



# | THE BOMBAY STORE<sup>®</sup>

## 114th Annual Report 2019-2020



BOMBAY SWADESHI STORES LTD.

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| **THE BOMBAY STORE<sup>®</sup>**



**Since 1906**



# **BOMBAY SWADESHI STORES LIMITED**

## **114<sup>th</sup> ANNUAL REPORT 2019-2020**

### **INDEX**

<b>PARTICULARS</b>	<b>PAGE NO.</b>
Company Details	2
Notice	3
Directors' Report	10
Auditors' Report	24
Balance Sheet	30
Statement of Profit & Loss Account	31
Cash Flow Statement	32
Notes to Financial Statements	34
Auditors' Report on Consolidated Accounts	47
Consolidated Accounts	52

**BOMBAY SWADESHI STORES LIMITED**  
**114<sup>th</sup> ANNUAL REPORT 2019-20**  
**Corporate Information**

<b>BOARD OF DIRECTORS AND KMP</b>	Mrs. Madhu Chandak	-	Director
	Mrs. Manjri Chandak	-	Director
	Mrs. Jyoti Kabra	-	Director
	Mr. Santanu Ghosh	-	Chief Executive Officer

**STATUTORY AUDITORS** : M/s. Banshi Jain & Associates,  
Chartered Accountants

**BANKERS** : HDFC Bank Limited

**REGISTERED OFFICE** : Western India House,  
Sir Pherozeshah Mehta Road,  
Fort, Mumbai – 400 001  
Tel: 022- 2288 5048 / 49

**CORPORATE OFFICE** : 304, 3<sup>rd</sup> Floor, Hubtown Solaris,  
Prof NS Phadke Marg,  
Opp Teli Gali, Vijay Nagar,  
Andheri East, Mumbai-400 069  
Tel: +91 022 6835 1600

**Email** : investor@bombaystore.com

**Website** : www.thebombaystore.com

## NOTICE

**NOTICE** is hereby given that the 114th (One Hundred and Fourteenth) Annual General Meeting of the Members of Bombay Swadeshi Stores Limited will be held on Monday, 28th September, 2020 at 11.00 a.m. IST through video conferencing (VC) or other audio visual means (OAVM) to transact the following business:

### ORDINARY BUSINESS:

#### 1. Consideration and Adoption of:

- a) The Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2020 together with the Reports of the Board of Directors and Auditors thereon;
- b) The Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2020 together with the Reports of the Auditors thereon;

#### 2. Retire by Rotation:

To appoint a Director in place of Mrs. Madhu Chandak (DIN: 07029901) who retires by rotation and being eligible offers herself for re-appointment, as the Director of the company

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

**Manjri Chandak**  
Director  
DIN: 03503615

**Place: Mumbai**

**Dated: 27th August, 2020**

#### Registered Office:

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

#### NOTES:

1. In view of the massive outbreak of the COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") pursuant to Circular No. 20/2020 dated 5th May, 2020 read with Circular No. 14/2020 dated 8th April, 2020

and Circular No.17/2020 dated 13th April, 2020 ("MCA Circulars") permitted holding of Annual General Meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM) without the physical presence of Members at a common venue. Hence, Members can attend and participate in the ensuing AGM through VC/ OAVM in compliance with the provisions of the Companies Act, 2013 ("Act") and MCA Circulars.

2. Since this AGM is being held pursuant to the MCA Circulars through VC/ OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. Corporate members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
5. Participation through VC/OAVM shall be reckoned for the purpose of quorum for the AGM as per Section 103 of the Companies Act, 2013.
6. At the 111th Annual general Meeting held on 30th September, 2017, the members approved appointment of Banshi Jain & Associates (Firm Registration No. 100990W) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of 111th AGM till the conclusion of the 116th AGM, subject to ratification of their appointment by Members at every AGM, if so required under the Act. Pursuant to the amendments made to Section 139 of the Companies Act, 2013 by the Companies (Amendment) Act, 2017 effective from 7th May, 2018, the requirement of seeking ratification of the Members for the appointment of the Statutory Auditors had been withdrawn from the Statute. Accordingly, no resolution is being proposed for ratification of appointment of Statutory Auditors at this AGM. The Statutory Auditors have given a confirmation to the effect that they are eligible to continue with their appointment and that they have not been disqualified in any manner from continuing as Statutory Auditors.
7. Queries proposed to be raised at the Annual General Meeting may be sent to the Company at e-mail address:



investor@bombaystore.com at least seven days prior to the date of Annual General Meeting. The same shall be replied suitably by the Company.

8. All the relevant documents referred to in this AGM Notice, Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 and Register of Contracts or Arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 and other documents shall be available electronically for inspection by the members at the AGM. Members seeking to inspect such documents can send an email to investor@bombaystore.com upto the date of the AGM from their registered e-mail address.
9. The Register of Members and Share Transfer Books of the Company will be closed from Tuesday, 22nd September, 2020 to Monday, 28th September, 2020. (Both days inclusive)
10. Members holding shares of the Company as on Monday, 21st September, 2020, shall be entitled to vote at the Annual General Meeting of the Company. A person who is not a member as on the cut-off date should treat this notice for information purposes only.
11. Members holding shares in dematerialised form are requested to intimate all changes pertaining to change of address, bank account details, MICR code, IFSC code, mandates, power of attorney, nominations, change of name, email IDs, contact numbers etc., to their Depository Participant (DP). Changes intimated to the DPs will be automatically updated in the Company's records. Members holding shares in physical form are requested to intimate such changes to the Company's Registrar & Transfer Agent, Link Intime India Pvt. Ltd., C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083.
12. Brief profile of Director proposed to be re-appointed, nature of her expertise in specific functional areas, names of companies in which she holds directorships and memberships/ chairmanships of Board Committees, shareholding and relationships between directors inter-se, etc. as stipulated under Secretarial Standard on General Meeting ("SS-2"), is annexed to the Notice of AGM.
13. To eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form.

Members can contact the Company or Link Intime (India) Private Limited for assistance in this regard.

14. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or Link Intime (India) Private Limited, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
15. In compliance with the aforesaid MCA Circulars, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website [www.thebombaystore.com](http://www.thebombaystore.com) and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com).
16. Members who have not registered their e-mail address are requested to register the same in respect of shares held in electronic form with the Depository through their Depository Participant(s) and in respect of shares held in physical form by writing to the Company with details of folio number and attaching a self-attested copy of PAN card at investor@bombaystore.com or to Link Intime (India) Private Limited at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in).

#### **17. Instructions for attending the AGM through VC/OAVM:**

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. The Members can join "the AGM" in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders

Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.

3. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
4. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
5. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
6. Members who would like to express their views/ask questions during the meeting may register themselves as a speaker and send their request from their registered e-mail address mentioning their name, demat account number/folio number, e-mail id, mobile number at investor@bombaystore.com from 21st September, 2020 (9:00 a.m. IST) to 24th September, 2020 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
7. Members who need assistance before or during the AGM, can contact to CDSL on helpdesk.evoting@cdslindia.com or call on 022-23058542/43 or Contact to Mr. Nitin Kunder (022- 23058738 ) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

#### **Voting Options:**

1. 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 114th Annual General Meeting by electronic means. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

2. Member whose names appear in the Register of Members/ List of Beneficial Owners as on Monday, 21st September, 2020 are entitled to vote on the resolutions set forth in the Notice. Members who have acquired shares after the dispatch of the Annual Reports and before the cut-off date may approach the Company for issuance of the user id and password for exercising their right to vote by electronic means. The remote e-voting period will commence on Friday, 25th September, 2020 at 9.00 a.m and ends on Sunday, 27th September, 2020 at 5.00 p.m. The Company has appointed M/s. Rathi & Associates, Practicing Company Secretaries, as the Scrutinizer for conducting the e-voting and remote e-voting process for the Annual General Meeting in a fair and transparent manner.. Members desirous of voting through electronic mode may go through the procedure on e-voting detailed hereunder:

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

- (i) The remote e-voting period begins on Friday, 25th September, 2020 at 9.00 a.m and ends on Sunday, 27th September, 2020 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 Monday, 21st September, 2020 may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (iv) Click on Shareholders" module.
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's **EASI/ EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login

credentials. Once you successfully log-in to **CDSL's EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.

- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

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

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/ NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

**(xx) Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).



- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

Alternatively Non Individual shareholders are required to email the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, Scrutinizer by email through its registered email address to [hsk@rathindassociates.com](mailto:hsk@rathindassociates.com) with a copy marked to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022- 23058738 ) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

#### **18. Process for those members whose email ids are not registered with the depositories for procuring user id and password and registration of e-mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [investor@bombaystore.com](mailto:investor@bombaystore.com).

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [investor@bombaystore.com](mailto:investor@bombaystore.com).

Alternatively member may send an e-mail request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for obtaining User ID and Password by proving the details mentioned in Point (1) or (2) as the case may be.

#### **19. The instructions for members for e-voting on the day of the AGM are as under:**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

#### **20. Other instructions**

1. The Company has appointed Mr. Himanshu S. Kamdar (Membership No.: FCS 5171), Partner of M/s. Rathi & Associates, Practicing Company Secretaries, as scrutinizer (the 'Scrutinizer') for conducting the e-voting and remote e-voting process for the Annual General Meeting in a fair and transparent manner.
2. The members who have cast their vote by remote e-voting may attend the meeting through VC / OAVM but shall not be entitled to cast their vote again.
3. A person, whose name is recorded in the register of members or in the register of beneficial owners as on the cut-off date, Monday, 21st September, 2020 only

shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through e-voting.

4. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. Monday, 21st September, 2020, may obtain the login ID and password by sending a request at [evoting@cdsl.co.in](mailto:evoting@cdsl.co.in). However, if he/she is already registered with CDSL for remote e-voting then he/she can use his/her existing User ID and password for casting vote. If you forget your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.cdsl.com](http://www.evoting.cdsl.com).
5. The Scrutinizer shall after the conclusion of voting at the AGM, will count the votes cast at the meeting through e-voting and thereafter unblock the votes cast through remote e-voting and shall make, not later than 48 hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

6. The results of e-voting (Remote as well as e-voting at AGM) shall be aggregated and declared on or after the AGM of the Company by the Chairperson or by any other person duly authorised in this regard. The results declared along with the Scrutinizer's Report shall be placed on the website the Company [www.thebombaystore.com](http://www.thebombaystore.com) and on CDSL's website immediately after the declaration of result by the Chairperson or a person authorized by her.

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

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

**Place: Mumbai**  
**Dated: 27th August, 2020**

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



SINCE 1906

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

<b>Name of the Director</b>	<b>Mrs. Madhu Chandak</b>
Category	Non-Executive Director
Appointment/Re-appointment	Re-appointment
DIN	07029901
Age	41 years
Date of Appointment on the Board	15th June, 2015
Education Qualifications	Master Degree in Finance from Cardiff University, United Kingdom.
Nature of Expertise & Experience	She has more than ten years of experience in the field of finance and accounts.
Shareholding in the Company	1446818 shares (29.28%)
Terms and Conditions of Appointment/re- appointment	Non-executive Director, liable to retire by rotation
Details of Remuneration sought to be paid	Nil
Remuneration last drawn	Nil
Number of Board Meetings attended during the year	7
Relationship with other Director, Manager and other Key Managerial Personnel of the Company	Mrs. Madhu Chandak is sister of Mrs. Manjri Chandak & Mrs. Jyoti Kabra – Directors of the Company.
Name of the other Companies in which also holds Directorship	<ul style="list-style-type: none"> <li>• Bombay Store Retail Company Limited</li> <li>• Panigha Creations Private Limited</li> <li>• Palya Footwear Private Limited</li> <li>• Smt. Saraswati Devi Shivkishan Damani Foundation</li> </ul>
Memberships/ Chairmanships of Committees held on other Board.	-

**SINCE 1906** By Order of the Board of Directors of  
**Bombay Swadeshi Stores Limited**

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

**Place: Mumbai**  
**Dated: 27th August, 2020**

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



## DIRECTORS' REPORT

To,  
The Members

### **BOMBAY SWADESHI STORES LIMITED**

Your Directors have pleasure in presenting 114th Annual Report of your Company together with the Audited Financial Statements for the Financial year ended 31st March, 2020. ('the year under review', 'the year', or 'FY20')

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

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

The Company's performance during the year ended 31st March, 2020 as compared to the previous financial year, is summarized below:

(₹ in Lakhs)

Particulars	FY 2019-20	FY 2018-19
Income from Operation	5428.17	3977.50
Other Income	63.31	16.18
<b>Total Revenue</b>	<b>5491.48</b>	<b>3993.68</b>
Less: Expenses	5445.14	3518.89
<b>Profit before tax</b>	<b>46.34</b>	<b>474.79</b>
Less: Tax Expense	42.85	161.03
<b>Profit/ (Loss) after Tax</b>	<b>3.49</b>	<b>313.76</b>
(Add)/Less: Prior year's tax adjustments	(0.00)	(8.72)
Profit/(loss) for the year	3.49	322.48

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

The year 2019-2020 has seen excellent opportunities of growth and developments in strengthening our operations and business development.

We have added 11 stores to the list of our networks stores across many different cities of the country like Mumbai, Navi Mumbai, Bengaluru, Delhi, Hyderabad, Noida(UP), Ahmedabad, Cochin, Indore, Jaipur this includes reopening of our hotel boutique store at Jaipur.

During this financial year, we have introduced a new design concept for our stores keeping in mind the ethnic and heritage story within this new design concept, this new design has brought in a complete facelift of our stores look and feel and has given our brand a new identity altogether across the country. We have built 7 stores with

this new concept store during the year, which was liked, appreciated and well accepted by all our customers and retail fraternity.

We have also relocated and redesigned our Malad Inorbit (Mumbai) Store with a new design concept.

This new design concept of our store has also been awarded with the "Best Visual Merchandising" (Merit Award) at the VMRD Retail Design Awards 2020.

We have moved our warehouse operations to a larger facility in Navi Mumbai with state of art amenities and infrastructure to have seamless logistics support to all our existing and new stores and also proposed stores in future, we have also positioned a local regional warehouses in Delhi, Hyderabad, Cochin and Hyderabad, which will cut short the logistics time of stock movements and can cater for stock requirements for local city store instantly.

We have also set up a regional office in Delhi deputing support functions such as HR & Administration which in coordination with corporate office will support stores functions in complete Northern Region.

The total number of stores has grown from 20 in 2019 stores to 31 at the end of day of 31st March-2020.

On standalone basis, In FY 20 the Income from operations has increased to ₹5428.17 Lakhs as against the previous year's income ₹3,977.50 Lakhs. The Net profit after tax (PAT) for FY 20 stood at ₹ 3.49 Lakhs as against the previous year's PAT of ₹ 313.76 Lakhs.

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

With a view to conserve resources, the Board of Directors does not recommend any dividend for the Financial Year ended 31st March, 2020.

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

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

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

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

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

The Company faced significant headwinds due to COVID-19 which impacted the operations of the Company adversely starting from the month of March 2020 onwards particularly by way of store closures due to complete lockdown. This unprecedented disruption has had an adverse impact on the performance of the Company and continues to impact its business and financial results. The Company has put into place certain strategic steps like negotiating rentals for stores, streamlining costs, etc to ensure a bounce back from this situation.

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

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

The performance and financial position of the subsidiary and associate companies for the year ended 31st March, 2020 is attached and marked as "Annexure I" and forms part of this report.

During the Financial year 2019-20 Company has sold its investment in Associate Company Out of India Retail Private Limited. Post this transaction Out of India Retail Private Limited has ceased to be its associate company.

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

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

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

**i. Revision of Financial Statement**

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

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

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

**k. Deposits**

During the year under review, the Company has neither accepted any fresh deposit nor has renewed any deposits.

Details of deposits covered under Chapter V of the Act are as under:

Amount accepted as deposit during the year	Nil
Amount of deposit and interest thereon remained unpaid or unclaimed as at the end of the year	₹ 348114 (unclaimed)
Whether there has been any default in repayment of deposit or payment or interest thereon during the year;	No
If yes number of cases and the total amount involved:	
- At the beginning of the year	NA
- Maximum during the year	NA
- At the end of the year	NA

**Note:** It includes accrued Interest

As on the date of this Report, there has been no default in repayment of any matured deposit.

As on 31st March, 2020, total ₹84,874/- unclaimed deposit & interest amount were to be transferred to the Investor Education and Protection Fund but have not been so transferred due to incomplete details of deposit holders. The Company has now reconciled the records and traced the required details of the said Deposit Holders required to be submitted to the Fund along with the unclaimed amount. The Company is in process of transferring the said amount to Investor Education and Protection Fund in the current financial year

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

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

## **m. Maintenance of Cost Audit Records**

The Company is not required to maintain of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.

## **2. MATTERS RELATED TO DIRECTORS AND KEY MANAGERIAL PERSONNEL**

### **a. Board of Directors & Key Managerial Personnel**

There was no change in composition of the Board of Directors of the Company during the financial year under review.

### **b. Director retiring by rotation**

As per the provisions of Section 152 of the Companies Act, 2013, Mrs. Madhu Chandak (DIN: 07029901) retires by rotation and being eligible offers herself for re-appointment at the ensuing Annual General Meeting. Necessary resolution for her re-appointment is included in the Notice of AGM for seeking the approval of Members. The Directors recommend her re-appointment for your approval.

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

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

### **a. Board Meetings**

The Board of Directors met Seven times during the financial year ended 31st March, 2020 in accordance with the provisions of the Companies Act, 2013 and rules made thereunder.

<b>Sr. No.</b>	<b>Date of the Meeting (dd-mm-yyyy)</b>
1	15-04-2019
2	10-05-2019
3	26-06-2019
4	23-08-2019
5	10-10-2019
6	13-01-2020
7	04-03-2020

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

<b>Name of Directors</b>	<b>No. of Board Meetings</b>		<b>Attendance at last AGM held on 28th September, 2019</b>
	<b>Held*</b>	<b>Attended</b>	
Mrs. Manjri Chandak	7	7	Yes
Mrs. Madhu Chandak	7	7	Yes
Mrs. Jyoti Kabra	7	7	Yes

### **b. Stakeholders Relationship Committee**

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

The Stakeholders Relationship Committee comprises of:

<b>Composition</b>	<b>Category</b>
Mrs. Manjri Chandak	Chairperson
Mrs. Madhu Chandak	Member

The members of Stakeholder Relationship Committee met three times during the financial year under review. The details of the meeting held and attended during the financial year ended 31st March, 2020 are given herein below:

<b>Sr. No</b>	<b>Date of the Meeting (dd/mm/yyyy)</b>
1.	12-07-2019
2.	11-11-2019
3.	02-12-2019

<b>Name of the Member(s)</b>	<b>Meeting(s) details</b>	
	<b>Held</b>	<b>Attended</b>
Mrs. Manjri Chandak	3	3
Mrs. Madhu Chandak	3	3



**c. Internal Control Systems**

There are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. Internal control systems comprising of policies and procedures are designed to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedure, applicable laws and regulations and that all assets and resources are acquired economically, used efficiently and adequately protected.

**d. Risk Management:**

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

**e. Directors' Responsibility Statement**

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

- (a) in the preparation of the annual accounts for the year ended 31st March 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year and of the profit of the Company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;

- (d) the annual accounts of the Company have been prepared on a going concern basis;

- (e) proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**4. AUDITORS & REPORT**

**Auditors:**

M/s. Banshi Jain & Associates, Chartered Accountants (Firm Registration No. 100990W) were appointed as Statutory Auditors of your Company at the 111th Annual General Meeting for a term of five consecutive years. The observations in Auditors report read with the explanatory notes therein are self-explanatory and therefore, do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

The Auditors' Report for the financial year ended 31st March, 2020 is unmodified and does not contain any qualification, reservation, adverse remark or disclaimer except the observation with respect to delay in transferring the amount, required to be transferred to the Investor Education and Protection Fund (IEPF).

The Board of Directors would like to clarify that as on 31st March, 2020, total ₹84,874/- unclaimed deposit & interest amount were to be transferred to the Investor Education and Protection Fund but have not been so transferred due to incomplete details of deposit holders. The said details of the deposit holders are essential to file e-form IEPF-1 as well as to remit the said amount to the Fund.

The Company has now reconciled the records and traced the required details of the said Deposit Holders required to be submitted to the Fund along with the unclaimed amount. The Company is in process of transferring the said amount to Investor Education and Protection Fund in the current financial year. *(Kindly Refer foot note of Note 8 of the standalone financial statement)*

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

#### **Reporting of fraud by Auditor:**

During the year under review, the Statutory Auditors have not reported any instances of fraud committed in the Company by its officers or employees to the Audit Committee under section 143(12) of the Companies Act, 2013, details of which needs to be mentioned in this report.

### **5. OTHER DISCLOSURES**

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

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

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

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

Pursuant to the provisions of Section 134 (3) (a) of the Companies Act, 2013, extract of the Annual Return for the financial year ended on 31st March, 2020 made under the provisions of Section 92 (3) of the Act is attached as "**Annexure -II**" which forms part of this report.

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

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

The total foreign exchange expended during the year was ₹ NIL (previous year Nil) and earned during the year was ₹1246.10 Lakhs (previous year ₹ 1006.79 Lakhs).

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

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

### **6. GENERAL**

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

1. None of the Directors received payment of remuneration or commission from the Holding/ Subsidiary Company during the financial year 2019-20.
2. Issue of equity shares with differential rights under Employees Stock Option Scheme as per provisions of Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014.
3. Issued Equity Shares with differential rights as to dividend, voting or otherwise as per section 43 of the Companies Act, 2013
4. Issue of shares (including sweat equity shares) to employees of the Company under any scheme pursuant to section 54 of the Companies Act, 2013
5. There were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Companies Act, 2013 read with Rule 16(4) of the Companies (Share Capital and Debentures) Rules, 2014 as the Company did not create any such scheme during the year; and
6. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

### **7. PROTECTION OF WOMEN AT WORKPLACE:**

The company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. No case pertaining

to sexual harassment has been reported to Company during the Financial Year 2019-20.

#### **8. COMPANY AFFIRMATION OF READINESS TOWARDS COVID - 19**

India is going through a tough phase of a global pandemic-Novel Coronavirus disease (COVID-19).

The Indian government is taking all possible measures to keep a check on the spread of this disease within the country.

Accordingly, your Company also took part in the mission of social distancing by

- Putting in place Work from Home Policy (WFH) for the employees of the Company;
- Conduct of meetings through VC, telephone, computerized & other electronic means;
- Strictly adhering to the "Do's and Dont's" advised by the Public Health Authorities;
- Only essential staff is being called on duty.

The Company is following other preventive measures prescribed by the local authorities from time to time.

#### **9. APPRECIATION:**

Your Directors wish to express their appreciation for the assistance and co-operation received from the

members, banks, Government authorities, vendors and the customers during the year under review.

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

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

Madhu Chandak  
Director  
DIN: 07029901

Manjri Chandak  
Director  
DIN: 03503615

**Date: 27th August, 2020**

**Place: Mumbai**

#### **Registered Office:**

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

**SINCE 1906**



**ANNEXURE – I**

**PERFORMANCE OF SUBSIDIARIES & ASSOCIATE COMPANIES**

**FORM AOC- 1**

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

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

**Part “A”: Subsidiaries**

(₹in lakhs)

1.	Serial No.	(i)
2.	Name of the subsidiary	Bombay Store Retail Company Limited
3.	The date since when subsidiary was acquired	25/01/2008
4.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as of the Holding Company
5.	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries.	N.A
6.	Share capital	300.00
7.	Reserves and Surplus	(1015.32)
8.	Total Assets	47.26
9.	Total Liabilities excluding Share Capital, Reserves & Surplus	1062.58
10.	Investments	0.99
11.	Turnover	-
12.	Profit/(loss) before taxation	4.62
13.	Provision for taxation	-
14.	Profit/(loss) after taxation	4.62
15.	Proposed Dividend	NIL
16.	Extent of shareholding (in percentage)	100%

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

**ANNEXURE - II****FORM NO. MGT - 9**  
**EXTRACT OF ANNUAL RETURN**  
As on financial year ended on 31.03.2019

*[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company  
(Management & Administration) Rules, 2014]*

**I. REGISTRATION & OTHER DETAILS:**

CIN	U74999MH1905PLC000223
Registration Date	11-12-1905
Name of the Company	Bombay Swadeshi Stores Limited
Category/Sub-category of the Company	Company Limited by Shares Non-government Company
Address of the Registered Office & contact details	Western India House, Sir P.M. Road Fort, Mumbai 400 001 Tel: (022) 22885048/49 E-mail: investor@bombaystore.com
Whether listed company	No
Name, Address & contact details of the Registrar & Transfer Agent, if any.	<b>Link Intime India Pvt Limited</b> C 101, 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai – 400083, Maharashtra, India Tel No.: +91-22-4918 6270 Fax No.: +91-22-4918 6060 Email: rnt.helpdesk@linkintime.co.in

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

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

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

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

#### 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, 2019]				No. of shares held at the end of the year [As on 31st March, 2020]				% (change during the year)
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A.</b>	<b>Promoters</b>									
1.	Indian									
a	Individuals/ HUF	4602595	-	4602595	93.17	4388856	-	4388856	88.84	(4.33)
b	Central Govt.	-	-	-	-	-	-	-	-	-
c	State Govts.	-	-	-	-	-	-	-	-	-
d	Bodies Corporate	-	-	-	-	-	-	-	-	-
e	Banks/FIs	-	-	-	-	-	-	-	-	-
f	Any other (specify)	-	-	-	-	-	-	-	-	-
	<b>Sub-Total A(1)</b>	<b>4602595</b>	<b>-</b>	<b>4602595</b>	<b>93.17</b>	<b>4388856</b>	<b>-</b>	<b>4388856</b>	<b>88.84</b>	<b>(4.33)</b>
2.	Foreign									
a	Non-resident individuals	-	-	-	-	-	-	-	-	-
b	Other individuals	-	-	-	-	-	-	-	-	-
c	Bodies Corporate	-	-	-	-	-	-	-	-	-
d	Banks/FIs	-	-	-	-	-	-	-	-	-
e	Any other (specify)	-	-	-	-	-	-	-	-	-
	<b>Sub-Total A(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total shareholding of promoters A = (A1+A2)</b>	<b>4602595</b>	<b>-</b>	<b>4602595</b>	<b>93.17</b>	<b>4388856</b>	<b>-</b>	<b>4388856</b>	<b>88.84</b>	<b>(4.33)</b>
<b>B.</b>	<b>Public shareholding</b>									
1.	Institutions	-	-	-	-	-	-	-	-	-
a)	Mutual Funds	-	-	-	-	-	-	-	-	-
b)	Banks/FI	460	-	460	0.00	460	-	460	0.00	-
c)	Central Govt.	6	-	6	0.00	6	-	6	0.00	-
d)	State Govts.	-	-	-	-	-	-	-	-	-
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	-	-	-	-	-	-	-	-	-
g)	FIs	-	-	-	-	-	-	-	-	-
h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)	Others	-	-	-	-	-	-	-	-	-
	<b>Sub-Total B(1)</b>	<b>466</b>	<b>-</b>	<b>466</b>	<b>0.00</b>	<b>466</b>	<b>-</b>	<b>466</b>	<b>0.00</b>	<b>-</b>
2.	Non-Institutions									
a)	Bodies Corporate									
(i)	Indian	16846	1666	18512	0.37	16846	1666	18512	0.37	0.00
(ii)	Overseas	-	-	-	-	-	-	-	-	-
b)	Individuals									



Category of shareholders		No. of shares held at the beginning of the year [As on 1st April, 2019]				No. of shares held at the end of the year [As on 31st March, 2020]				% (change during the year)
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(i)	Individual share-holders holding nominal share capital upto ₹1 lakh	166796	143586	310382	6.28	169240	140881	310121	6.27	0.00
(ii)	Individual share-holders holding nominal share capital in excess of ₹1 lac	-	-	-	-	214000	-	214000	4.33	4.33
c)	Others (specify)									
	Non-resident Indians (Non Repat)	213	-	213	0.00	1213	-	1213	0.02	0.02
	Non Resident Indians (Repat)	1022	-	1022	0.02	22	-	22	0.00	(0.02)
	Overseas Corporate Bodies									
	Foreign Nationals	-	-	-	-	-	-	-	-	-
	NBFC registered with RBI	-	-	-	-	-	-	-	-	-
	Trusts	20	-	20	0.00	20	-	20	0.00	20
	Foreign Bodies - DR	-	-	-	-	-	-	-	-	-
	Clearing Member	-	-	-	-	-	-	-	-	-
	HUF	6790	-	6790	0.11	6790	-	6790	0.11	-
	<b>Sub-Total (B)(2)</b>	<b>191687</b>	<b>145252</b>	<b>336939</b>	<b>6.82</b>	<b>408131</b>	<b>142547</b>	<b>550678</b>	<b>11.15</b>	<b>4.33</b>
	<b>Total public share-holding B= (B1 + B2)</b>	<b>192153</b>	<b>145252</b>	<b>337405</b>	<b>6.83</b>	<b>408597</b>	<b>142547</b>	<b>551144</b>	<b>11.16</b>	<b>4.33</b>
C.	Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	<b>Grand Total (A + B +C)</b>	<b>4794748</b>	<b>145252</b>	<b>4940000</b>	<b>100</b>	<b>4797453</b>	<b>142547</b>	<b>4940000</b>	<b>100</b>	<b>-</b>

#### B. Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year [As on 1st April, 2019]			Shareholding at the end of the year [As on 31st March, 2020]			% 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	Madhu Abhay Chandak	1660818	33.61	-	1446818	29.28	-	(4.33)
2	Jyoti Varun Kabra	1495186	30.27	-	1495186	30.27	-	-
3	Manjri Aditya Chandak	1446591	29.28	-	1446852	29.28	-	0.00
	<b>Total</b>	<b>4602595</b>	<b>93.17</b>		<b>4388856</b>	<b>88.84</b>	<b>-</b>	<b>(4.33)</b>

**C. Change in Promoter and Promoter Group Shareholding:**

Sr. No.	Particulars	Shareholding at the beginning of the year (01.04.2019)		Date (dd/mm/yyyy)	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Madhu Abhay Chandak	1660818	33.62				1660818	33.62
		-	-	27/08/2019	(214000)	Sell	1446818	29.28
	<b>At the end of the Year</b>						<b>1446818</b>	<b>29.28</b>
2	Jyoti Varun Kabra	1495186	30.27				1495186	30.27
		-	-	NA	NA	NA		
	<b>At the end of the Year</b>						<b>1495186</b>	<b>30.27</b>
3	Manjri Aditya Chandak	1446591	29.28				1446591	29.28
		-	-	17/07/2019	266	Buy	1446857	29.28
		-	-	24/07/2019	(5)	Sell	1446852	29.28
	<b>At the end of the Year</b>						<b>1446852</b>	<b>29.28</b>

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

Sr. No.	Particulars	Shareholding at the beginning of the year (01.04.2019)		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Pratinav Gopikishan Damani	-	-				-	-
				27/08/2019	107,000	Buy	107,000	2.16
	<b>At the end of the year</b>						<b>107,000</b>	<b>2.16</b>
2	Prateet Gopikishan Damani							
				27/08/2019	107,000	Buy	107,000	2.16
	<b>At the end of the year</b>						<b>107,000</b>	<b>2.16</b>
3	Rajiv R Thakkar	21000	0.42				21000	0.42
				NA	NA	NA	-	-
	<b>At the end of the year</b>						<b>21000</b>	<b>0.42</b>
4	Manibhai Chaturbhuj Bhupendrasingh Mulji Bhupendrasingh Mulji	14133	0.28				14133	0.28
				NA	NA	NA	-	-
	<b>At the end of the year</b>						<b>14133</b>	<b>0.28</b>

Sr. No.	Particulars	Shareholding at the beginning of the year (01.04.2019)		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
5	Luxmi Kant Gupta Usha Gupta	13307	0.26				13307	0.26
				NA	NA	NA	-	-
	At the end of the year						<b>13307</b>	<b>0.26</b>
6	Gautam Maneklal Mehta Rajann Gautam Mehta	10000	0.20				10000	0.20
				NA	NA	NA	-	-
	At the end of the year						<b>10000</b>	<b>0.20</b>
7	Sudarshanram Narayan Rao	8333	0.16				8333	0.16
				NA	NA	NA	-	-
	At the end of the year						<b>8333</b>	<b>0.16</b>
8	Pradip Chinubhai Patel Bina Pradip Patel Saloni Pradip Patel	7666	0.15				7666	0.15
				NA	NA	NA	-	-
	At the end of the year						<b>7666</b>	<b>0.15</b>
9	MSPL Limited	4573	0.09				4573	0.09
				NA	NA	NA	-	-
	At the end of the year	-	-				<b>4573</b>	<b>0.09</b>
10	Saraswati Mangesh Rege Vasanti Vasant Naik	3680	0.07				3680	0.07
				NA	NA	NA	-	-
	At the end of the year						<b>3680</b>	<b>0.07</b>

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

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

Sr. No.	Particulars	Shareholding at the beginning of the year (01.04.2019)		Date (dd/mm/yyyy)	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Madhu Abhay Chandak	1660818	33.62				1660818	33.62
		-	-	27/08/2019	(214000)	Sell	1446818	29.28
	At the end of the Year						<b>1446818</b>	<b>29.28</b>
2	Jyoti Varun Kabra	1495186	30.27				1495186	30.27
		-	-	NA	NA	NA		
	At the end of the Year						<b>1495186</b>	<b>30.27</b>

Sr. No.	Particulars	Shareholding at the beginning of the year (01.04.2019)		Date (dd/mm/yyyy)	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
3	Manjri Aditya Chandak	1446591	29.28				1446591	29.28
		-	-	17/07/2019	266	Buy	1446857	29.28
		-	-	24/07/2019	(5)	Sell	1446852	29.28
	At the end of the Year						1446852	29.28

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

	Secured Loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
Indebtedness at the beginning of the year				
(i) Principal amount	Nil	370,00,000	2,14,000	3,72,14,000
(ii) Interest due but not paid			1,63,319	1,63,319
(iii) Interest accrued but not due				
<b>Total (i) + (ii) + (iii)</b>	<b>Nil</b>	<b>370,00,000</b>	<b>3,77,319</b>	<b>3,73,77,319</b>
Change in indebtedness during the financial year				
• Addition	Nil	14,42,00,000	-	14,42,00,000
• Reduction	Nil	(22,00,000)	(29,205)	(22,29,205)
<b>Net change</b>		<b>14,20,00,000</b>	<b>(29,205)</b>	<b>14,19,70,795</b>
Indebtedness at the end of the year				
(i) Principal amount	Nil	17,90,00,000	1,94,000	17,91,94,000
(ii) Interest due but not paid			1,54,114	1,54,114
(iii) Interest accrued but not due			-	-
<b>Total</b>	<b>Nil</b>	<b>17,90,00,000</b>	<b>3,48,114</b>	<b>17,93,48,114</b>

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

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

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

**B. Remuneration to other Directors:**

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



**C. Remuneration to key managerial personnel other than MD/manager/WTd for FY 2019-20**

(₹ in Lakhs)

Sr. No.		Key Managerial Personnel	
		Mr. Santanu Ghosh (CEO)	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	78.95	78.95
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - as % of profit - others, specify...	-	-
5.	Others, please specify (Employer Contribution to Provident Fund)	4.32	4.32
	<b>Total</b>	<b>83.27</b>	<b>83.27</b>

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

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

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

Madhu Chandak  
Director  
DIN: 07029901

Manjri Chandak  
Director  
DIN: 03503615

**Date: 27th August, 2020**

**Place: Mumbai**

**Registered Office:**

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

CIN: U74999MH1905PLC000223

Tel No.: 022 22885048/49; Email Id: investor@bombaystore.com;

Website: www.thebombaystore.com

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF BOMBAY SWADESHI STORES LIMITED**

#### **Report on the Audit of the Standalone Financial Statements**

##### **Opinion**

We have audited the accompanying standalone financial statements of BOMBAY SWADESHI STORES LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards as prescribed under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and its cash flows for the year ended on that date.

##### **Basis for Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

##### **Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in Annual Report but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

##### **Responsibility of Management for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(l) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are

inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules 2014.
  - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting with reference to these standalone financial statements of the company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
- g) In our opinion and to the best of our information and according to the explanation given to us, the company has not paid or provided managerial remuneration for the year ended March 31, 2020.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the pending litigations which would impact its financial position in Note No 25.
  - ii. The Company did not have any long – term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been delay in transferring the amounts, required to be transferred to the Investor Education and Protection Fund by the Company as on Balance Sheet Date. Refer foot note of Note 8 of the standalone financial statement.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Banshi Jain & Associates**  
Chartered Accountants  
FRN – 0100990W

Place: MUMBAI  
Date: 27/08/2020

**R.B. Golecha**

Partner  
Membership No. **035348**  
UDIN : **20035348AAAACM5908**

## **Annexure 'A' to The Independent Auditor's Report**

**(Referred to in paragraph 2 under the heading 'Report on Other Legal and Regulatory Requirements' of our report to the members of Bombay Swadeshi Stores Limited)**

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

i. In respect of the Company's fixed assets:

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The company has a regular program of physical verification of its fixed assets under which the fixed assets are verified in a phased manner, which, in our opinion is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no immovable property held in the name of the company.

ii. In respect of its inventories:

The physical verification of the merchandises (Finished Goods) have been conducted at reasonable intervals by the management during the year. On account of the nature of the trade being retail business dealing in hundreds of small items, in our opinion the frequency of the verification is reasonable. The discrepancies noticed on physical verification of the inventory as compared to book records were not material

- iii. According to the information and explanation given to us, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. Accordingly, clauses 3 (iii) (a) and 3(iii) (b) of the Order are not applicable.

iv. In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made, guarantees and securities given have been complied by the company.

v. According to information and explanation given to us, the company has not accepted any deposits during the year. There are no unclaimed deposits to which the provision of Section 73 and 76 of the Act or any other relevant provisions of the Companies would apply.

vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus, reporting under clause 3(vi) of the order is not applicable to the Company.

vii. According to the information and explanation given to us in respect of statutory dues:

a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it.

b) According to the information and explanation given to us, there are no dues of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess which were outstanding at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, the particulars of dues of income tax, service tax as at 31<sup>st</sup> March 2020 which have not been deposited on account of any dispute, are as follows:

Name of the Statute	Nature of Dues	Amounts involved (₹)	Period to which the amount relates	Forum where dispute is pending
Central Excise and Service Tax	Service Tax	1,45,897	2008-09,	
2010-11	Supreme Court			
Income Tax Act	Income tax	5,630	2014-15	CIT (A)
Income Tax Act	Income tax	7,97,901	2015-16	CIT (A)

viii. The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3 (viii) of the Order is not applicable to the Company.

ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.

x. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instance of fraud done by the company or any fraud done on the company by its officers or employees, noticed or reported during the year, nor have we been informed of such case by the management.

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

xii. In our opinion, the Company is not a Nidhi Company. Accordingly, provision of clause 3 (xii) of the Order is not applicable to the Company.

xiii. In our opinion all transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable, and the requisite details have been disclosed in the notes to financial statements, as required by the applicable accounting standards.



- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures. Accordingly reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- xv. In our opinion, the Company has not entered into any non – cash transactions with directors or persons covered with them under section 192 of the Act.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **BANSHI JAIN & ASSOCIATES**

Chartered Accountants  
FRN: 0100990W

**R.B. Golecha**  
Partner

Place: MUMBAI  
Date: 27/08/2020

Membership No. **035348**  
UDIN : **20035348AAAACM5908**

## **Annexure –B to the Auditors’ Report”**

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

In conjunction with our audit of the standalone financial statements of Bombay Swadeshi Stores Limited (the “Company”) as at and for the year ended 31 March 2020, we have audited the internal financial controls over financial reporting of the Company as of that date.

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

The Company’s Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (“the Guidance Note”) issued by the Institute of Chartered Accountants of India (“ICAI”).

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of Company’s business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

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

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that: -

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company and;
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material

misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **BANSHI JAIN & ASSOCIATES**  
Chartered Accountants  
FRN: 0100990W

**R.B. Golecha**  
Partner

Membership No. **035348**  
UDIN : **20035348AAAACM5908**

Place: MUMBAI  
Date: 27/08/2020

SINCE 1906

## Balance Sheet as at 31<sup>st</sup> March, 2020

	Note	2019-20	2019-20	2018-19
		₹	₹	₹
<b>EQUITY AND LIABILITIES</b>				
<b>SHAREHOLDERS FUNDS :</b>				
Share Capital	2	98,80,000		98,80,000
Reserves & Surplus	3	14,61,83,583	15,60,63,583	14,58,33,865
				15,57,13,865
<b>NON CURRENT LIABILITIES:</b>				
Long Term Provisions	4	25,85,652	25,85,652	17,38,693
				17,38,693
<b>CURRENT LIABILITIES</b>				
Trade Payables	6			
Outstanding dues of micro and small enterprises		1,38,52,169		10,72,259
Outstanding dues of others		2,34,17,399		71,07,185
Short Term Borrowings	5	17,90,00,000		3,70,00,000
Short Term Provisions	7	2,48,68,517		2,46,86,605
Other Current Liabilities	8	2,35,16,047		1,06,20,889
			26,46,54,132	8,04,86,938
<b>Total</b>			<b>42,33,03,367</b>	23,79,39,496
<b>ASSETS</b>				
<b>NON CURRENT ASSETS:</b>				
<b>Property, Plant &amp; Equipments</b>				
Tangible Assets	9		5,62,19,859	2,25,41,610
Intangible Assets			17,26,812	9,98,148
Capital Work in Progress	9		12,65,373	-
<b>NON CURRENT INVESTMENTS:</b>	10		3,00,00,000	3,01,00,000
<b>LONG TERM LOANS AND ADVANCES:</b>	11		7,32,64,298	4,42,27,280
<b>DEFERRED TAX ASSETS</b>	28		60,30,473	42,55,308
<b>OTHER NON CURRENT ASSETS</b>	12		99,86,091	20,47,418
<b>CURRENT ASSETS:</b>				
Inventories	13	16,16,57,442		8,61,54,936
Trade Receivables	14	92,706		13,33,261
Cash & Cash Equivalents	15	2,71,74,872		1,23,51,690
Short Term Loans & Advances	16	5,26,36,182		3,30,47,500
Other Current Assets	17	32,49,259		8,82,345
			24,48,10,462	13,37,69,732
<b>Total</b>			<b>42,33,03,367</b>	23,79,39,496
<b>Notes forming part of Financial Statements</b>	1 -32			

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

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

**Santanu Ghosh**  
CEO

**Madhu Chandak**  
Director

**Manjri Chandak**  
Director

**Jyoti Kabra**  
Director

MUMBAI, 27th August 2020

MUMBAI, 27th August 2020

## Statement of Profit and Loss for the year ended 31<sup>st</sup> March 2020

	Note	2019-20	2018-19
		₹	₹
<b>INCOME :</b>			
Revenue from Operation	18	54,28,17,558	39,77,50,416
Other Income	19	63,31,160	16,18,241
<b>Total Revenue</b>		<b>54,91,48,718</b>	<b>39,93,68,657</b>
<b>EXPENSES :</b>			
Purchase Of Stock In Trade	20	33,22,78,743	22,20,07,758
Change in Inventories of Stock in Trade	21	(7,18,92,818)	(3,07,58,502)
Employee Benefit Expenses	22	8,33,96,243	4,83,06,177
Finance Costs	23	69,05,326	50,99,666
Other Expenses	24	17,69,08,514	10,04,03,540
Depreciation & amortisation expenses	9	1,69,18,639	68,30,847
<b>Total Expenses</b>		<b>54,45,14,646</b>	<b>35,18,89,486</b>
<b>Profit before Exceptional Items</b>		<b>46,34,072</b>	<b>4,74,79,171</b>
Exceptional Items		-	-
<b>Profit/(Loss) before Tax</b>		<b>46,34,072</b>	<b>4,74,79,171</b>
Provision for Tax		60,59,829	1,42,39,427
Less:- MAT Credit Entitlement		-	16,45,848
Provision for Deferred Tax		(17,75,165)	2,18,087
<b>Total Tax Expenses</b>		<b>42,84,664</b>	<b>1,61,03,362</b>
<b>Profit/(Loss) after Tax</b>		<b>3,49,408</b>	<b>3,13,75,809</b>
Less: Prior years tax adjustments		(268)	(8,72,812)
<b>Profit/(Loss) for the year</b>		<b>3,49,676</b>	<b>3,22,48,621</b>
Basic and diluted earning per share (in ₹)	27	0.07	6.53
<b>Notes forming part of Financial Statements</b>	1 -32		

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

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

**Santanu Ghosh**  
CEO

**Madhu Chandak**  
Director

**Manjri Chandak**  
Director

**Jyoti Kabra**  
Director

MUMBAI, 27th August 2020

MUMBAI, 27th August 2020

**Cash Flow Statement for the year ended 31<sup>st</sup> March 2020**

		2019-20		2018-19	
		₹	₹	₹	₹
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
	<b>Net Profit before tax and Exceptional items</b>		<b>46,34,072</b>	-	4,74,79,171
	Add: Adjustments for :			-	
	Depreciation & Amortisation	<b>1,45,60,820</b>		68,30,847	
	Interest paid	-		-	
	Loss on sale of Fixed Asset	<b>25,319</b>		-	
	Interest received	<b>(1,17,766)</b>		(6,64,731)	
	(Profit) / Loss on sales of Investment	<b>(49,00,000)</b>		-	
	(Profit) / Loss on sales of fixed assets (net)	-		-	
	Dividend received	-	<b>95,68,373</b>	-	61,66,116
	<b>Operating Profit before Working Capital Changes</b>		<b>1,42,02,445</b>		5,36,45,287
	Adjustments for :				
	Increase / (Decrease) in Trade payables	<b>2,90,90,123</b>		28,79,508	
	Increase / (Decrease) in Other Current Liabilities	<b>1,28,95,158</b>		39,39,889	
	Increase / (Decrease) in Long Term Provisions	<b>8,46,959</b>		(2,74,500)	
	Increase / (Decrease) in Short Term Provisions	<b>18,27,837</b>		8,53,486	
	(Increase) / Decrease in Inventories	<b>(7,55,02,506)</b>		(3,07,17,817)	
	(Increase) / Decrease in Long Term Loans & Advances	<b>(2,90,37,018)</b>		-	
	(Increase) / Decrease in Other Non Current Assets	<b>(79,38,673)</b>		(20,47,418)	
	(Increase) / Decrease in Short Term Loans & Advances	<b>(1,71,52,866)</b>		(3,22,18,233)	
	(Increase) / Decrease in Other Current Assets	<b>(23,66,914)</b>		(8,82,347)	
	(Increase) / Decrease in Trade & Other receivables	<b>12,40,554</b>	<b>(8,60,97,345)</b>	4,46,249	(5,80,21,182)
	<i>Cash Generated from Operations</i>		<b>(7,18,94,899)</b>		(43,75,894)
	Direct taxes paid		<b>(1,01,41,258)</b>		(1,51,05,823)
	<b>Net Cash from Operating Activities</b>	<b>[A]</b>	<b>(8,20,36,157)</b>		(1,94,81,717)
<b>B</b>	<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>				
	Purchase of Assets		<b>(4,89,93,054)</b>	-	(1,68,11,323)
	Addition to Capital Work In Progress		<b>(12,65,373)</b>		
	(Purchase)/Sale of Investments		<b>50,00,000</b>		(2,95,00,000)
	Interest received		<b>1,17,766</b>		6,64,731
	<b>Net Cash from Investing Activities</b>	<b>[B]</b>	<b>(4,51,40,661)</b>		(4,56,46,592)
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
	Receipt / (Repayment) of borrowings		<b>14,20,00,000</b>	-	3,70,00,000
	<b>Net Cash Flow from Financial Activities</b>	<b>[C]</b>	<b>14,20,00,000</b>		3,70,00,000



## Statement of Profit and Loss for the year ended 31<sup>st</sup> March 2020

		2019-20		2018-19	
		₹	₹	₹	₹
	<b>Net Cash increase/(Decrease) in cash and Cash equivalents</b>	<b>(A+B+C)</b>	<b>1,48,23,181</b>		<b>(2,81,28,309)</b>
	<b>Cash and Cash Equivalents (Opening) :</b>				
	Cash on Hand	<b>8,92,649</b>		4,11,000	
	Balance with Banks	<b>1,14,59,041</b>	<b>1,23,51,690</b>	4,00,69,000	4,04,80,000
	<b>Cash and Cash Equivalents (Closing) :</b>				
	Cash on Hand	<b>83,920</b>		8,92,649	
	Balance with Banks	<b>2,70,90,952</b>	<b>2,71,74,872</b>	1,14,59,041	1,23,51,689

### Notes :

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

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

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

**Madhu Chandak**  
Director

**Manjri Chandak**  
Director

**Santanu Ghosh**  
CEO

**Jyoti Kabra**  
Director

MUMBAI, 27th August 2020

MUMBAI, 27th August 2020

### 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, 2020. The statement has been prepared as per AS-3 on Cash Flow Statement issued by Institute of Chartered Accountants of India under the "Indirect Method" and is in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report dated 27th august, 2020 to the members of the Company.

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

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

## **Notes to Financial Statements for the year ended 31<sup>st</sup> March 2020**

### **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 Property Plant and Equipment put to use, is provided on Written Down Value over the estimated useful life of tangible fixed assets as estimated by the management as follows:

Particulars	Estimate useful life
Plant and machinery	15 Years
Electrical installation and fittings	10 Years
Furniture and fixtures	10 Years
Computer – Server and Networks	3 Years
Office equipment	5 Years
Vehicles	8 Years

- iii. Impairment: Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount.

- iv. Intangible Assets:

Software has been amortised over a period of 60 months.

The Non-compete agreement and licences included in Intangible asset are amortised over its useful life.

#### **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.

## Notes to Financial Statements for the year ended 31<sup>st</sup> March 2020

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

**F. Cash & Cash Equivalents for purpose of Cash Flow:**

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

**G. Sales**

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

**H. Gift Voucher**

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

**I. 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**

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

**iii. Leave Liability:**

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

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

**J. Taxes on Income :**

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

## **Notes to Financial Statements for the year ended 31<sup>st</sup> March 2020**

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

### **K. Earning per share :**

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

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

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

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

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

**Santanu Ghosh**  
CEO

MUMBAI, 27th August 2020

**Madhu Chandak**  
Director  
SINCE 1906

**Manjri Chandak**  
Director

**Jyoti Kabra**  
Director

MUMBAI, 27th August 2020

## Notes to Financial Statements for the year ended 31<sup>st</sup> March 2020

		2019-20	2018-19		
		₹	₹		
<b>2 SHARE CAPITAL</b>					
<b>2.1 Authorised :</b>					
15,000,000 Equity shares of ₹ 2/- each		<b>3,00,00,000</b>	3,00,00,000		
200,000 Preference shares of ₹ 100/- each		<b>2,00,00,000</b>	2,00,00,000		
		<b>5,00,00,000</b>	5,00,00,000		
<b>2.2 Issued, subscribed and paid-up:</b>					
4,940,000 (Previous year 4,940,000) Equity shares of ₹ 2/- (Previous year ₹ 2/- ) each fully paid-up in cash		<b>98,80,000</b>	98,80,000		
<b>Total</b>		<b>98,80,000</b>	98,80,000		
<b>2.3 Reconciliation of Shares outstanding at the beginning and end of the year:</b>					
Particulars	2019-20		2018-19		
	No of Shares	Amount	No of Shares	Amount	
Equity Shares at the beginning of the year	49,40,000	98,80,000	49,40,000	98,80,000	
Add: Issued during the year	-	-	-	-	
Equity Shares at the end of the year	49,40,000	98,80,000	49,40,000	98,80,000	
<b>2.4 Details of shareholders holding more than 5% of shares as at</b>					
Sr No	Name of Shareholders	2019-20		2018-19	
		No of Shares	% of Paid up capital	No of Shares	% of Paid up capital
1	Mrs.MADHU ABHAY CHANDAK	14,46,818	29.29%	16,60,818	33.62
2	Mrs.JYOTI VARUN KABRA	14,95,186	30.27%	14,95,186	30.27
3	Mrs.MANJRI CHANDAK	14,46,852	29.29%	14,46,651	29.28
				</	



**Notes to Financial Statements for the year ended 31<sup>st</sup> March 2020**

	2019-20	2018-19
	₹	₹
<b>4 LONG TERM PROVISIONS</b>		
Provision for Gratuity	7,31,693	7,61,226
Provision for Leave Encashment	18,53,959	9,77,467
<b>Total</b>	<b>25,85,652</b>	<b>17,38,693</b>
<b>5 SHORT TERM BORROWING</b>		
<b>UNSECURED LOANS</b>		
Loan from a Director	17,90,00,000	3,70,00,000
<b>Total</b>	<b>17,90,00,000</b>	<b>3,70,00,000</b>
<b>6 TRADE PAYABLES</b>		
Outstanding dues of micro and small enterprises (*)	1,38,52,169	10,72,259
Outstanding dues of others	2,34,17,399	71,07,185
<b>Total</b>	<b>3,72,69,568</b>	<b>81,79,444</b>
(*) Disclosure in respect of Micro, Small and Medium Enterprises:		
(A) Principal amount remaining unpaid to any supplier as at the year end	1,38,52,169	10,72,259
(B) Interest due thereon.	-	-
(C) Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the year.	-	-
(D) Amount of interest due and payable for the period of delay in making payment which have been paid but beyond the appointed day during the year] but without adding the interest specified under the MSMED.	-	-
(E) Amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
The above information has been compiled in respect of parties to the extent to which they could be identified as Micro, Small and Medium Enterprises on the basis of information available with the Company.		
<b>7 SHORT TERM PROVISIONS</b>		
Provision for Gratuity	33,42,156	19,53,572
Provision for Leave Encashment	9,33,953	4,94,700
Provision for Tax	2,05,92,408	2,22,38,333
<b>Total</b>	<b>2,48,68,517</b>	<b>2,46,86,605</b>

## Notes to Financial Statements for the year ended 31<sup>st</sup> March 2020

	2019-20	2018-19
	₹	₹
<b>8 OTHER CURRENT LIABILITIES</b>		
Advance from Customers	2,08,683	2,20,307
Interest accrued and due*	1,54,114	1,63,319
Unclaim Fixed Deposit*	1,94,000	2,14,000
Payable to Statutory Authorities	31,65,394	22,22,083
Sundry Creditors for Fixed Assets	1,08,44,858	30,723
Other Payables	83,61,315	68,78,082
Payable to Subsidiary	5,87,683	8,92,375
<b>Total</b>	<b>2,35,16,047</b>	<b>1,06,20,889</b>

\* Includes amount of Rs 84,874/- to be transferred to Investor Education Protection Fund as on balance sheet date

### Note 9 : Fixed Assets

DESCRIPTION OF ASSETS	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	AS AT 01-Apr-19	ADDITIONS	DEDUCTIONS	AS AT 31-Mar-20	AS AT 01-Apr-19	FOR THE YEAR	DEDUCTIONS/ADJUSTMENT	AS AT 31-Mar-20	AS AT 31-Mar-20	AS AT 31-03-2019
<b>TANGIBLE ASSETS</b>										
LEASEHOLD BUILDING	25,00,000	-	-	25,00,000	-	-	-	-	25,00,000	25,00,000
FURNITURE & FIXTURES	390,80,851	242,43,347	41,769	632,82,429	272,77,557	60,54,973	26,601	333,05,928	299,76,501	118,03,294
ELECTRICAL INSTALLATIONS	125,58,361	106,53,825	11,659	232,00,527	69,47,611	33,84,013	7,376	103,24,248	128,76,278	56,10,749
COMPUTERS & SOFTWARES	40,62,790	30,08,377	854	70,70,313	35,45,240	6,04,817	694	41,49,364	29,20,950	5,17,550
OFFICE & OTHER EQUIPMENTS	49,79,915	71,58,733	16,741	121,21,908	28,69,902	29,52,782	11,032	58,11,652	63,10,256	21,10,013
MOTOR CAR	-	22,98,682	-	22,98,682	-	6,62,808	-	6,62,808	16,35,874	-
<b>Total</b>	<b>631,81,917</b>	<b>473,62,964</b>	<b>71,022</b>	<b>1104,73,859</b>	<b>406,40,310</b>	<b>136,59,393</b>	<b>45,703</b>	<b>542,54,000</b>	<b>562,19,859</b>	<b>225,41,608</b>
<b>Previous Year ₹</b>	<b>469,95,375</b>	<b>165,55,081</b>	<b>3,68,538</b>	<b>631,81,918</b>	<b>354,26,508</b>	<b>54,85,503</b>	<b>2,71,703</b>	<b>406,40,310</b>	<b>225,41,608</b>	<b>115,68,867</b>
<b>INTANGIBLE ASSETS</b>										
SOFTWARE	37,88,418	16,30,090	-	54,18,508	27,90,269	9,01,427	-	36,91,696	17,26,812	9,98,149
<b>Total</b>	<b>37,88,418</b>	<b>16,30,090</b>	<b>-</b>	<b>54,18,508</b>	<b>27,90,269</b>	<b>9,01,427</b>	<b>-</b>	<b>36,91,696</b>	<b>17,26,812</b>	<b>9,98,149</b>
<b>Previous Year ₹</b>	<b>34,35,341</b>	<b>3,53,077</b>	<b>-</b>	<b>37,88,418</b>	<b>14,44,926</b>	<b>13,45,344</b>	<b>-</b>	<b>27,90,269</b>	<b>9,98,149</b>	<b>19,90,415</b>
<b>CAPITAL WORK IN PROGRESS</b>										
<b>Total</b>	<b>-</b>	<b>12,65,373</b>	<b>-</b>	<b>12,65,373</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,65,373</b>	<b>-</b>
<b>Previous Year ₹</b>	<b>-</b>	<b>12,65,373</b>	<b>-</b>	<b>12,65,373</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,65,373</b>	<b>-</b>

**Notes to Financial Statements for the year ended 31<sup>st</sup> March 2020**

			<b>2019-20</b>	<b>2018-19</b>
			<b>₹</b>	<b>₹</b>
<b>10 NON CURRENT INVESTMENTS</b>				
Trade - Unquoted				
i Investment in Subsidiary Company:				
50,000 (Previous year 50,000) Equity shares of Bombay Store Retail Company Ltd. of ₹ 10/- each fully paid up			<b>5,00,000</b>	5,00,000
ii Preference shares of Bombay Store Retail Company Ltd. of ₹ 10/- each fully paid up			<b>2,95,00,000</b>	2,95,00,000
iii Investment in Associates*				
NIL (Previous year 10000) equity shares of Out of India Retail Pvt Ltd. of ₹10/- each fully paid up			-	1,00,000
			<b>3,00,00,000</b>	3,01,00,000
Less : Diminution in value of Investments			-	-
	<b>Total</b>		<b>3,00,00,000</b>	3,01,00,000
			<b>2019-20</b>	<b>2018-19</b>
			<b>₹</b>	<b>₹</b>
<b>11 LONG TERM LOANS &amp; ADVANCES</b>				
Security Deposit Given			<b>7,32,64,298</b>	4,42,27,280
	<b>Total</b>		<b>7,32,64,298</b>	4,42,27,280
<b>12 OTHER NON CURRENT ASSETS</b>				
Building Improvement of Leasehold Premises			<b>99,86,091</b>	20,47,418
	<b>Total</b>		<b>99,86,091</b>	20,47,418
<b>13 INVENTORIES</b>				
Stock in Trade - Merchandise				
At cost or net realisable value whichever is lower			<b>16,16,57,442</b>	8,61,54,936
	<b>Total</b>		<b>16,16,57,442</b>	8,61,54,936
<b>14 TRADE RECEIVABLES</b>				
(Unsecured, Considered Good)				
Due for more than six months from the due date of payment			-	-
Other trade receivables			<b>92,706</b>	13,33,261
	<b>Total</b>		<b>92,706</b>	13,33,261

## Notes to Financial Statements for the year ended 31<sup>st</sup> March 2020

		2019-20	2018-19
		₹	₹
<b>15 CASH AND BANK BALANCES</b>			
Cash And Cash Equivalents			
Cash on Hand		83,920	8,92,649
Current Accounts		2,53,32,397	98,06,475
Other balances			
Deposit with Bank		17,58,555	16,52,566
<b>Total</b>		<b>2,71,74,872</b>	<b>1,23,51,690</b>
<b>16 SHORT TERM LOANS AND ADVANCES</b>			
(Unsecured, considered good)			
Advance to Vendors (Goods & Exps)		52,51,611	49,44,617
Advance to Vendors (Fixed Assets)		23,94,879	-
Balance with Government Authorities		1,45,14,061	38,13,399
Advance payment of taxes (net)		2,55,48,957	2,31,13,140
Security & Other Deposits		44,46,868	6,95,018
Others		4,79,807	4,81,326
<b>Total</b>		<b>5,26,36,182</b>	<b>3,30,47,500</b>
<b>17 OTHER CURRENT ASSETS</b>			
Building Improvement of Leasehold Premises		32,49,259	8,82,345
<b>Total</b>		<b>32,49,259</b>	<b>8,82,345</b>
<b>18 REVENUE FROM OPERATIONS</b>			
Sales of Merchandise		54,28,17,558	39,77,50,416
<b>Total</b>		<b>54,28,17,558</b>	<b>39,77,50,416</b>
<b>19 OTHER INCOME</b>			
Interest		1,17,766	6,64,731
Miscellaneous receipts		72,029	2,40,511
Sundry balances written back		12,41,364	7,12,999
Gain on Sale of Investment		49,00,000	-
<b>Total</b>		<b>63,31,160</b>	<b>16,18,241</b>
<b>20 PURCHASE OF STOCK IN TRADE</b>			
Purchases of Merchandise		33,22,78,743	22,20,07,758
<b>Total</b>		<b>33,22,78,743</b>	<b>22,20,07,758</b>
<b>21 CHANGE IN INVENTORIES OF STOCK IN TRADE</b>			
Opening Stock		8,61,54,937	5,53,96,434
Closing Stock		15,80,47,755	8,61,54,936
(Increase)/Decrease		<b>(7,18,92,818)</b>	<b>(3,07,58,502)</b>

**Notes to Financial Statements for the year ended 31<sup>st</sup> March 2020**

	2019-20	2018-19
	₹	₹
<b>22 EMPLOYEE BENEFIT EXPENSES</b>		
Salaries, Allowances & Bonus	727,04,346	434,19,716
Provision for Gratuity	19,08,327	4,33,815
Provision for Leave Encashment	15,34,305	5,37,731
Contribution to Provided Fund & other Funds	59,84,566	32,18,331
Staff Welfare expenses	12,64,699	6,96,584
<b>Total</b>	<b>833,96,243</b>	<b>483,06,177</b>
<b>23 FINANCE COSTS</b>		
Bank Charges	11,00,454	7,03,414
Credit Card Charges	52,69,677	38,02,012
Interest on Late Payment of taxes	5,35,195	5,94,240
<b>Total</b>	<b>69,05,326</b>	<b>50,99,666</b>
<b>24 OTHER EXPENSES</b>		
Lease Rent	955,89,779	436,11,279
Repairs & Maintenance - Others	152,92,940	84,26,342
Legal & Professional Charges	44,86,036	28,34,827
Sales & Other Commission	172,48,031	166,84,537
House keeping Expenses	52,13,013	28,03,858
Security services charges	55,84,039	32,93,286
Travelling & Conveyance	47,10,998	17,37,168
Electricity & Fuel	87,91,579	60,97,500
Insurance	98,226	97,255
Printing & Stationery	17,11,930	15,92,928
Advertisements & Sales Promotion	24,95,525	49,02,932
Packing Charges	57,26,322	30,60,246
<b>Rates &amp; Taxes</b>	<b>29,02,221</b>	<b>6,22,691</b>
Auditors Remuneration:		
Audit Fees	2,50,000	2,50,000
Tax Audit Fees	50,000	50,000
	<b>3,00,000</b>	<b>3,00,000</b>
Miscellaneous Expenses	67,57,875	43,38,691
<b>Total</b>	<b>1769,08,514</b>	<b>1004,03,540</b>



## Notes to Financial Statements for the year ended 31<sup>st</sup> March 2020

### 25. Contingent Liabilities:

Particulars	31-Mar-20	31-Mar-19
Income Tax Demand**	29,87,170	29,87,170

\*\*Income Tax demand comprise demand from the Indian tax authorities for payment of additional tax of ₹ 29,87,170/- (31<sup>st</sup> March 2019: ₹ 29,87,170/- ), upon completion of their tax review for the financial year 2013-14 and 2014-15 . The tax demands are mainly on account of disallowance of purchases from subsidiary. The Company has filed an appeal against the CIT (A) and received the order in favour on 18<sup>th</sup> July 2019 for both the years. The appeal giving effect of the said order is pending before Assessing Officer. Out of the amount of liability the company has already paid Rs 17,36,150/- towards liability of FY 2013-14 and ₹ 4,47,489/- towards liability of FY 2014-15 during the financial year 2019-20.

No tax expenses has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the company's financial position and results of operations.

26. The Company considers its entire operations under single segment 'Retailing'. The Company's operations are only in India. Thus segment reporting under as per AS 17 is not applicable

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

Particulars		31-Mar-20	31-Mar-19
<b>The numerators and denominators used to calculate the basic and diluted EPS are as follows :</b>			
A Profit/ (Loss) after tax attributable to Shareholders	₹	3,49,676	322,48,621
B Basic and weighted average number of Equity shares	Nos.	49,40,000	49,40,000
C Nominal value of equity share	₹	2	2
D Basic EPS	₹	0.07	6.53
E Diluted EPS	₹	0.07	6.53

### 28. DEFERRED TAX ASSETS

The breakup of deferred tax assets / liability	Deferred tax asset/ (liability) as at 31-Mar-20 ₹	Deferred tax asset/ (liability) as at 31-Mar-19 ₹
<b>A. Deferred Tax Assets</b>		
Expenses allowable for tax purpose when paid	13,01,290	5,30,936
Difference between tax and Book Written Down Value	47,29,183	37,24,372
<b>B. Deferred Tax Liability</b>		
Difference between Book Written Down Value and tax	-	-
	-	-
<b>C. Net Deferred Tax Assets</b>	<b>60,30,473</b>	<b>42,55,308</b>

## Notes to Financial Statements for the year ended 31<sup>st</sup> March 2020

### 29. Related Party Disclosures

#### A. Relationship

- I) Subsidiary Company**  
Bombay Store Retail Company Limited
- II) Associate Company**  
Out Of India Retail Pvt Ltd\* .
- III) Key Management Personnel & Relatives:**  
Mrs.Madhu Chandak-Director  
Mrs.Manjri Chandak-Director  
Mrs.Jyoti Kabra-Director
- IV) Other Parties / Enterprises where control / significant influence exists.**  
Avenue Supermarts Limited

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

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

Sr. No.	Nature of Transactions	Related Party Referred in		
		A (I)	A (III)	A (IV)
<b>i. Investment in Preference</b>		-	-	-
Shares		(295,00,000)	(-)	(-)
<b>ii. Expenditure</b>				
Rent and Utilities Reimbursement		<b>60,647</b>	-	<b>3,60,000</b>
		(71,99,085)	(-)	(21,74,321)
Electricity Expenses		-	-	-
		(-)	(-)	(96,216)
<b>iii. Outstanding Balance</b>				
Loans & Advances		-	<b>1790,00,000</b>	-
received		(-)	(370,00,000)	(-)
Other Current Liabilities		<b>5,87,683</b>	-	-
		(8,92,375)	(-)	(-)

\*The company has sold its investment in Out of India Retail Pvt Ltd as on 28<sup>th</sup> November 2019 and accordingly has been ceased to be associate company.

Figures in brackets are for previous year.

## Notes to Financial Statements for the year ended 31<sup>st</sup> March 2020

### 30. Earning in Foreign Exchange:

- i. Receipts on account of sale of merchandise ₹ 11,96,11,116/- (Previous year ₹ 10,06,79,065/-).
- ii. Receipts on account of sale of investment ₹ 49,99,500/- (Previous year ₹ NIL -/-).

**31.** The retail industry as a whole has been adversely impacted by the spread of COVID-19. While the year under review, started on a high note with your Company being in a growth acceleration mode, it however, ended on a rather somber note as operations were impacted by the various Covid-19 pandemic related measures taken by the Governments/ Authorities. In particular, the national lockdown has impacted activities across the economic ecosystem. This unprecedented disruption has had an adverse impact on the performance and continues to impact the business and financial results. Our expectation is for resumption of economic activity in phases as indicated by the authorities and a gradual return of normalcy over the next few months. In this crisis, our priorities are to protect the employees and their families from COVID-19, besides our customers visiting our stores and the society associated with it. The Company has put into place certain strategic steps like negotiating rentals for stores, streamlining costs, prioritizing cash conservation, minimization of expenditures (including capital expenditures) and rationalizing store count, to ensure a bounce back from this situation. The Company does not see incremental risk to recoverability of its assets (w.r.t inventories, investments, tangible assets and other current assets) including given the measures being pursued to safeguard/ mitigate related risks. The Company has visibility to adequate resources to sustain the Covid-19 related impact in the interim period and does not foresee any continued impact in the medium to long term to its business operations. “

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

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

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

**Madhu Chandak**  
Director

**Manjri Chandak**  
Director

**Santanu Ghosh**  
CEO

**Jyoti Kabra**  
Director

MUMBAI, 27th August 2020

MUMBAI, 27th August 2020

# **BOMBAY SWADESHI STORES LIMITED**

## **Consolidated Financial Statements**

**FY 2019-20**

**SINCE 1906**

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF BOMBAY SWADESHI STORES LIMITED

#### Report on the Audit of the Consolidated Financial Statements

##### Opinion

We have audited the accompanying consolidated financial statements of BOMBAY SWADESHI STORES LIMITED ("the holding Company"), BOMBAY STORES RETAIL COMPANY LIMITED its subsidiary (the Company, its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss and Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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 Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, the consolidated profit and its consolidated cash flows for the year ended on that date.

##### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Management for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity 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. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for preparation of consolidated financial statements. Further, in terms of provisions of the Act the respective Board of Directors of the companies included in the Group are responsible for maintenance of the 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; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the

consolidated 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.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

#### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures

that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies covered under the act, has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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 Financial Statements 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 Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and its subsidiaries incorporated in India and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the holding company and its subsidiaries covered under the Act and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) In our opinion and to the best of our information and according the explanation given to us, the company has not paid or provided managerial remuneration for the year ended March 31, 2020.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our

opinion and to the best of our information and according to the explanations given to us:

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

For **BANSHI JAIN & ASSOCIATES**  
**Chartered Accountants**  
(Firm Registration Number – 0100990W)

Place: MUMBAI  
Date: 27/08/2020

**R.B. Golecha**  
Partner  
Membership No. **035348**  
**UDIN : 20035348AAAACN5283**

SINCE 1906

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

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

In conjunction with our audit of the consolidated financial statements of BOMBAY SWADESHI STORES LTD as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of **BOMBAY SWADESHI STORES LTD** (hereinafter referred to as "Holding Company") and its subsidiary, covered under the act, as of that date.

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

The respective Board of Directors of the holding Company and its subsidiary companies, covered under the act, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company and its subsidiary companies, covered under the act, based on our audit. We conducted our audit in accordance with the Guidance Note by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company and its subsidiary companies, covered under the act.

#### **Meaning of Internal Financial Controls over Financial Reporting**

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

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over

financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

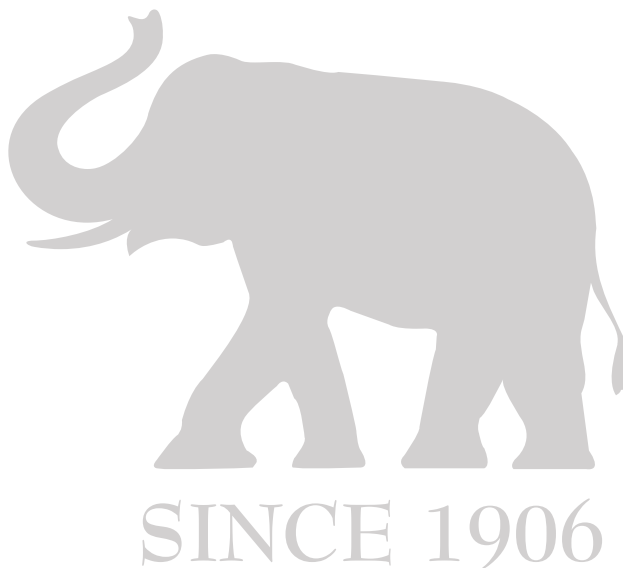
In our opinion and to the best of our information and according to the explanations given to us, the Company and its subsidiary companies, covered under the act, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the respective companies

considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **BANSHI JAIN & ASSOCIATES**  
**Chartered Accountants**  
(Firm Registration Number – 0100990W)

Place: MUMBAI  
Date: 27/08/2020

**R.B. Golecha**  
Partner  
Membership No. **035348**  
**UDIN : 20035348AAAACN5283**



## Consolidated Balance Sheet as at 31<sup>st</sup> March 2020

	Note	2019-20	2019-20	2018-19
		₹	₹	₹
<b>EQUITY AND LIABILITIES</b>				
<b>SHAREHOLDERS FUNDS :</b>				
Share Capital	2	98,80,000		98,80,000
Reserves & Surplus	3	146,51,405	245,31,405	209,12,083
				307,92,083
<b>NON CURRENT LIABILITIES:</b>				
Long Term Provisions	4	25,85,652	25,85,652	17,38,693
				17,38,693
<b>CURRENT LIABILITIES:</b>				
Short Term Borrowing	5	2835,00,000		1415,00,000
Trade Payables	6			
Outstanding dues of micro and small enterprises		138,52,169		10,72,259
Outstanding dues of others		234,20,537		80,53,129
Short Term Provisions	7	248,68,517		246,86,605
Other Current Liabilities	8	246,83,678		115,96,361
			3703,24,901	1869,08,354
<b>Total</b>			<b>3974,41,958</b>	2194,39,130
<b>ASSETS</b>				
<b>NON CURRENT ASSETS:</b>				
<b>Property, Plant &amp; Equipments</b>	9			
Tangible Assets			569,54,817	235,36,427
Intangible Assets			17,26,812	9,98,148
<b>Capital Work in Progress</b>			12,65,373	
<b>NON CURRENT INVESTMENTS:</b>	10		-	71,70,717
<b>LONG TERM LOANS AND ADVANCES:</b>	11		732,64,298	442,27,280
<b>DEFERRED TAX ASSETS</b>	29		60,30,472	42,55,307
<b>OTHER NON CURRENT ASSETS</b>	12		99,86,091	20,47,418
<b>CURRENT ASSETS:</b>				
Current Investment	13	99,554		81,625
Inventories	14	1616,57,442		861,54,936
Trade Receivables	15	92,706		13,68,001
Cash & Cash Equivalents	16	274,91,724		124,25,132
Short Term Loans and Advances	17	556,23,409		362,91,792
Other	18	32,49,259		8,82,347
			2482,14,095	1372,03,833
<b>Total</b>			<b>3974,41,958</b>	2194,39,130
<b>Notes forming part of Financial Statements</b>	<b>1 -33</b>			

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

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

**Santanu Ghosh**  
CEO

**Madhu Chandak**  
Director

**Manjri Chandak**  
Director

**Jyoti Kabra**  
Director

MUMBAI, 27th August 2020

MUMBAI, 27th August 2020

## Consolidated Statement of Profit & Loss for the year ended 31<sup>st</sup> March 2020

	Note	2019-20	2018-19
		₹	₹
<b>INCOME :</b>			
Revenue from Operations	19	5428,17,558	3977,50,416
Other Income	20	73,38,971	16,86,661
Total Revenue		5501,56,529	3994,37,077
<b>EXPENDITURE :</b>			
Purchase Of Stock In Trade	21	3322,78,743	2220,07,758
Change in Inventories of Stock in Trade	22	(718,92,818)	(307,58,502)
Employee Benefit Expenses	23	833,96,243	483,06,177
Finance Costs	24	69,12,623	51,00,276
Other Expenses	25	1771,86,246	1013,30,328
Depreciation & amortisation expenses	9	171,78,497	72,38,909
<b>Total Expenses</b>		5450,59,533	3532,24,946
<b>Profit before Exceptional Items</b>		50,96,996	462,12,131
Exceptional Items		-	-
<b>Profit/(Loss) before Tax</b>		50,96,996	462,12,131
Provision for Tax		60,59,829	142,39,427
Less:- MAT Credit Entitlement		-	16,45,848
Provision for Deferred Tax		(17,75,165)	2,18,087
<b>Total Tax Expenses</b>		42,84,664	161,03,362
<b>Profit/(Loss) after Tax</b>		8,12,331	301,08,769
Less: Prior years tax adjustments		(268)	(8,72,109)
Add:- Share of Profit of Associate		-	-
Profit/(Loss) for the year		8,12,599	309,80,878
Basic and diluted earning per share (in ₹)	27	0.16	6.27
<b>Notes forming part of Financial Statements</b>	<b>1 -33</b>		

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

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

**Madhu Chandak**  
Director

**Manjri Chandak**  
Director

**Santanu Ghosh**  
CEO

**Jyoti Kabra**  
Director

MUMBAI, 27th August 2020

MUMBAI, 27th August 2020

**Consolidated Cash Flow Statement for the year ended 31<sup>st</sup> March 2020**

		2019-20		2018-19	
		₹	₹	₹	₹
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
	Net Profit before tax and Exceptional Items	-	50,96,996	-	462,12,000
	Add: Adjustments for :	-	-	-	-
	Depreciation	148,20,678	-	72,39,000	-
	Dividend Received	(17,930)	-	(22,000)	-
	Interest received	(1,17,766)	-	(6,65,000)	-
	(Profit) / Loss on sales of Investment	-	-	-	-
	(Profit) / Loss on sales of fixed assets (net)	25,319	-	92,000	-
	Income from sale of Shares	(49,00,000)	98,10,301	-	66,44,000
	<b>Operating Profit before Working Capital Changes</b>		149,07,297		528,56,000
	Adjustments for :				
	Increase / (Decrease) in Trade payables	281,47,318		28,79,508	
	Increase / (Decrease) in Other Current Liabilities	130,87,317		39,50,889	
	Increase / (Decrease) in Long Term Provisions	8,46,959		(2,74,500)	
	Increase / (Decrease) in Short Term Provisions	18,27,837		8,53,486	
	(Increase) / Decrease in Inventories	(755,02,506)		(307,17,817)	
	(Increase) / Decrease in Long Term Loans & Advances	(290,37,018)		-	
	(Increase) / Decrease in Other Non Current Assets	(79,38,673)		(20,47,418)	
	(Increase) / Decrease in Short Term Loans & Advances	(168,95,800)		(321,97,233)	
	(Increase) / Decrease in Other Current Assets	(23,66,912)		(8,82,347)	
	(Increase) / Decrease in Trade & Other receivables	12,75,295	(865,56,184)	4,47,249	(579,88,183)
	<b>Cash Generated from Operations</b>		(716,48,887)		(51,32,183)
	Direct taxes paid		(101,43,727)		(145,02,495)
	<b>Net Cash from Operating Activities</b>	[A]	(817,92,614)		(196,34,678)
<b>B</b>	<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>				
	Sales / (Purchases) of Assets		(489,93,054)		(167,60,323)
	Sales / (Purchases) of Investments		49,82,070		(295,22,000)
	Addition in Capital Work in Progress		(12,65,373)		-
	Interest received		1,17,766		6,65,000
	Dividend received		17,930		22,000
	<b>Net Cash from Investing Activities</b>	[B]	(451,40,661)		(455,95,323)



		2019-20		2018-19	
		₹	₹	₹	₹
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
	Proceeds from borrowings		1420,00,000	-	76,00,000
	Issue of Shares		-	-	295,00,000
	<b>Net Cash Flow from Financial Activities</b>	<b>[C]</b>	<b>1420,00,000</b>		371,00,000
	<b>Net Cash increase/(Decrease) in cash and Cash equivalents</b>	<b>(A+B+C)</b>	<b>150,66,725</b>		(281,30,000)
	<b>Cash and Cash Equivalents (Opening) :</b>				
	Cash on Hand	8,93,000		4,11,000	
	Balance with Banks	115,32,000	124,25,000	401,44,000	405,55,000
	<b>Cash and Cash Equivalents (Closing) :</b>				
	Cash on Hand	83,920		8,93,000	
	Balance with Banks	274,07,804	274,91,724	115,32,000	124,25,000

Notes :

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

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

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

**Madhu Chandak**  
Director

**Manjri Chandak**  
Director

**Santanu Ghosh**  
CEO

**Jyoti Kabra**  
Director

MUMBAI, 27th August 2020

MUMBAI, 27th August 2020

#### 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, 2020. The statement has been prepared as per AS-3 on Cash Flow Statement issued by Institute of Chartered Accountants of India under the "Indirect Method" and is in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report dated 27th August 2020 to the members of the Company."

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

**R. B. GOLECHA**  
Partner

MUMBAI, 27th August 2020

Membership No:035348

## **Notes to Consolidated Financial Statements for the Year ended 31<sup>st</sup> March, 2020**

### **1. Company Background**

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

#### **1.1 Significant Accounting Policies of Consolidated Accounts**

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

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

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

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

#### **D. Fixed Assets**

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

ii. **Depreciation :** Depreciation, on fixed assets put to use, is provided on Written Down Value over the estimated useful life of tangible fixed assets as estimated by the management as follows:

<b>Particulars</b>	<b>Estimate useful life</b>
Plant and machinery	15 Years
Electrical installation and fittings	10 Years
Furniture and fixtures	10 Years
Computer – Server and Networks	3 Years
Office equipment	5 Years
Vehicles	8 Years

iii. **Impairment:** Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount.

#### **iv. Intangible Assets:**

Software has been amortised over a period of 60 months.

The Non-compete agreement and licences included in Intangible asset are ammortised over its useful life.

## Notes to Consolidated Financial Statements for the Year ended 31<sup>st</sup> March, 2020

### **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.

### **I Gift Voucher**

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

### **J Employees Benefits**

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

##### **i. Defined Contribution Plan**

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

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

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

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

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

## **Notes to Consolidated Financial Statements for the Year ended 31<sup>st</sup> March, 2020**

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

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

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

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

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

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

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

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

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

**Santanu Ghosh**  
CEO

**Madhu Chandak**  
Director

**Manjri Chandak**  
Director

**Jyoti Kabra**  
Director

MUMBAI, 27th August 2020

MUMBAI, 27th August 2020

## Notes to Consolidated Financial Statements for the Year ended 31<sup>st</sup> March, 2020

			2019-20	2018-19
			₹	₹

### 2 SHARE CAPITAL

#### 2.1 Authorised :

1,50,00,000 Equity shares of ₹ 2/- each	300,00,000	300,00,000
2,00,000 Preference shares of ₹100/- each	200,00,000	200,00,000
	<b>500,00,000</b>	<b>500,00,000</b>

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

4,940,000 (Previous year 4,940,000) Equity shares of ₹ 2/- (Previous year ₹ 2/-) each fully paid-up in cash	98,80,000	98,80,000
<b>Total</b>	<b>98,80,000</b>	<b>98,80,000</b>

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

Particulars	2019-20		2018-19	
	No of Shares	Amount	No of Shares	Amount
Equity Shares at the beginning of the year	49,40,000	98,80,000	49,40,000	98,80,000
Add: Issued during the year	-	-	-	-
Equity Shares at the end of the year	49,40,000	98,80,000	49,40,000	98,80,000

#### 2.4 Terms and Rights attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹ 2 per share. All equity shares rank pari passu and carry equal right with respect to voting and dividend. In case of liquidation of the Company, the equity shareholders shall be entitled to proportionate share of their holding in the assets remained after distribution of all preferential amounts.

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

Sr No	Name of Shareholders	2019-20		2018-19	
		No of Shares	% of Paid up capital	No of Shares	% of Paid up capital
1	Mrs. Madhu Abhay Chandak	14,46,818	29.29%	16,60,818	33.62
2	Mrs. Jyoti Varun Kabra	14,95,186	30.27%	14,95,186	30.27
3	Mrs. Manjri Aditya Chandak	14,46,852	29.29%	14,46,651	29.28

**Notes to Consolidated Financial Statements for the Year ended 31<sup>st</sup> March, 2020**

			2019-20	2018-19
			₹	₹
<b>3</b>	<b>RESERVES AND SURPLUS</b>			
	<b>Capital Reserve</b>			
	Balance as per last Balance Sheet		<b>10,04,365</b>	69,74,307
	<b>Share Premium Account</b>			
	Balance as per last Balance Sheet		<b>898,79,206</b>	898,79,206
	<b>Statement of Profit &amp; Loss</b>			
	Balance as per last Balance Sheet		<b>(770,44,766)</b>	(1069,22,308)
	Add: Profit/(Loss) for the year		<b>8,12,599</b>	309,80,878
	Add:- Share of Net Profit on Consolidation of Associate Pertaining to Previous years ]		-	-
	<b>Balance carried forward</b>	<b>Total</b>	<b>146,51,405</b>	209,12,083
<b>4</b>	<b>LONG TERM PROVISIONS</b>			
	Provision for Gratuity		<b>7,31,693</b>	7,61,226
	Provision for Leave Encashment		<b>18,53,959</b>	9,77,467
	<b>Total</b>	<b>Total</b>	<b>25,85,652</b>	17,38,693
<b>5</b>	<b>SHORT TERM BORROWINGS</b>			
	<b>UNSECURED LOANS</b>			
	Loan from Directors		<b>2835,00,000</b>	1415,00,000
	<b>Total</b>	<b>Total</b>	<b>2835,00,000</b>	1415,00,000
<b>6</b>	<b>TRADE PAYABLES</b>			
	Outstanding dues of micro and small enterprises (*)		<b>138,52,169</b>	10,72,259
	Outstanding dues of others		<b>234,20,537</b>	80,53,129
	<b>Total</b>	<b>Total</b>	<b>372,72,706</b>	91,25,388
	(*) Disclosure in respect of Micro, Small and Medium Enterprises:			
	(A) Principal amount remaining unpaid to any supplier as at the year end		<b>138,52,169</b>	10,72,259



## Notes to Consolidated Financial Statements for the Year ended 31<sup>st</sup> March, 2020

		2019-20	2018-19
		₹	₹
(B) Interest due thereon.		-	-
(C) Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the year.		-	-
(D) Amount of interest due and payable for the period of delay in making payment which have been paid but beyond the appointed day during the year] but without adding the interest specified under the MSMED.		-	-
(E') Amount of interest accrued and remaining unpaid at the end of the accounting year.		-	-
<p>The above information has been compiled in respect of parties to the extent to which they could be identified as Micro, Small and Medium Enterprises on the basis of information available with the Company.</p>			
<b>7 SHORT TERM PROVISIONS</b>			
Provision for Gratuity		<b>33,42,156</b>	19,53,572
Provision for Leave Encashment		<b>9,33,953</b>	4,94,700
Provision for Taxation		<b>205,92,408</b>	222,38,333
<b>Total</b>		<b>248,68,517</b>	246,86,605
<b>8 OTHER CURRENT LIABILITIES</b>			
Advance from Customers		<b>2,08,683</b>	2,20,307
Interest accrued and due*		<b>1,54,114</b>	1,63,319
Unclaim Fixed Deposit*		<b>1,94,000</b>	2,14,000
Payable to Statutory Authorities		<b>46,14,773</b>	37,07,817
Sundry Creditors for Fixed Assets		<b>108,44,858</b>	30,723
Other Payables		<b>86,67,249</b>	72,60,197
<b>Total</b>		<b>246,83,678</b>	115,96,361
<p>* Includes amount of ₹ 84,874/- is pending to be transferred to Investor Education Protection Fund as on balance sheet date</p>			

## Notes to Consolidated Financial Statements for the Year ended 31<sup>st</sup> March, 2020

### Note 9 : Consolidated Fixed Assets

DESCRIPTION OF ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01-Apr-19	ADDITIONS	DEDUCTIONS	AS AT 31-Mar-20	AS AT 01-Apr-19	FOR THE YEAR	DEDUCTIONS/ ADJUSTMENT	AS AT 31-Mar-20	AS AT 31-Mar-20	AS AT 31-Mar-19
<b>TANGIBLE ASSETS</b>										
LEASEHOLD BUILDING	25,00,000	-	-	25,00,000	-	-	-	-	25,00,000	25,00,000
FURNITURE & FIXTURES	443,58,356	242,43,347	41,769	685,59,934	315,82,517	63,07,454	26,601	378,63,369	306,96,565	127,75,841
ELECTRICAL INSTALLATIONS	126,47,512	106,53,825	11,659	232,89,678	70,18,571	33,88,735	7,376	103,99,930	128,89,747	56,28,940
COMPUTERS & SOFTWARES	41,05,610	30,08,377	854	71,13,133	35,86,508	6,05,433	694	41,91,248	29,21,886	5,19,103
OFFICE & OTHER QUIPMENTS	50,40,411	71,58,733	16,741	121,82,404	29,27,870	29,54,821	11,032	58,71,659	63,10,745	21,12,541
MOTOR CAR	-	22,98,682	-	22,98,682	-	6,62,808	-	6,62,808	16,35,874	-
<b>Total</b>	<b>686,51,889</b>	<b>473,62,964</b>	<b>71,022</b>	<b>1159,43,831</b>	<b>451,15,466</b>	<b>139,19,251</b>	<b>45,703</b>	<b>589,89,014</b>	<b>569,54,817</b>	<b>235,36,427</b>
<b>Previous Year ₹</b>	<b>536,37,951</b>	<b>165,55,081</b>	<b>15,41,141</b>	<b>686,51,891</b>	<b>405,32,455</b>	<b>58,84,576</b>	<b>13,01,567</b>	<b>451,15,464</b>	<b>235,36,427</b>	<b>97,88,748</b>
<b>INTANGIBLE ASSETS</b>										
Software	37,88,418	16,30,090	-	54,18,508	27,90,269	9,01,427	-	36,91,696	17,26,812	9,98,148
<b>Total</b>	<b>37,88,418</b>	<b>16,30,090</b>	<b>-</b>	<b>54,18,508</b>	<b>27,90,269</b>	<b>9,01,427</b>	<b>-</b>	<b>36,91,696</b>	<b>17,26,812</b>	<b>9,98,148</b>
<b>Previous Year ₹</b>	<b>35,43,202</b>	<b>3,53,077</b>	<b>-</b>	<b>38,96,279</b>	<b>15,43,798</b>	<b>13,54,333</b>	<b>-</b>	<b>28,98,131</b>	<b>9,98,148</b>	<b>19,99,404</b>
<b>CAPITAL WORK IN PROGRESS</b>										
<b>Total</b>	<b>-</b>	<b>12,65,373</b>	<b>-</b>	<b>12,65,373</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,65,373</b>	<b>-</b>
<b>Previous Year ₹</b>	<b>-</b>	<b>12,65,373</b>	<b>-</b>	<b>12,65,373</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,65,373</b>	<b>-</b>

		2019-20	2018-19
		₹	₹

### 10 NON CURRENT INVESTMENTS

#### Long term

#### Trade - Unquoted

i.	Investment in Associates*	-	1,00,000
	10000 (Previous year 10000) equity shares of Out of India Retail Pvt Ltd. of ₹ 10/- each fully paid up		
	Add:- Capital Reserve on account of Consolidation of Associate Company	-	59,69,943
		-	60,69,943
	Add:- Share of Net Profit on Consolidation of Associate	-	11,00,774
	<b>Total</b>	-	<b>71,70,717</b>

The company has sold its investment in Out of India Retail Pvt Ltd as on 28th November 2019 and accordingly has been ceased to be associate company.

## Notes to Consolidated Financial Statements for the Year ended 31<sup>st</sup> March, 2020

			2019-20	2018-19
			₹	₹
<b>11</b>	<b>LONG TERM LOANS &amp; ADVANCES</b>			
	Security Deposit Given		<b>732,64,298</b>	442,27,280
	<b>Total</b>		<b>732,64,298</b>	442,27,280
<b>12</b>	<b>OTHER NON CURRENT ASSETS</b>			
	Building Improvement of Leasehold Premises		<b>99,86,091</b>	20,47,418
	<b>Total</b>		<b>99,86,091</b>	20,47,418
<b>13</b>	<b>CURRENT INVESTMENT</b>			
	Current - Trade Unquoted			
	886.71 ( Previous Year 848.81)units of ₹ 100/- each of ICICI Prudential Liquid Plan - Daily Dividend Option		<b>99,554</b>	81,625
	<b>Total</b>		<b>99,554</b>	81,625
<b>14</b>	<b>INVENTORIES</b>			
	Stock in Trade - Merchandise			
	At cost or net realisable value whichever is lower		<b>1616,57,442</b>	861,54,936
	<b>Total</b>		<b>1616,57,442</b>	861,54,936
<b>15</b>	<b>TRADE RECEIVABLES</b>			
	(Unsecured, Considered Good)			
	Due for more than six months from the due date of payment		-	34,741
	Others		<b>92,706</b>	13,33,260
	<b>Total</b>		<b>92,706</b>	13,68,001
<b>16</b>	<b>CASH AND BANK BALANCES</b>			
	Cash And Cash Equivalents		-	-
	Cash on Hand		<b>83,920</b>	8,92,650
	Current Accounts		<b>256,35,850</b>	98,67,354
	Other balances			
	Deposit with Bank		<b>17,71,954</b>	16,65,128
	<b>Total</b>		<b>274,91,724</b>	124,25,132

**Notes to Consolidated Financial Statements for the Year ended 31<sup>st</sup> March, 2020**

			2019-20	2018-19
			₹	₹
<b>17</b>	<b>SHORT TERM LOANS AND ADVANCES</b>			
	(Unsecured, considered good)			
	Advance to Vendors (Goods & Exps)		<b>52,51,611</b>	49,91,308
	Advance to Vendors (Fixed Assets)		<b>23,94,879</b>	-
	Balance with Government Authorities		<b>146,00,254</b>	38,51,228
	Advance payment of taxes		<b>255,48,957</b>	233,63,140
	Security & Other Deposits		<b>44,53,518</b>	7,66,680
	Others		<b>33,74,191</b>	33,19,436
	<b>Total</b>		<b>556,23,409</b>	362,91,792
<b>18</b>	<b>OTHER CURRENT ASSETS</b>			
	Building Improvement of Leasehold Premises		<b>32,49,259</b>	8,82,347
			<b>32,49,259</b>	8,82,347
<b>19</b>	<b>REVENUE FROM OPERATIONS</b>			
	Sales of Merchandise		<b>5428,17,558</b>	3977,50,416
			<b>5428,17,558</b>	3977,50,416
<b>20</b>	<b>OTHER INCOME</b>			
	Interest		<b>1,17,766</b>	6,64,731
	Income from sale of Shares		<b>49,00,000</b>	22,456
	Dividend on Current Investments		<b>17,930</b>	-
	Miscellaneous receipts		<b>1,91,848</b>	2,86,475
	Sundry balances written back		<b>21,11,426</b>	7,12,999
	<b>Total</b>		<b>73,38,971</b>	16,86,661
<b>21</b>	<b>PURCHASE OF STOCK IN TRADE</b>			
	Purchases of Merchandise		<b>3322,78,743</b>	2220,07,758
	<b>Total</b>		<b>3322,78,743</b>	2220,07,758
<b>22</b>	<b>CHANGE IN INVENTORIES OF STOCK IN TRADE</b>			
	Opening Stock		<b>861,54,937</b>	553,96,434
	Closing Stock		<b>1580,47,755</b>	861,54,936
	<b>Total</b>		<b>(718,92,818)</b>	(307,58,502)

## Notes to Consolidated Financial Statements for the Year ended 31<sup>st</sup> March, 2020

			2019-20	2018-19
			₹	₹
<b>23</b>	<b>EMPLOYEE BENEFIT EXPENSES</b>			
	Salaries, Allowances & Bonus		<b>727,04,346</b>	434,19,716
	Provision for Gratuity		<b>19,08,327</b>	4,33,815
	Provision for Leave Encashment		<b>15,34,305</b>	5,37,731
	Contribution to Provided Fund & other Funds		<b>59,84,566</b>	32,18,331
	Staff Welfare expenses		<b>12,64,699</b>	6,96,584
	<b>Total</b>		<b>833,96,243</b>	483,06,177
<b>24</b>	<b>FINANCE COSTS</b>			
	Bank Charges		<b>11,07,751</b>	7,04,024
	Credit Card Charges		<b>52,69,677</b>	38,02,012
	Interest on Late Payment of taxes		<b>5,35,195</b>	5,94,240
	<b>Total</b>		<b>69,12,623</b>	51,00,276
<b>25</b>	<b>OTHER EXPENSES</b>			
	Lease Rent		<b>955,89,779</b>	436,11,279
	Repairs & Maintenance - Others		<b>152,92,940</b>	84,26,342
	Legal & Professional Charges		<b>45,13,036</b>	28,67,827
	Sales & Other Commission		<b>172,48,031</b>	166,84,537
	House keeping Expenses		<b>52,13,013</b>	28,03,857
	Security services charges		<b>55,84,039</b>	32,93,285
	Travelling & Conveyance		<b>47,10,998</b>	17,37,168
	Electricity & Fuel		<b>87,91,579</b>	60,97,500
	Insurance		<b>98,226</b>	97,255
	Printing & Stationery		<b>17,11,930</b>	15,92,928
	Advertisements & Sales Promotion		<b>24,95,525</b>	49,02,932
	Rates & Taxes		<b>30,65,578</b>	12,98,255
	Packing Charges		<b>57,26,322</b>	30,60,246
	Auditors Remuneration:			
	Audit Fees	<b>3,00,000</b>		3,00,000
	Tax Audit Fees	<b>75,000</b>		75,000
			<b>3,75,000</b>	3,75,000
	Miscellaneous Expenses		<b>67,70,250</b>	43,90,029
	Other Advances Written-off		-	91,890
	<b>Total</b>		<b>1771,86,246</b>	1013,30,328

## Notes to Consolidated Financial Statements for the Year ended 31<sup>st</sup> March, 2020

### 25. Details of Subsidiary and Associate Company

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

Name of the Subsidiary	Country of Incorporation	Proportion of Ownership/ Voting Interest	Date of Investment
Bombay Store Retail Company Limited [ Subsidiary ]	India	100%	25/01/2008

\*Refer foot note of note no. 10 Non Current Investment.

### 26. Contingent Liabilities:

Particulars	31-Mar-20	31-Mar-19
Income Tax Demand**	29,87,170	29,87,170

\*\*Income Tax demand comprise demand from the Indian tax authorities for payment of additional tax of ₹ 29,87,170/- (31<sup>st</sup> March 2019: ₹ 29,87,170/- ), upon completion of their tax review for the financial year 2013-14 and 2014-15 . The tax demands are mainly on account of disallowance of purchases from subsidiary. The Company has filed an appeal against the CIT (A) and received the order in favour on 18th July 2019 for both the years. The appeal giving effect of the said order is pending before Assessing Officer. Out of the amount of liability the company has already paid ₹ 17,36,150/- towards liability of FY 2013-14 and ₹ 4,47,489/- towards liability of FY 2014-15 during the financial year 2019-20.

No tax expenses has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the company's financial position and results of operations.

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

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

Particulars		31-Mar-20	31-Mar-19
The numerators and denominators used to calculate the basic and diluted EPS are as follows :			
A Profit/ (Loss) after tax attributable to Shareholders	₹	8,12,599	309,80,878
B Basic and weighted average number of Equity shares	Nos.	49,40,000	49,40,000
C Nominal value of equity share	₹	2	2
D Basic EPS	₹	0.16	6.27
E Diluted EPS	₹	0.16	6.27



## Notes to Consolidated Financial Statements for the Year ended 31<sup>st</sup> March, 2020

### 29. DEFERRED TAX ASSETS

The breakup of deferred tax assets / liability	Deferred tax asset/ (liability) as at 31-Mar-20 ₹	Deferred tax asset/ (liability) as at 31-Mar-19 ₹
<b>A. Deferred Tax Assets</b>		
Expenses allowable for tax purpose when paid	13,01,290	5,30,936
Difference between tax and Book Written Down Value	47,29,183	37,24,371
Unabsorbed Business Losses	-	-
	<b>60,30,472</b>	<b>42,55,307</b>
<b>B. Deferred Tax Liability</b>		
Difference between Book Written Down Value and tax	-	-
<b>C. Net Deferred Tax Assets</b>	<b>60,30,472</b>	<b>42,55,307</b>

The Subsidiary Company has, on prudence not recognised Deferred Tax Assets ₹ 28,523,743/- (Previous year ₹ 3,72,20,867/-) 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.

### 30. Related Party Disclosures

#### A. Relationship

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

Mrs. Madhu Chandak-Director  
Mrs. Manjri Chandak-Director  
Mrs. Jyoti Kabra-Director

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

Avenue Supermarts Limited

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

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

Sr. No.	Nature of Transactions	Related Party Referred in	
		A (I)	A (II)
<b>i. Expenditure</b>			
	Rent & Utilities	-	3,60,000
		(-)	(21,74,321)
	Electricity Expenses	-	-
		(-)	(96,216)
<b>ii. Income</b>		-	-

## Notes to Consolidated Financial Statements for the Year ended 31<sup>st</sup> March, 2020

Sr. No.	Nature of Transactions	Related Party Referred in	
		A (I)	A (II)
		(-)	(-)
<b>iii. Outstanding Balance</b>			
	Loans & Advances	<b>2835,00,000</b>	-
	received	(1415,00,000)	(-)

Figures in brackets are for previous year.

### 31. Earning in Foreign Exchange

- i. Receipts on account of sale of merchandise ₹ 11,96,11,116/- (Previous year ₹ 10,06,79,065/-).
- ii. Receipts on account of sale of investment ₹ 49,99,500/- (Previous year ₹ NIL /-).

### 32. Impact of COVID-19:

The retail industry as a whole has been adversely impacted by the spread of COVID-19. While the year under review, started on a high note with your Company being in a growth acceleration mode, it however, ended on a rather somber note as operations were impacted by the various Covid-19 pandemic related measures taken by the Governments/ Authorities. In particular, the national lockdown has impacted activities across the economic ecosystem. This unprecedented disruption has had an adverse impact on the performance and continues to impact the business and financial results. Our expectation is for resumption of economic activity in phases as indicated by the authorities and a gradual return of normalcy over the next few months. In this crisis, our priorities are to protect the employees and their families from COVID-19, besides our customers visiting our stores and the society associated with it. The Company has put into place certain strategic steps like negotiating rentals for stores, streamlining costs, prioritizing cash conservation, minimization of expenditures (including capital expenditures) and rationalizing store count, to ensure a bounce back from this situation. The Company does not see incremental risk to recoverability of its assets (w.r.t inventories, investments, tangible assets and other current assets) including given the measures being pursued to safeguard/ mitigate related risks. The Company has visibility to adequate resources to sustain the Covid-19 related impact in the interim period and does not foresee any continued impact in the medium to long term to its business operations. “

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

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

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

**Madhu Chandak**  
Director

**Manjri Chandak**  
Director

**Santanu Ghosh**  
CEO

**Jyoti Kabra**  
Director

MUMBAI, 27th August 2020

MUMBAI, 27th August 2020



*Discover a new India!*







**| THE BOMBAY STORE<sup>®</sup>**

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HYDERABAD | INDORE | JAIPUR | AHMEDABAD | VADODARA | KOCHI**

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