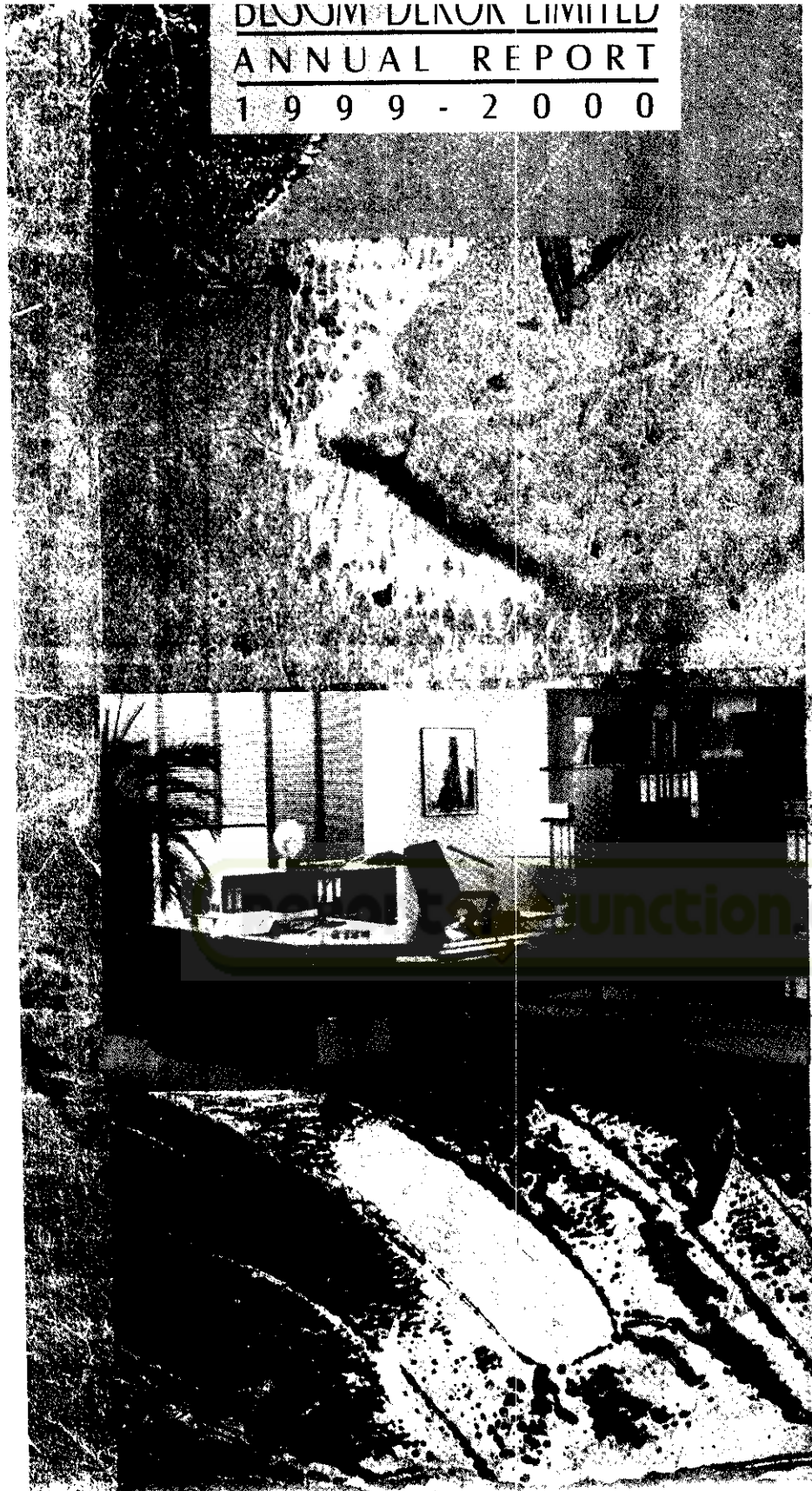


BLOOM LAMINATES LIMITED
ANNUAL REPORT
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BLOOM
LAMINATES

**DIRECTORS**

Shri Ashok Gandhi
 Dr. Sunil Gupta
 Mrs. Rupal Gupta
 Shri Mayur Parikh
 Dr. Ramesh Shah

Chairman
Managing Director
Executive Director

LEGAL ADVISORS

C. C. Gandhi & Co.
 2, Prabhat Society,
 Ahmedabad - 380 014.

BANKERS

State Bank of India
 Exim Bank
 IDBI Bank Limited

AUDITORS

M/s. B. T. Vora & Co.
 Chartered Accountants
 Ahmedabad - 380 009.

HEAD OFFICE

1/F, Dhanlaxmi Chambers
 Ashram Road
 Ahmedabad - 380 014.

REGISTERED OFFICE & WORKS

Oran 267, Tal. Prantij, Dist. : Sabarkantha
 National Highway No. 8
 North Gujarat - 383 205.

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**BLOOM DEKOR LIMITED****DIRECTORS' REPORT**

TO THE MEMBERS OF BLOOM DEKOR LIMITED

Your Directors have a great pleasure in presenting their Ninth Annual Report and Audited Accounts of the Company for the year ended 31st March, 2000.

FINANCIAL HIGHLIGHTS :

<u>Particulars</u>	(Rs.in Lacs)	
	<u>Year Ended 31/03/2000</u>	<u>Year Ended 31/03/99</u>
Income from operations	2822.76	1889.24
Other Income	38.66	15.60
Total Expenditure	2248.98	1580.87
Interest	119.11	104.96
Gross Profit after interest but before - Depreciation and Taxation	493.33	219.01
Depreciation	50.49	42.39
Provision for Tax	15.48	10.00
Net Profit after Depreciation and Tax	427.36	166.62
Profit/(Loss) Brought Forward	149.54	(17.07)
Balance available for Appropriation	576.90	-
Appropriations:		
Proposed Dividend on Equity Shares	39.00	-
Tax on proposed Dividend	8.58	-
Transfer to General Reserves	18.00	-
Net profit/(loss) carried to Balance Sheet	511.32	149.54

During the year under review, your Company recorded an impressive Net Profit of Rs.427.36 Lacs compared to Rs.166.62 Lacs in the previous year. The Company's well planned strategic marketing & infrastructure investments resulted in the strong 45% unit volume growth in its turn over during the year. The Company has achieved phenomenal growth despite depressed market situation and competitive market environment.

In line with the previously announced strategy and commitment to enhance domestic market leadership and expand export market a significant portion of the revenue continued to be reinvested in market support programmes for New products, Brand equity building, Machinery upgradation and capacity expansion.

Your Company has taken several steps during the year to strengthen its market leadership which includes:-

A CAPACITY EXPANSION :

The Company has just completed its expansion programme with the help of Export-Import Bank of India. This has resulted in capacity expansion by 66%. Although the commercial production was to commence from April, 2000 it got delayed by 3 months on account of late supplies of press moulds by the European suppliers.

B INTRODUCTION OF NEW SIZES:

To meet the requirements of the European and American markets your Company has introduced 1250mm x 3050mm and 1300mm x 3050mm sizes.

C VALUE ADDED SPECIALITY LAMINATES :

In order to cater to niche markets the Company will be introducing different types of value added speciality laminates like Post-forming, Compacts and different types of technical laminates. As a part of forward integration the Company has imported and installed some wood working machines for manufacture and export of pre-fabricated panels like Kitchen counter tops, Window sills, Work tops etc.

D MARKETING NETWORK :

Looking at the huge demand of North American market, the Company has set up a branch office in USA to provide better customer service.

E ISO 9002

In view of the Company's policy for achieving highest standards of quality and service the Company has proudly implemented its Quality Systems to ISO-9002 which has already been certified by ANSI-RAB of USA through the Quality Registrar M/s. KPMG.

Steps are now being initiated for obtaining ISI certification for your products confirming to BIS-2046.

DIVIDEND :

Your Directors are pleased to recommend maiden dividend of 12% on Equity Shares for the Financial year ended 31.03.2000 which as approved at the forthcoming Annual General Meeting will be paid to all those Shareholders whose name will appear in the Register of Members as on 27th September, 2000.

FIXED DEPOSIT :

During the year under review, the Company has not accepted any Deposits from public.

**DIRECTORS :**

As per the Articles of Association Dr. Ramesh Shah retires by rotation but being eligible, offers himself for reappointment.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO :

The details of Conservation of energy, Technology Absorption and Foreign Exchange earnings and outgo as per section 217(1) (e) read with Companies (Disclosure of particulars in the report of Board of Directors) Rules 1988 are given in the Annexure-I forming part of this report.

AUDITORS :

The Company's Auditors M/s. B.T. Vora & Co., Chartered Accountants, Ahmedabad will retire at the conclusion of ensuing Annual General Meeting and offer themselves for reappointment.

AUDITORS' REPORT :

Notes forming part of the Accounts which are specifically referred to by Auditors in their Report are self explanatory and therefore do not call for any further comments.

PERSONNEL :

Information to be provided under Section 217 (2A) of the Companies Act, 1956 read with Companies (particulars of employees) Rules, 1975 as amended are set out in Annexure II forming part of the report.

Y2K COMPLIANCE :

All computerised operations having tested to be Y2K compliant.

ACKNOWLEDGMENT :

Your Directors are happy to place on record the unstinted support received from the suppliers and the dedication and commitment of the Workers, Members of the Staff and the Senior Executives of the Company without which the results would have not been possible.

Your Directors also place on record their appreciation to the State Bank of India, IDBI Bank Ltd. & EXIM Bank for their timely support and co-operation given by them. The Directors are also thankful to the Shareholders for their confidence reposed in the Company.

On behalf of the Board

Place : Ahmedabad
Date : 27.07.2000

Dr. Sunil Gupta
Chairman

ANNEXURE TO THE DIRECTORS' REPORT**Annexure-I**

Information pursuant to the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988.

(1) CONSERVATION OF ENERGY :**(a) Energy conservation measures taken**

Undertaken audit energy through N.S.I.S., Rajkot and as per their report, we have taken several measures to reduce Energy consumption, the impact of which will be seen in next year.

Periodic checking of steam traps for flash steam wastage control and steam pipeline lagging/cladding implemented.

i) Installation of electronic Ballasts for domestic use of lighting.

ii) Replaced Electric motors of less H.P. in place of higher H.P. used wherever necessary.

iii) Connection of single compressor to various machines discontinued and individual compressors were connected to each machine. So that energy is consumed less when particular machine is not in use.

iv) Considering additional investments for conservation of energy as per energy audit report.

(b) Additional Investments and Proposal, if any, being implemented for Reduction of consumption of energy.

E.T.P. is working satisfactorily. To conserve fuel in a better way a separate Thermic Fluid Bed Boiler is planned to be added.

(c) Impact of the measures (a) and (b) above for reduction of the Energy consumption and consequent impact on the cost of production of goods.**(d) Total Energy consumption and energy consumption per unit of production in respect of the Company's products.**

**BLOOM DEKOR LIMITED**

11,23,641 Units consumed, resulting into 0.96 Units consumption per unit of production to that of 1.00 unit in 1998-99.

(2) TECHNOLOGY ABSORPTION :

- (e) There is no technological tie-up with anyone, since the plant is totally designed and the production process is based upon the promoters own experience and expertise. However, steps are initiated for buying the Technology for manufacturing Post-formable grade laminates from M/s. Graudenz & Consultant GmbH, Germany at the cost of DM 90,000/-. The technology buy out will be planned for next financial year and first instalment of DM 30,000 being the 33% payment as per the agreement is made in this financial year.

(3) FOREIGN EXCHANGE EARNINGS AND OUTGO:

- (f) Total Exchange used and earned.

	(Rs.in lacs)	
	1999-00	1998-99
	Rs.	Rs.
i. Foreign Exchange earned including direct and indirect exports	1873.08	1181.91
ii. Foreign Exchange used	828.99	381.47

FORM - A**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSUMPTION OF ENERGY:**

	Current year	Previous year
(A) Power and Fuel Consumption		
1) Electricity:		
(a) Purchase: Units	11,23,641	7,76,322
Total Amount (Rs.in Lacs)	43.63	25.85
Rate/Unit	3.88	3.33
(b) Own Generation		
i. Through Diesel Generator:		
Units:		
Unit per litre of Fuel		
Cost/Unit		
ii. Through Steam Turbine Generator:		
Units :		
Unit per litre of Fuel		
Cost / Unit		

2) Coal :	Quantity	NIL	NIL
	Total Cost		
	Average rate		
Lignite:	Quantity	NIL	NIL
	Total Cost		
	Average rate		
3) Furnace Oil:	Quantity	13,91,866	9,53,554
	Total Amount Rs.in Lacs	123.78	58.25
	Average rate	8.89	6.11
4) Others:			
(a) Gas			
	Quantity Consumed in M3	NIL	NIL
	Total Cost		
	Rate		
(b) L.P.G.		NIL	NIL
	Quantity Consumed		
	Total Cost		
	Rate		

(B) Consumption per Unit of Production

ELECTRICITY	0.96	1.00
(UNITS/UNIT OF PRODUCTION)		
FURNACE OIL	1.19	1.23
(LTS/UNIT OF PRODUCTION)		

FORM - B**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION OF TECHNOLOGY, RESEARCH & DEVELOPMENT.****RESEARCH AND DEVELOPMENT (R&D)**

1. Specific areas in which R & D is carried out by the Company	N.A.
2. Benefits derived as a result of the above R&D	N.A.
3. Future plan of action	N.A.
4. Expenditure on R & D	N.A.
(a) Capital	
(b) Benefits derived as a result of the above R & D	
(c) Future plan of action	
(d) Total R & D expenditure as a percentage of total turnover adaptation and innovation.	



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TECHNOLOGY ABSORPTION

1. Efforts in brief made towards technology absorption adaptation and innovation.

Agreement for buy out of technology for manufacturing Post-formable laminates from M/s. Graudenz & Consultant GmbH, Germany, is made. The consultants are world renowned and results attained by them in their other International ventures is quite commendable. This adoption of technology shall help the company in offering world class post-formable laminates for both

Overseas & Domestic customers. This in turn will help in increasing the brand equity and the profitability in the long run.

2. Benefits derived as a result of the above efforts e.g. product improvement, cost, reduction, product development import substitution etc.,

This technology buy out shall be starting in the financial year 2000-01 so there are no apparent benefits derived in this financial year.

3. Information regarding technology imported during the last five years. N.A.

Annexure - II

Information as per Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended and forming part of the Directors Report for the year ended 31st March, 2000.

- (A) Employed throughout the financial year under review and were in receipt of remuneration for the financial year in aggregate of not less than Rs. 6,00,000/-.

Sr. No.	Name	Designation and nature of duties	Gross Remuneration (Rs. in lacs)	Qualification & Experience (Years)	Date of Commencement of employment	Age (Yrs.)	Last Employed
1.	Dr. Sunil Gupta	Managing Director. Overall day to day management of all activities of the Co.	11.30	MBBS 20 Years	01.08.92	41	Executive-Director Sundek India Ltd.

- (B) Employed for a part of the financial year under review and were in receipt of remuneration for any part of the financial year at a rate which in the aggregate was not less than Rs.50,000/- per month.

Sr. No.	Name	Designation and nature of duties	Gross Remuneration (Rs. in lacs)	Qualification & Experience (Years)	Date of Commencement of employment	Age (Yrs.)	Last Employed
1.	Mrs. Rupal Gupta	Executive Director. Looking after administration of the Company.	6.53	B.Com	01.05.99	38	-

Notes : Remuneration as above includes Salary and perquisites.

BLOOM DEKOR LIMITED**AUDITORS' REPORT**

To the Members of **BLOOM DEKOR LIMITED**.

We have audited the attached Balance Sheet of **BLOOM DEKOR LIMITED** AS AT 31st MARCH, 2000 and also the Profit and Loss Account of the Company for the year ended on that date, annexed thereto, and report that :

- (1) As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- (2) Further to our comments in the Annexure referred to in paragraph 1 above :
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit ;
 - (b) In our opinion, proper books of accounts as required by law have been kept by the company, so far as appears from our examination of the books;
 - (c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of accounts;
 - (d) In our opinion and to the best of our information and according to the explanation given to us the annexed accounts subject to note no. B) 14 regarding change in basis of valuation of closing stock of finished goods resulting in lowering of profit and reserve by Rs. 6.38 lacs, read together with other notes on accounts and the significant accounting policies comply with the accounting standards referred to in sub-section 3 C of section 211 of the Companies Act, 1956 and give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:
 - (1) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2000; and
 - (2) in the case of the Profit and Loss Account, of the profit of the company for the year ended on that date.

For, **B.T.VORA & CO.**
Chartered Accountants

Place : Ahmedabad
Date : 27/07/2000.

B.T. Vora
Proprietor

Annexure referred to in Paragraph 1 of our Auditor's Report on even date on the Account of the year ended 31st March, 2000 of Bloom Dekor Limited.

- 1) (A) The Company has maintained proper records to show full particulars, including quantitative details and situation of its fixed assets. However the same requires completion.
(B) The fixed assets of the Company have been physically verified during the year by the management and no material discrepancies between the book records and the physical inventory have been noticed. The Company has sent back defective S.S. Moulds of Rs. 2926112 in connection with the claim raised against supplier in Germany for loss of production.
- 2) The fixed assets of the Company have not been revalued during the year.
- 3) As explained to us the stocks of finished goods, stores, spare parts, Furnace oil, Packing material, Goods in process and raw materials of the Company at all its locations, except certain items lying with third parties in respect of which confirmations have been generally obtained, have been physically verified by the management during the year.
- 4) In our opinion, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
- 5) The discrepancies between physical stock and book stock, which were not material, have been properly dealt with in the books of accounts.

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- 6) In our opinion, the valuation of stocks of finished goods, stores, spare parts and raw materials has been fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in earlier years, except as indicated in Note No. B(14) of schedule XVIII of the accounts.
- 7) The Company has taken interest free unsecured loans from the directors and from the company under the same management as defined under section 370 (1B) of the Companies Act, 1956. There are no specific terms and conditions regarding repayment of the same as explained to us.
- 8) The Company has not granted any secured or unsecured loan to the companies, firms or other parties in which directors are interested and to companies under the same management as defined under section 370(1B) of the Companies Act, 1956.
- 9) The Company has not granted loan to any person except interest free loan to the employees of the Company which are repayable on demand who are generally repaying the same regularly if stipulated.
- 10) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of stores, raw materials including components, plant and machinery, equipments and other assets and for the sale of goods.
- 11) In our opinion and according to the information and explanations given to us there were no transactions of purchases of goods or material and/or sale of goods, material made in pursuance of contract or arrangement entered in the register maintained under section 301 of the Companies Act, 1956 except payment of office rent of Rs. 114000 to HUF of the managing director which is reasonable having regard to prevailing market rate.
- 12) As explained to us, no unserviceable or damaged stores, Raw materials or Finished Goods were found by the management during the year.
- 13) The Company has not accepted deposit from the public.
- 14) In the opinion of the management the value of realisable waste papers is not considered to be significant, no detailed record for sale and disposable thereof is required to be maintained. The Company has no by product.
- 15) The company has appointed an Independent firm of Chartered Accountants as internal auditors of the company for carrying out internal audit. The internal audit work conducted by them is commensurate with the size and nature of the business of the company but the coverage is inadequate.
- 16) To the best of our knowledge and according to the information given to us the central government has not prescribed maintenance of cost records under section 209(1d) of the Companies Act, 1956.
- 17) According to the records of the company provident fund dues have generally been regularly deposited during the year with the appropriate authorities. There were no arrears as on 31st March, 2000. As explained to us the State Insurance Scheme, is not applicable to Company.
- 18) According to the information and explanation given to us no undisputed amounts payable in respect of income tax, wealth tax, sales tax, custom duty and excise duty were outstanding as on 31st March, 2000 for a year or more than six months from the date they became payable.
- 19) According to the information and explanation given to us no personal expenses of employees or director have been charged to revenue account other than those payable under contractual obligation or in accordance with generally accepted business practice.
- 20) The Company is not a Sick Industrial Company within the meaning of clause (O) of sub section 1 of section 3 of Sick Industrial Companies (Special Provisions) Act, 1985.
- 21) As explained to us, in respect of trading activities, the Company has a regular procedure for determination of damaged goods. Adequate provision has been made in the accounts for the loss arising on the goods so determined, which is not significant.

For, B.T.VORA & CO.
Chartered Accountants

Place : Ahmedabad
Date : 27/07/2000.

B.T. Vora
Proprietor