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BLOOM DEKOR LIMITED

ANNUAL REPORT

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BLOOM DEKOR LIMITED**DIRECTORS**

Shri Ashok Gandhi
 Dr. Sunil Gupta
 Mrs. Nirmal Gupta
 Shri Mahesh Patel
 Dr. Anil Shah

Chairman
Managing Director
Executive Director
Director
Director

LEGAL ADVISORS

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

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BANKERS

State Bank of India
 Exim Bank
 The Karur Vysya Bank Ltd.

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 & WORK

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

ANNUAL REPORT**NOTICE**

Notice is hereby given that Twelveth Annual General Meeting of the members of Blohm Dekor Limited will be held on Saturday, the 6th September, 2003 at 11.00 a.m. at the Registered Office of the Company at Village Oran, Tal. Prantij, Dist. Sabarkantha, to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as on 31.03.2003 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 Dr. Ramesh Shah who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT in accordance with the provisions of Section 198, 269, 309 and 310 read with Schedule XIII and all other applicable provisions of Companies Act, 1956 (including any statutory modification and re-enactment thereof for the time being in force) subject to any other consent if required, the consent be and hereby accorded to the re-appointment of Dr. Sunil Gupta for a period of three years w.e.f. 01.09.2002 on the terms and conditions including remuneration set out in the Agreement to be entered into between the Company and Dr. Sunil Gupta, a draft whereof is placed before this meeting, which agreement is hereby specifically sanctioned with liberty to the Board of Directors (hereinafter referred to as "Board" which term shall be deemed to include any Committee of the Board constituted to exercise its powers including powers conferred by this resolution) to alter and vary the terms and conditions of the said appointment and/or Agreement, as may be agreed to between the Board and Dr. Sunil Gupta, so as not to exceed the limits specified in Schedule XIII of the Companies Act, 1956 or any amendments thereto."

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

6. 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 Sections 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 prescribed in Schedule XIII and any other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) subject to any other consent if required, consent of the Company be and is hereby accorded to the variation in terms and conditions of remuneration of Dr. Sunil Gupta w.e.f. 01.11.2002 for the remaining tenure of the appointment of Dr. Sunil Gupta as Managing Director of the Company.

"RESOLVED FURTHER THAT the present terms and conditions relating to personal accident insurance be altered as follows:-

Clause-V be read as "Premium on Personal Accident Insurance - Rs.1,00,000/- p.a."

"RESOLVED FURTHER THAT the other terms and conditions in connection with remuneration will remain unaltered.

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

By order of the Board

Place : Ahmedabad
Date : 30.06.2003

Ashok Gandhi
(Chairman)

NOTES

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.

BLOOM DEKOR LIMITED

2. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Item No.5 & 6 of Notice is annexed hereto.
 3. The Register of Members and Share Transfer Books of the Company shall remain closed from 27.08.2003 (Wednesday) to 06.09.2003 (Saturday) (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 06.09.2003 or to their mandates.
 8. Members who hold the shares in dematerialised form are requested to bring their Client ID and 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. The annual listing fees of all the Stock Exchanges where Company's shares are listed for the year 2003-2004 have been paid.

ANNEXURE TO NOTICE

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, In Respect of Item No. 5 & 6 of Notice is Annexed hereto.

Item No. 5

The Company at its Annual General Meeting held on 12.08.1997 re-appointed Dr. Sunil Gupta for a period of Five years w.e.f. 01.09.1997. Hence, his appointment as Managing Director expired on 31.08.2002. Dr. Sunil Gupta is a promoter Director of the Company. He manages day to day affairs of the Company and he shoulders responsibilities and liabilities substantially in front of Marketing, Export-Import and other related activities of the Company. It is in the best interest of the Company to re-appoint him for a further period of 3 years w.e.f. 01.09.2002, on the terms & conditions of Remuneration as approved by Annual General Meeting held on 24.08.2002 as mentioned here under:-

- i) **Salary : Rs. 140,000/- P.M.**

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.

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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 months 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. 4,000/- 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 be not 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 Agreement for the variation in the terms of appointment of the Managing Director under the provisions of Section 302 of the Companies Act, 1956.

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

Item No. 6

Dr. Sunil Gupta was reappointed as Managing Director with effect from 01.09.2002 on the terms and conditions of remuneration as mentioned in Item No. 5 as mentioned herein above. However, due to excessive travelling at abroad the terms and conditions pertaining to the premium on personal accident insurance was enhanced from Rs. 4,000/- p.a. to Rs.1,00,000/- p.a. w.e.f. 01.11.2002 for the remaining tenure of the appointment of Dr. Sunil Gupta as Managing Director of the Company. The variation in the terms and conditions of the remuneration was approved by Remuneration Committee dated 29.10.2002 and subsequent Board Meeting dated 29.10.2002.

This may be treated as an Abstract of terms of Agreement for the variation in the terms of appointment of the Managing Director under the provisions of Section 302 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 : 30.06.2003

Ashok Gandhi
(Chairman)

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

The Directors have the pleasure in presenting the Twelveth Annual Report with the Audited Statement of Accounts for the year ended 31st March 2003, as under:

FINANCIAL HIGHLIGHTS:

Particulars	(Rs. in Lacs)	
	Year Ended 31/03/2003	Year Ended 31/03/2002
Income from operations	2,886.88	2,408.35
Other Income	94.04	237.36
Total Expenditure	2,630.79	2,300.94
Interest	112.54	170.77
Gross profit after interest but before depreciation and taxation	237.59	174.00
Depreciation	100.78	94.08
Provision for tax - Current / Deferred	27.10	23.79
Net profit after depreciation and tax	109.71	56.13
Profit / (Loss) brought forward	677.91	766.51
Less: Transitional Cumulative Deferred Tax	—	117.58
Add: Excess Provision of Income Tax W/OFF	—	1.35
Balance available for appropriation	787.62	706.41
Appropriations:		
Proposed Dividend on Equity Shares	32.50	19.50
Tax on Proposed Dividend	4.16	0.00
Transfer to General Reserves	9.00	9.00
Net Profit / (Loss) carried to Balance Sheet	741.96	677.91

PERFORMANCE:

In the beginning of this financial year there was a lot of optimism that there will be a relief, from the recessionary trend which was hampering the growth since last three years in the Global as well as the Indian Industry. Unfortunately it was not so, and the performance of the world economy was far below the normal level. Added to this, Gulf war has put pressure on the raw material costs and simultaneously demand has dampened further. Thus the financial year begun on a negative note for the Industry as a whole. However, in these tough times, your Company could manage to register 15% growth in terms of the sales with exports registering 24% growth. This was possible because of the trust and confidence reposed by the customers and the suppliers in your Company along with commitments of the managers and staff members.

Your Company was able to address the diverse demands of the customers who are price sensitive at one end and others who are quality sensitive on the other end. This approach of your Company to balance these two disagreeing ends has yielded better capacity utilization and exposure to new countries.

Your Company had filed a case against Hindrichs Auffermann GMBH, Germany for supply of the defective Press Moulds in 1996-97. After prolonged legal action, M/s. Hindrichs Auffermann GMBH, Germany came forward to settle the case out of the court. Even though the outcome of the case could have been in favour of your Company, the time frame required for this legal tangle to get resolved and the cost involved there of, your Company accepted the settlement with favorable terms.

FUTURE:

The immediate future of the Industry is not very promising, but in the long run the pent up demand which was suppressed due to the recessionary trend, certainly will improve the consumption for the laminates. According to recent survey Business Today, the housing sector in India is projected to have a 40% growth

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rate. The major beneficiaries, according to this survey shall be furniture industry with a growth rate of 55%. This includes both replacement as well as new demand. However, this growth rate may not be valid for readymade furniture but are relevant for made to order furniture. The Indian Market is more retailer centric as on date where distribution efficiency to make availability is the major factor. This situation is expected to change in the next five years, wherein the emphasis will be on the supply chain management to the furniture makers. This change requires lot of structural adjustments and offers very good opportunity.

CHANGE IS INEVITABLE. IT IS NOT AN INCONVENIENCE FOR WHOM WITH RIGHT ATTITUDE. FOR HIM IT IS AN OPPORTUNITY TO EXCEL AND A MAJOR REASON TO HARNESS THE CHANGE.
— C P Browning

Your Company, with the right attitude is ready for that opportunity and shall encash upon the same with vigour.

DIVIDEND:

Keeping up the philosophy of sharing, your Directors are pleased to recommend 10% dividend on equity shares for the financial year ended 31.03.2003, which if approved at the forthcoming Annual General Meeting, will be paid to all those shareholders whose names will appear in the Register of Members as on 06.09.2003.

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.

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:

- 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:

Your directors are happy to report that your company is fully compliant as on 31st March 2003 with the SEBI guidelines on Corporate Governance as incorporated in Clause-49 of the listing agreement with the Stock Exchanges.

A detailed report on this subject forms part of this report.

The Statutory Auditors of the Company have examined the Company's compliance and have certified the same as required under the SEBI guidelines. Such certificate is reproduced and forms part of this report. Further a separate Management Discussion and Analysis Report covering a wide range of issues relating to performance, outlook etc., is given in the Annexure to this report.

BLOOM DEKOR LIMITED**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 as amended 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:

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.

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 alimentation received by State Bank of India, The Karur Vysya Bank Limited and EXIM Bank needs to be placed highly on the record at the juncture. The undiluted confidence of the Shareholders is the lifeline of any Company and your Directors are thankful for the same.

By order of the Board

Place : Ahmedabad

Date : 30.06.2003

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:

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 14,52,384 units resulting an average consumption per unit of production 1.32 units. This was 1.21 units in the Financial Year 2001-2002. 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.

The Fuel consumption has been shifted from Furnace oil to Firewood since August 2002, due to the change over to Hot Water Boiler System supplied by Tharmax. The full impact of the savings in fuel costs will be felt in the next financial year.

(2) TECHNOLOGY ABSORPTION:

NIL

(3) FOREIGN EXCHANGE EARNINGS AND OUTGO:

Total Exchange used and earned.

(Rs. in Lacs)

	2002-03	2001-02
i Foreign Exchange earned including Direct and Indirect exports	1,860.18	1,513.58
ii Foreign Exchange used	1,005.10	587.30

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WITH RESPECT TO CONSUMPTION OF ENERGY:**

	Current Year	Previous Year
--	-----------------	------------------

(A) Power and Fuel Consumption

1) Electricity :

a) Purchase :

Units	1,452,384	1,077,378
Total Amount	68.99	55.29
Rate/Unit	4.75	5.13

(b) Own Generation

i. Through Diesel

Generator Units	NIL	NIL
Unit per liter. of Fuel		
Cost/Unit		

ii. Through Steam Turbine

Generator Units	NIL	NIL
Unit per litre of Fuel		
Cost/Unit		

2) Coal :

Quantity

NIL	NIL
-----	-----

Total Cost

Average rate

3) Lignite :

Quantity

NIL	NIL
-----	-----

Total Cost

Average rate

4) Furnace Oil & Fire Wood :

Quantity

4,108,275	1,289,444
-----------	-----------

Total Amount

94.85	122.92
-------	--------

Average rate

2.31	9.53
------	------

5) Others

(a) Gas :

Quantity

Consumed in M3

NIL	NIL
-----	-----

Total Cost

Rate

(b) L.P.G. :

Quantity Consumed

NIL	NIL
-----	-----

Total Cost

Rate

(B) Consumption per Unit of ProductionELECTRICITY (UNITS/UNIT
OF PRODUCTION)

1.32	1.21
------	------

FURNACE OIL & FIRE WOOD
(LTS. KGS/UNIT OF PROD.)

3.73	1.45
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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

N.A.

(b) Benefits derived as a
result of the above R & D

N.A.

(c) Future plan of action

N.A.

(d) Total R & D expenditure as
a percentage of total turnover
adaptation and innovation.

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 Directors Report for the year ended 31st March, - 2003.

(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. 24,00,000

Sr #	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	M.D. Over All activities of the Co.	26.45 p.a.	MBBS 22 Yrs.	01.08.92	44	Executive Director Sundek India Ltd.

BLOOM DEKOR LIMITED**CORPORATE GOVERNANCE REPORT****1. Company's Philosophy on Code of Governance**

The Company's philosophy on corporate governance envisages the attainment of the highest levels of transparency, accountability and equity, in all facets of operations and in all inter-actions with its shareholders, employees, and the Government.

Company is committed to achieve the highest standards of corporate governance.

Company believes that all its operations and actions must serve the underlying goal of enhancing the overall shareholders' value, over a sustained period of time.

2. Board of Directors

The Board of Directors of the Company is comprised of Two Executive Director and Three Non-Executive Directors.

During the year, Board Meetings were held on 29th June 2002, 09th August 2002, 29th October 2002 & 31st January 2003.

Sr.No.	Name of Director	Category of Directorship	No. of Board meetings Attended	Attendance at Last AGM	No. of other Directorship	No. of other Committee Membership
1	Shri Ashok Gandhi	Chairman- Non Executive & Independent Director	4	Yes	6	3
2	Dr. Sunil Gupta	Managing Director - Executive	4	Yes	2	0
3	Smt. Rupal Gupta	Executive Director - Executive	3	Yes	2	0
4	Shri Mayur Parikh	Non-Executive & Independent Director	4	Yes	2	0
5	Dr. Ramesh Shah	Non-Executive & Independent Director	4	Yes	0	0

Dr. Ramesh Shah retires at the ensuing annual general meeting but being eligible offers himself of re-appointment. He is not a Director in any other Company.

Dr. Ramesh Shah an eminent practitioner of medicine has vast exposure and knowledge in the field of development of furniture and interiors is associated with the Company since inception. He will be contributive to the policy making of the organisation.

3. Audit Committee

The Audit committee of the company was formed on 7th March 2002 consisting of Shri Mayur Parikh, Shri Ashok Gandhi, and Dr. Ramesh Shah.

The terms of reference and powers of Audit Committee are as per Clause 49 of the Listing Agreement. The functions of the Audit Committee are as per Listing Agreement with the Stock Exchanges. This includes review of accounting and financial policies and procedures, review of financial reporting