & Other Commission | 2,937,385 | 2,767,741 |
| Travelling & Conveyance | 1,713,255 | 1,765,158 |
| Electricity & Fuel | 5,422,858 | 5,791,537 |
| Insurance | 236,215 | 327,219 |
| Advertisements & Sales Promotion | 6,113,375 | 3,040,231 |
| Sales Tax & Other Taxes | 2,509,723 | 669,348 |
| Packing Charges | 1,366,658 | 1,239,613 |
| Auditors Remuneration: | | |
| Audit Fees | 449,440 | 449,440 |
| Tax Audit Fees | 56,180 | 56,180 |
| | 505,620 | 505,620 |
| Miscellaneous Expenses | 14,211,521 | 14,973,200 |
| Prior Period Expenses | 415,997 | 24,943 |
| Bad Debts & Sundry Advances Written-off | 1,791,035 | 995,434 |
| Loss on sales of fixed assets | 390,890 | 5,007,382 |
| Preliminary Expenses & Deferred Expenditure Written Off | - | 74,907 |
| | <u>79,772,720</u> | <u>74,603,165</u> |

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Notes to Consolidated Financial Statements for the year ended 31st March, 2015

24. Details of Subsidiary Company

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

| Name of the Subsidiary | Country of Incorporation | Proportion of Ownership Interest | Date of Investment |
|-------------------------------------|--------------------------|----------------------------------|--------------------|
| Bombay Store Retail Company Limited | India | 100.00% | 25-Jan-08 |

25. Contingent Liabilities:

- Service Tax liability of ₹ 2,211,423 /- (Previous year ₹ 2,235,019/-).
- Estimated amount of Contract to be executed on Capital Account Rs.NIL) (Previous year ₹ 3,190,394/-)

26. The Company has adopted useful lives of the fixed assets as those specified in Schedule II to the Companies Act, 2013 (the Act) effective 1.4.2014. Accordingly the carrying amount of assets for which the useful lives as per the revised estimate are exhausted as of 1.4.2014 have been recognized in the retained earnings /opening balance of profit and loss account as on that date after retaining the residual value of the assets. The carrying amount as on 1.4.2014 is depreciated over the revised remaining useful life. As the result of these changes the depreciation charge for the year is higher by Rs 2,265,345/-

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

28. Earning per share has been computed with reference to loss after tax of (₹18,678,353 /-) (Previous year ₹ 7,356,825/-) and weighted average number of equity shares 4,940,000 shares (Previous year 4,940,000) There is no diluted earning per share.

29. The Company has, on prudence not recognised Deferred Tax Assets ₹ 76,083,533/- (Previous year ₹ 60,707,168/-) mainly representing expenses allowable for tax purposes when paid and difference between tax and book written down value of fixed assets, due to uncertainty of future profits in terms of Accounting Standard 22 (AS-22) for Taxes on Income issued by The Institute of Chartered Accountants of India.

The breakup of deferred tax assets / liability

| | Deferred tax asset/ (liability) as at (₹) 31-Mar-15 | Deferred tax asset/ (liability) as at (₹) 31-Mar-14 |
|--|---|---|
| A. Deferred Tax Assets | | |
| Expenses allowable for tax purpose when paid | 242,215 | 179,799 |
| Difference between tax and Book Written Down Value | 25,542,350 | 14,966,633 |
| Unabsorbed Business Losses | 50,298,968 | 45,921,765 |
| | <u>76,083,533</u> | <u>61,068,197</u> |
| B. Deferred Tax Liability | | |
| Difference between Book and Tax WDV | - | - |
| Deferred Revenue expenditure to the extent not written off | - | 361,029 |
| | <u>-</u> | <u>361,029</u> |
| C. Net Deferred Tax Assets | 76,083,533 | 60,707,168 |
| D. Deferred Tax Assets / (Liability) | 23,509,812 | 18,758,515 |

Notes to Consolidated Financial Statements for the year ended 31st March, 2015

30. Related Party Disclosures

A. Relationship

I) Key Management Personnel & Relatives:

Mr. Milan Dalal - Chairman
 Mr. Satyen Dalal - Relative
 Mrs. Aditi Dalal - Relative
 Mrs. Veena Dalal - Relative

Mr. Asim Dalal - Managing Director
 Mr. Bhupendra C. Dalal - Relative
 Mrs. Rekha Dalal - Relative

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

| | |
|------------------------------------|---|
| Gateway International Pvt. Ltd. | Grishma Constructions & Trading Co. Pvt. Ltd. |
| First Overseas Capital Limited | ASDA Trading Co. Pvt. Ltd. |
| Western Press Pvt. Ltd. | Milan Investments Pvt. Ltd. |
| Amalgamated Business Solutions Ltd | Out Of India Retail Pvt Ltd |
| Elephant Company Retail Pvt Ltd | |

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

B. Details of Transactions with Related Parties.

| Sr. No. | Nature of Transactions | Related Party Referred in | |
|---------|---------------------------------|---------------------------|-------------------|
| | | A (I) | A (II) |
| i. | Purchases of goods and material | - | 19,614,347 |
| | | (-) | (19,042,389) |
| ii. | Expenditure | | |
| | Remuneration | 2,280,000 | - |
| | | (1,680,000) | - |
| | Interest paid | 33,936 | - |
| | | (60,500) | - |
| | Printing & stationery | - | 208,364 |
| | | (-) | (178,893) |
| | Packing Charges | - | 156,892 |
| | | (-) | - |
| | General Expenses | - | 653,525 |
| | | (-) | (565,983) |
| | Professional Fees | 234,000 | |
| | | (234,000) | |
| | Commission & Discounts given | - | 1,137,532 |
| | | (-) | (1,142,990) |
| iii. | Income | | |
| | Professional Fees Received | - | 6,015,000 |
| | | (-) | (3,654,000) |
| iv. | Outstanding Balance | | |
| | Loans & Advances received | 14,200,000 | 11,777,995 |
| | | (500,000) | (12,127,995) |
| | Trade Receivable | - | 1,112,191 |
| | | - | (935,650) |
| | Trade Payable | 510,351 | 6,189,439 |
| | | - | (2,153,259) |

Figures in brackets are for previous year.

Notes to Consolidated Financial Statements for the year ended 31st March, 2015

31. Earning in Foreign Exchange

- i. FOB value of exports of goods NIL/-.
- ii. Receipts on account of sale of merchandise ₹ 49,895,417/- (Previous year ₹ 41,938,962/-)

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

33. Expenditure in Foreign Currencies:

Other Expenses ₹ 381,591/- (Previous year ₹ 464,163/-).

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

As per our Report of even dated

For M. D. PANDYA & ASSOCIATES

Chartered Accountants

Reg. No. 107325W

A. D. Pandya

Partner

Membership No: 33930

Mumbai, 30th May, 2015

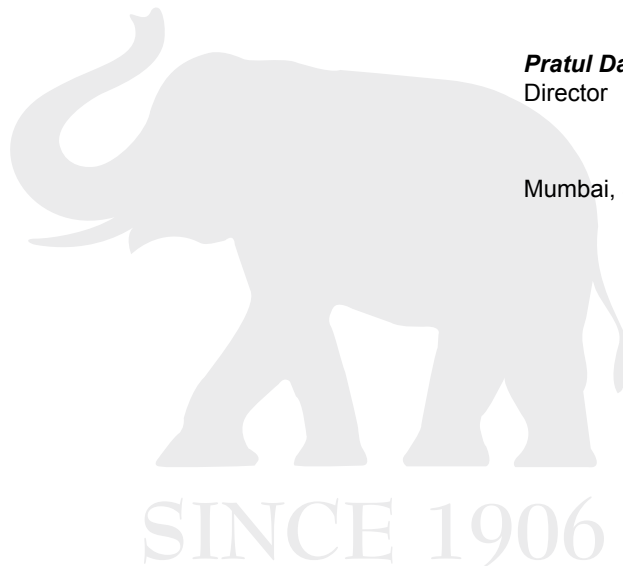
Asim Dalal

Managing Director

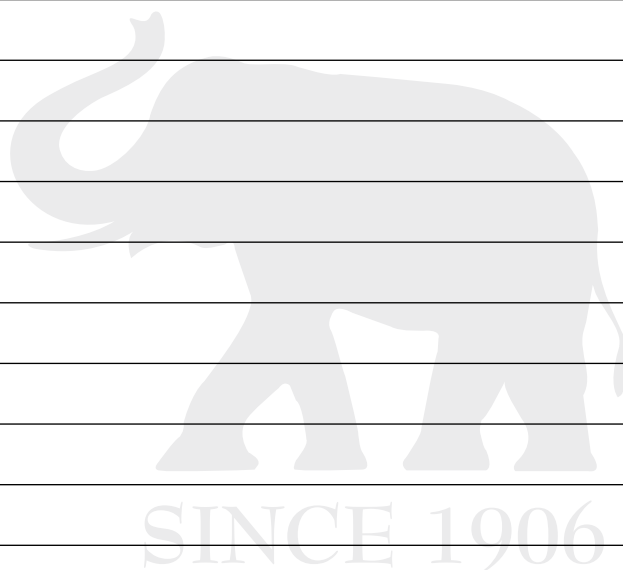
Pratul Dalal

Director

Mumbai, 30th May, 2015



NOTES





BOMBAY SWADESHI STORES LIMITED

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

Tel : 022 22885048/49

CIN: L74999MH1905PLC000223 Email: investor@bombaystore.com

ATTENDANCE SLIP

I hereby record my presence at the 109th ANNUAL GENERAL MEETING of the Company to transact the following business at Orchid, 1st Floor, MVIRDC, World Trade Centre, Centre-1, Cuffe Parade, Mumbai 400 005, on Tuesday, 29th September, 2015 at 3.00 p.m.

Folio No. _____ / * DP ID . _____ / * Client ID _____

Full name of the Shareholder/Proxy _____

(in block letters)

* Applicable for investors holding shares in electronic form.

Signature

Note :Please fill Attendance Slip and hand it over at the entrance of the hall.



BOMBAY SWADESHI STORES LIMITED

Registered Office: Western India House, Sir Pherozeshah Mehta Road

Fort, Mumbai 400 001.

Tel : 022 22885048/49

CIN: L74999MH1905PLC000223 Email: investor@bombaystore.com

PROXY FORM

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

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

1. _____ of _____

having e-mail address _____ or failing him

2. _____ of _____

having e-mail address _____ or failing him

3. _____ of _____

having e-mail address _____ or failing him and whose signature(s) is/are appended below as my/our proxy to attend and vote (on a poll) for me/us at the One Hundred and Ninth Annual General Meeting to be held on Tuesday, 29th September, 2015 at 3.00 p.m. at Orchid, 1st Floor, MVIRDC, World Trade Centre, Centre-1, Cuffe Parade, Mumbai 400 005 and at any adjournment thereof in respect of the resolutions indicated below:

| Resolution | For | Against |
|--|-----|---------|
| 1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2015 and the Profit & Loss Account of the Company for the year ended on that date alongwith the Reports of the Directors and Auditors thereon. | | |
| 2. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution. | | |
| 3. To increase the borrowing powers of the Company. | | |
| 4. To appoint Mr.Devanshu Desai (DIN 00493980) as an Independent Director | | |
| 5. To appoint Mrs.Bijal Shroff (DIN 07143556) as an Independent Director | | |
| 6. To appoint Ms.Madhu Chandak (DIN 07029901) as a Director liable to retire by rotation | | |
| 7. To appoint Ms.Manjri Chandak (DIN 03503615) as a Director liable to retire by rotation | | |

Signed this _____ day of _____ 2015

Signature of shareholder

Notes:

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

₹ 1
Revenue
Stamp

BOMBAY SWADESHI STORES LIMITED

Registered Office: Western India House, Sir Pherozeshah Mehta Road

Fort, Mumbai 400 001.

Tel : 022 22885048/49

CIN: L74999MH1905PLC000223 Email: investor@bombaystore.com

BALLOT FORM

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

- (1) I/We hereby exercise my/our vote in respect of the following Resolutions set out in the Notice of the One Hundred and Ninth Annual General Meeting of the Company to be held on Tuesday, 29th September, 2015 by conveying my/our assent to or dissent from the said Resolutions by placing (✓) tick mark at the appropriate box below:

| Description of resolution | Type of resolution | No.of ordinary shares for which votes cast | I/We assent to the resolution FOR | I/We dissent from the resolution AGAINST |
|--|--------------------|--|-----------------------------------|--|
| 1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2015 and the Profit & Loss Account of the Company for the year ended on that date alongwith the Reports of the Directors and Auditors thereon. | Ordinary | | | |
| 2. To appoint Auditors and fix their remuneration. | Ordinary | | | |
| 3. To increase the borrowing powers of the Company. | Ordinary | | | |
| 4. To appoint Mr.Devanshu Desai (DIN 00493980) as an Independent Director | Ordinary | | | |
| 5. To appoint Mrs.Bijal Shroff (DIN 07143556) as an Independent Director | Ordinary | | | |
| 6. To appoint Ms.Madhu Chandak (DIN 07029901) as a Director liable to retire by rotation | Ordinary | | | |
| 7. To appoint Ms.Manjri Chandak (DIN 03503615) as a Director liable to retire by rotation | | | | |

Place:

Date:

Signature of the shareholder

Notes:

1. If you opt to cast your vote by e-voting, there is no need to fill up and sign this form.
2. Last date for receipt of Postal Ballot Form : 22nd September, 2015
3. Please read the instructions printed overleaf carefully before exercising your vote.

INSTRUCTIONS

General Information

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

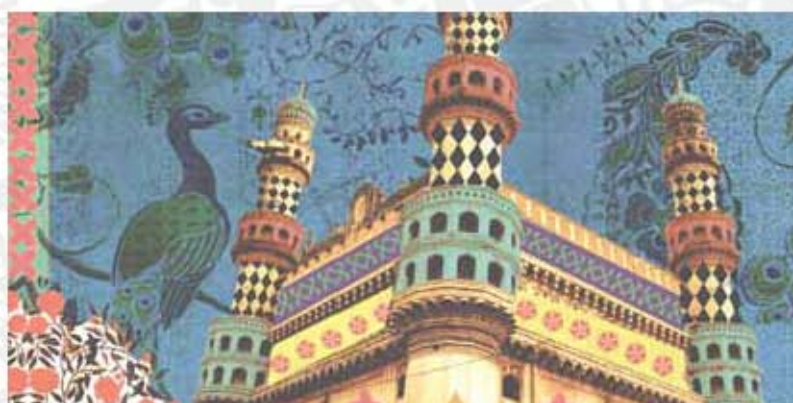
For voting physically by Postal Ballot Form

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



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