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BLOOM DEKOR LIMITED
ANNUAL REPORT
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DIRECTORS

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

Chairman
Managing Director
Executive Director
Director
Director

COMPANY SECRETARY

Mr. Anand Chokshi

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**NOTICE**

Notice is hereby given that Eleventh Annual General Meeting of the members of Bloom Dekor Limited will be held on Saturday 24.08.2002 at 11.00 a.m. at the Registered Office of the Company at Village Oran, Tal. Prantij, Dist. Sabarkantha, to transact the following business:-

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take all such actions and steps as may be necessary and incidental to give effect to this resolution."

By order of the Board

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31.03.2002 and Profit and Loss Account for the year ended on that date and the Reports of Directors and Auditors thereon.
2. To declare Dividend on Equity Shares
3. To appoint a Director in place of Shri. Mayur Parikh who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Auditors and fix their remuneration.

Place : Ahmedabad
Date : 29.06.2002

Anand Chokshi
(Company Secretary)

Notes**SPECIAL BUSINESS:**

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

"RESOLVED THAT in accordance with provisions of Section 198, 269, 309, 310 and other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) & subject to the limits specified in Schedule XIII of the Companies Act, 1956 consent of the Company be and is hereby accorded to the enhancement/increase in the 'Minimum Remuneration' consisting of Salary including perks not exceeding Rs.2,50,000/- per month payable to Dr. Sunil Gupta, Managing Director of the Company effective from 01st April, 2002 for the remaining period of his tenure i.e. till 31st August, 2002 notwithstanding the limits of net profit laid down under Section 309 of Companies Act, 1956, and the overall limit of net profit as laid down is sub-Section(1) of Section 198 ibid of the Act read with Schedule XIII and other applicable provisions, if any, of the Act as amended from time to time and that the Board of Directors of the Company (hereinafter referred to as "the Board") be and are hereby authorised to determine from time to time the perks and allowances payable to Dr. Sunil Gupta subject to the ceiling limit laid down under the Companies Act, 1956."

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company. Proxies in order to be effective must reach the Registered Office of the Company not less than 48 hours before the time fixed for the Meeting.
2. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Item No.5 of Notice is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from Friday 16.08.2002 to Saturday 24.08.2002 (both days inclusive).
4. Shareholders desiring any information on records of accounts are requested to write to the Company before 10 days of Annual General Meeting so as to enable the Management to keep the information ready.
5. The copies of relevant documents can be inspected at the Registered Office of the Company on any working day between 11.00 a.m. to 5.00 p.m.
6. Members are requested :-
 - i) to bring the copy of the Annual Report at the Meeting.
 - ii) to notify any change in address to the Company.
7. The payment of dividend as recommended by the Directors if approved at the meeting, will be made to those members whose names are on the Register of Members on Saturday 24.08.2002 or to their mandates.
8. Members who hold the shares in dematerialised form are requested to bring their Client ID and

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DP ID for easier identification of attendance at the AGM.

9. Members holding the shares in physical mode are requested to notify immediately for change of their address and bank particulars to the Company or its Share Transfer Agent.

AND

In case their shares are held in dematerialised form then information should be passed on directly to their respective Depository Participant and not to the Company / Share Transfer Agent without any delay.

10. Any request by demat holders for change of bank particulars after despatch of Dividend Warrant should be accompanied by copy of Client Master list showing the changed bank details.
11. In view of the changes made by the Finance Bill 2002 tax will be deducted at source at applicable rate from the Dividend paid by the Company exceeding Rs.1,000/- for shareholders. Therefore, shareholders who are individual and resident in India are requested to submit Form 15G on or before 10th August, 2002 if they expect their total income during current Financial Year will be less than the minimum taxable amount for non-deduction of tax at source.
12. In case where tax has been deducted at source from the Dividend the Company is required to issue TDS certificate inter alia quoting Permanent Account Number (PAN) of the shareholders. Under Section 139A(5A) of Income Tax Act, 1961 obligation is cast on the shareholder, receiving Dividend after TDS, to intimate his/her Permanent Account Number (PAN) / General Index Register (GIR) No. to the Company. Please notify the same to the R & T before 10.08.2002.
13. We, therefore, request you to kindly furnish your PAN/GIR No. to enable us to print the same on the TDS certificate to be issued to you. In case you are holding shares in dematerialised form you are requested to furnish the said details to your Depository Participant (DP), immediately before Record Date of Dividend entitlement.
14. The annual listing fees of all the Stock Exchanges where Company's shares are listed for the year 2002-2003 have been paid.

ANNEXURE TO NOTICE**Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956****Item No5:**

The Company at its Annual General Meeting held on 12th August 1997 had approved the re-appointment and remuneration of Dr. Sunil Gupta for a period of five years w.e.f. 01st September 1997. Dr. Sunil Gupta was drawing remuneration of Rs.1, 20,000/- plus perquisites per month as approved by the Board of Directors at the Board Meeting held on 29.01.2000 and General Meeting Resolution dated 27.09.2000. The responsibilities and liabilities of the Managing Director has increased substantially in the recent years and it is necessary to adequately compensate for the time and effort put forth by him. The Board of Directors at the Board meeting held on 07.03.2002 and remuneration committee dated 28th March 2002 approved the enhanced remuneration of Dr. Sunil Gupta.

The Department of Company Affairs has vide its Notification in the Official Gazette dated 16th January, 2002 amended the Schedule XIII, permitting Companies to pay higher remuneration subject to the approval of the Remuneration Committee and Members by a Special Resolution. The Company now proposes to pay the remuneration as per the terms of the Agreement to be entered into between Dr. Sunil Gupta and Company.

The Remuneration Committee was constituted by the Board to approve this remuneration as required under Paragraph I (B) of Part II of Section II of Schedule XIII. The Committee has considered the matter and approved the payment of enhanced remuneration w.e.f. 01.04.2002 subject to the approval of shareholders at the General Meeting as a minimum remuneration for the remaining tenure of the Managing Director. The Committee has noted that the Company has not made any default in repayment of any of its debts.

The payment of this remuneration also requires approval of the members by Special Resolution. Your directors recommend the resolution as embodied in the notice to be passed with or without modification as a Special Resolution.

None of the Directors of the Company is interested in this resolution, except Dr. Sunil Gupta in so far as it pertains to his remuneration; and Smt. Rupal Gupta may be regarded concerned or interested in the Resolution since she is the relative of Dr. Sunil Gupta.



BLOOM DEKOR LIMITED

Statement as required under the notification GSR 36(E), dated 16th January 2002

I. General Information:

- (1) Nature of Industry : Manufacturing of Decorative Laminates
 (2) The Commercial production has already begun.
 (3) The Company is not a new Company
 (4) Financial Performance

FINANCIAL HIGHLIGHTS:

Particulars	Year Ended	Year Ended	(Rs. in Lacs)
	31.03.2002	31.03.2001	Year Ended 31.03.2000
Income from operations	2408.35	2847.53	2734.54
Other Income	237.36	127.72	38.66
Total Expenditure	2300.94	2428.35	2160.76
Interest	170.77	149.21	119.11
Gross profit after interest but before depreciation and taxation	174.00	397.69	493.33
Depreciation	94.08	76.84	50.49
Provision for tax - Current / Deferred	23.79	20.84	15.48
Net profit after depreciation and tax	56.13	300.01	427.36
Profit / (Loss) brought forward	766.51	511.32	149.54
Less: Transitional Cumulative Deferred Tax	117.58	—	—
Add: Excess Provision of Income Tax w./off	1.35	—	—
Balance available for appropriation	706.41	811.33	576.90
Appropriations:			
Proposed Dividend on Equity Shares	19.50	32.50	39.00
Tax on Proposed Dividend	0.00	3.32	8.58
Transfer to General Reserve	9.00	9.00	18.00
Net Profit / (Loss) carried to Balance Sheet	677.91	766.51	511.32

- (5) The Company's export earnings during the financial year 2001-2002 was Rs.1, 513.58 Lacs. The Company also remitted a dividend of Rs.32.50 Lacs in the year.

II Information about the appointee:

- (1) Background Details: Dr. Sunil Gupta's education qualification is M.B.B.S. He has been the Managing Director of the Company since 01.09.1992 and has shouldered the responsibilities of managing the affairs of the Company. of the Board of Directors. His experience and knowledge has helped the Company to a great extent. It is under his guidance that the Company has made a turnaround and been able to pay consistent dividend of 12% in the year 1999-2000, 10% in the year 2000-2001 respectively and hopes to continue its existing performance. This year the dividend proposed is 6%.
- (2) Past Remuneration: In the year 2001-2002 Dr. Sunil Gupta was paid remuneration of Rs.1, 20,000/- plus perks. (5) Remuneration Proposed: As per the terms of the draft Agreement dated 07.03.2002, the Board of Directors proposed to pay remuneration not exceeding Rs.2, 50,000/- including perks per month for the remaining tenure of his office as a Managing Director.
- (3) Recognition or awards: The Company has received II exporter of Decorative Laminates for 1999-2000 and 2000-2001, ISO 9002 recognition.
- (4) Job profile and his suitability: Managing Director is responsible managing the Company subject to the superintendence, control and direction (6) There are no Companies of the same size in the industry, as such there is no statistics available of comparative remuneration profiles.

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- (7) Dr. Sunil Gupta along with his relatives holds 11,35,644 Equity Shares of the Company. He is not related to any managerial personnel in the Company.

III Other Information:

- (1) Reasons of loss or inadequate profits: The recent performance of the Company has shown negative growth mainly due to the recessionary trends the world economy, wherein 80% of the Company production is exported.

IV Disclosures**i) Salary:**

Rs. 1,40,000/- P.M.
(w.e.f. 01.04.2002 to 31.08.2002)

Part A:**1. Housing:**

The expenditure by the Company on hiring furnished accommodation for the appointee will be subject to the following ceiling.

Sixty percent of the salary, over and above ten percent payable by the appointee.

2. Housing II:

In case the accommodation is owned by the Company, ten percent of the salary of the appointee shall be deducted by the Company.

3. Housing III:

In case no accommodation is provided by the Company, the appointee shall be entitled to house rent allowance subject to the ceiling laid down in Housing I.

Explanations:

The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income - Tax subject to a ceiling of ten percent of the salary of the appointee.

ii) Medical Reimbursement:

Expenses incurred by the appointee and the family, subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.

iii) Leave travel concession for the appointee and his family once in a year incurred in accordance with any rules specified by the Company.**iv) Club Fees:**

Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fee.

v) Personal accident insurance : Rs.4000/- p.a.**Part B:**

Contribution to provident fund, super annuation fund or annuity fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, Gratuity payable should not exceed half a month's salary for each completed year of service.

Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

Part C:

Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the individual appointee concerned.

Children education in India and abroad.

Notwithstanding anything contained to the contrary herein contained where in any Financial Year during the currency of the tenure of the Managing Director the Company will pay salary and perquisites as specified above and in addition thereto perquisites not exceeding the limits specified under Section II or Part II of Schedule XIII to the Companies Act, 1956.

The Managing Director so long as he functions as such shall not be paid any sitting fees for attending the meeting of Board or committees thereof.

This may be treated as an Abstract of terms of contract for the variation in the terms of appointment of the Managing Director under the provisions of Section 302(2) of the Companies Act, 1956.

None of the Directors except Smt. Rupal Gupta and Dr. Sunil Gupta are interested in the Resolution.

The Board commends the Resolution for acceptance by the Members.

By order of the Board

Place : Ahmedabad

Date : 29.06.2002

Anand Chokshi
(Company Secretary)

BLOOM DEKOR LIMITED**DIRECTORS' REPORT****TO THE MEMBERS OF BLOOM DEKOR LIMITED**

The Directors hereby present the Eleventh Annual Report and Audited Statement of Accounts for the year ended 31st March, 2002:

FINANCIAL HIGHLIGHTS:

	(Rs.in Lacs)
	Year Ended
	31/03/2002
Particulars	31/03/2001
Income from operations	2408.35
Other Income	237.36
Total Expenditure	2300.94
Interest	170.77
Gross profit after interest but before depreciation and taxation	174.00
Depreciation	94.08
Provision for tax - Current / Deferred	23.79
Net profit after depreciation and tax	56.13
Profit / (Loss) brought forward	766.51
Less: Transistional Cummulative Deferred Tax	117.58
Add: Excess Provision of Income Tax W./OFF	1.35
Balance available for appropriation	706.41
Appropriations:	
Proposed Dividend on Equity Shares	19.50
Tax on Proposed Dividend	0.00
Transfer to General Reserves	9.00
Net Profit / (Loss) carried to Balance Sheet	677.91
	766.51

PERFORMANCE:

The year under review was full of turmoil, be it the aftermath of shattering Gujarat Earthquake, or nightmarish attacks on World Trade Centre on 11th September, 2001 by the terrorists. This situation has added to the woes of global economy already reeling under the recessionary pressures for the last three years.

The efforts put forward by your Company have resulted in maintaining the performance of the Company to the acceptable levels. Even though, there is a drop in sales value and profitability, this Herculean task of facing the eventualities was well addressed by your Company with the support of customers, suppliers and the staff members.

With the backdrop of negated performances of Global giants as well as Indian Industry, the performance of your Company is reasonable.

In this Financial Year, your Company could manage to record a net profit of Rs.56 Lacs on a turnover of Rs.2449 Lacs in the prevailing adverse conditions. The domestic sale registered marginal growth, but export sale suffered heavily because of World situation.

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The capacity expansion and addition of new sizes in the product mix have not yielded the desired results owing to the recession in all the markets. Meanwhile, your company has been expanding the global coverage by entering into new markets and consolidating the existing markets. In the last two years your company has expanded the base into 19 new countries in Europe, USA, Latin America, African continents apart from the existing Far East Asia and Middle East Asia. In the next Financial Year your company is proposing to enter Central Asian and Australian continents.

The efforts of your Company's strategy to concentrate on the high domestic consumption markets will not be felt in the immediate future because of continued perception of the uncertainty in Indian sub-continent by the World. However, your Company will reap rich dividends once the reversal of the recessionary trends sets in. Moreover, your Company has already initiated the steps to optimise the costing, improving the production efficiency and parallelly adding value added products in all the markets, with a view to offer much competitively priced product to the discerning consumer and to maintain healthy profitability as a short term strategy to tide over these difficult times.

**THE WILLING WILL GO THAT EXTRA MILE
TO MAKE THE MILLION OTHERS SMILE**

— R.L. Stevenson

and your Company is prepared to cover that extra mile in this turbulent period.

CERTIFICATIONS:

Your Directors have the pleasure of informing that BIS has certified that the products manufactured by your Company meet IS-2046 Standards. The product quality certifications by FIRA England and BIS India coupled with Systems certifications to ISO-9002 will help in improving the performance and image of your Company.

Your Company has received two Second Best Export Performance Awards for consequent Financial Years by PLEXICON under the aegis of Ministry of Commerce and Industry, Government of India for the years 1999-2000 & 2000-2001. These certifications and Award will certainly boost the morale of the Staff, Shareholders and Customers.

DIVIDEND:

Your Company always believed in sharing. Keeping up this philosophy of sharing, your Directors are pleased to recommend 6% dividend on equity shares for the financial year ended 31.03.2002 even in these tough times. The proposal upon approval at the forthcoming Annual General Meeting the dividend will be paid to all those shareholders whose names appear in the Register of Members as on 24.08.2002.

FIXED DEPOSIT:

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

DIRECTORS:

As per the Articles of Association Shri Mayur Parikh retires by rotation but being eligible, offers himself for reappointment.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to sub-section (2AA) of Section 217 of the Companies Act, 1956, the Board of Directors of the Company hereby state and confirm that:

BLOOM DEKOR LIMITED

- (i) in the preparation of the Annual Accounts, the applicable accounting standards had been followed:
- (ii) the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities,
- (iv) the Directors had prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE:

Members are aware that the Listing Agreement with the Mumbai Stock Exchange has been amended by the insertion therein of Clause 49, which requires the Company to implement the code of Corporate Governance more fully, described therein. Your Company is required to comply with the said code within the Financial Year 2002-2003 but not later than 31st March, 2003. Your Directors will take necessary steps to ensure compliance well within the stipulated period.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING & 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 the Report are self-explanatory and therefore do not call for any further comments.

PERSONNEL:

No employee is covered under the provisions of Section 217 (2A) of the Companies Act, 1956 read with Companies (particulars of employees) Rules, 1975 as amended and as such there is nil information to submit.

ACKNOWLEDGEMENT:

Your Directors are ever thankful for the unstinted support of the suppliers and the uncompromised dedication of the staff and the senior managers to the Company. The alimantation received by State Bank of India, IDBI Bank and EXIM Bank needs to be placed highly on the record at the juncture. The unadulterated confidence of the Shareholders is the lifeline of any Company and your Directors are thankful for the same.

For and On behalf of the Board

Place : Ahmedabad
Date : 29.06.2002

Ashok Gandhi
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**

The efforts for optimising the energy consumption have resulted in overall energy saving but the per unit consumption shows a marginal increase of 6% when compared to the previous year's consumption, due to the anomaly of basing differential production assumptions. However, steps are initiated for optimum power utilisation, so that the savings will be better.

The periodical maintenance carryout on the steam traps and pipelines ensured the control of flash steam wastage and lagging /clogging and optimisation of FO consumption.

It was proposed to replace the existing steam based heat transfer system by Agro waste based hot water system in this Financial Year with a view to conserve energy. The implementation of this proposal was delayed mainly because of manpower non-availability and transportation hardships experienced because of the communal riots besides delays in the supply of critical components.

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

Impact of the measures (a) and (b) above for reduction of the Energy consumption and consequent impact on the cost of production of goods.

The resultant savings and optimisation of the energy consumption will be manifested in the financial year 2002-2003 because of the implementation of hot water system.

(c) Total Energy consumption and energy consumption per unit of production in respect of the Company's products.

The total power used in this financial year is 10,77,378 units resulting an average consumption per unit of production 1.21 units this was 1.14 units in the Financial Year 2000-2001. This marginal increase per unit of consumption is due to averaging out the consumption across various sizes & thickness of the laminates produced in this financial year.

(2) TECHNOLOGY ABSORPTION:

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.

(3) FOREIGN EXCHANGE EARNINGS AND OUTGO:**(d) Total Exchange used and earned.**

	<u>2001-02</u>	(Rs.in lacs) <u>2000-01</u>
i Foreign Exchange earned including Direct and Indirect exports.	1513.58	1891.85
ii Foreign Exchange used	587.30	1321.75