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BLOOM DEKOR LIMITED
ANNUAL REPORT
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**DIRECTORS**

Shri Ashok Gandhi	<i>Chairman</i>
Dr. Sunil Gupta	<i>Managing Director</i>
Mrs. Rupal Gupta	<i>Executive Director</i>
Shri Mayur Parikh	<i>Director</i>
Dr. Ramesh Shah	<i>Director</i>

LEGAL ADVISORS

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

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 & WORKS

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

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BLOOM DEKOR LIMITED

DIRECTORS' REPORT

Dear BLOOM DEKOR LIMITED members,

Your Directors take pleasure in informing that your Company has been adjudged as the Second Largest Exporter of Decorative Laminates for the financial year 2003-2004 by PLEXICON (under the aegis of Ministry of Commerce & Industry, Government of India) for the fifth consecutive time to receive the prestige's Award with this your Directors present the Fourteenth Annual Report alongwith the Audited Statement of Accounts for the year ended 31st March 2005, is presented by your Directors' as under:

FINANCIAL HIGHLIGHTS:

Particulars	Year Ended 31/03/2005	(Rs. in Lacs) Year Ended 31/03/2004
Income from operations	3149.24	3089.44
Other Income	42.78	79.40
Total Expenditure	2949.41	3082.15
Interest	107.09	93.14
Gross profit after interest but before depreciation & taxation	135.52	(6.45)
Depreciation	115.50	109.35
Provision for tax - Current / Deferred	6.50	(47.18)
Net profit after depreciation and tax	13.52	(68.62)
Profit / (Loss) brought forward	651.22	741.96
Balance available for appropriation	664.74	673.33
Appropriations:		
Transfer to General Reserves	0.00	0.00
Proposed Dividend on Equity Shares	19.50	19.50
Tax on Proposed Dividend	2.73	2.61
Net Profit / (Loss) carried to Balance Sheet	664.74	673.33

PERFORMANCE:

As envisaged in the last year, the aftermath of Iraq War continued to extend the pressure on crude oil prices witnessing the highest ever levels. This has not only pressure on the raw material prices but also skewed the credit periods extended by the suppliers. This double whammy has resulted in artificial ballooning of input costs. Even though the rally of Euro over US\$ dollar continued its effect on the profitability, your company's proactive steps through shifting the raw material sourcing and sales in alternative currencies has stabilised the profitability. Though the income from operations has shown only 1.93% growth the net profit after depreciation and tax is Rs.13.52 Lacs against Rs.68.62 Lacs loss in the last financial year.

This stabilised sales against odds and positive profitability reaffirms our faith in the saying:

*Behind every dream rages a burning desire.
To do today what others contemplates tomorrow.
To take the road less travelled.
To set reasonable goals.
To maintain highest standards..... Always.
For that winning edge for ourselves.
And to our stakeholders.*

Let the good effort put forward by our fraternity be supported by one and all.



BLOOM DEKOR LIMITED

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**FUTURE:**

The concept of composite marketing to offer products catering to customers needs and demands from single source will take priority in the times to come. It is the time to shift the focus from customer satisfaction to customer delight. Your Company will not leave any stone unturned to achieve this focus in the times to come.

Towards this, your company is contemplating to enter doors market by adding new facilities. The growth for high quality doors, both in overseas and domestic markets is quite encouraging and will add to the company's value in the near future.

The Demand for the doors is on the rise and growing at about 40-50% per annum both at national and international levels. As on date the door manufacturing industry in India is highly fragmented and catering to the local demand only, despite of good raw material and manpower availability. There is no big manufacturer concentrating on the International markets in India. Other Asian countries like Malaysia, Thailand, China are already exploiting this opportunity for good quality doors in the International market. For your company it is a natural diversification move within its core competency of catering to the International markets of aesthetic products. So, the Company has decided to start the world class quality door manufacturing unit, using the State of the Art machinery.

DIVIDEND:

Even though the profitability showed positive signs your Company has decided to declare the dividend of only 6% for the financial year 2004-2005.

PREFERENTIAL ALLOTMENT:

To part finance the new venture into door manufacturing, your Company is proposing to increase the authorised capital to Rs.6.25 crores from existing Rs.3.5 crores and raise resources by issue of securities for an amount not exceeding Rs.2.75 crore in one or more tranches at such prices and such time as may be considered appropriate by your Directors' to various categories of investors as per the provisions of SEBI (Disclosure & Investor Protection) Guidelines, 2000 as amended from time to time.

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. Dr. Sunil Gupta has been reappointed as a Managing Director w.e.f. 01/09/2005.

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 Company strives to incorporate the appropriate standards for corporate governance. Pursuant to Clause-49 of listing agreement to the Stock Exchange Management Discussion and Analysis, Corporate Governance Report and Auditors' Certificate on its compliance is annexed and forms part of 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:

The Directors' take this opportunity to thank all customers, business associates, vendors for their support. Your Directors' also record their appreciation for the sincere and dedicated efforts of all the employees at all levels for their contribution towards this performance. The cooperation of our bankers S.B.I., K.V.B., and EXIM bank needs special mention and appreciation of the Directors and shareholders at this opportune time.

Place : Ahmedabad

Date : 25/06/2005

For and On behalf of the Board

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 as amended.

(1) CONSERVATION OF ENERGY:

The average consumption of Electricity per unit of production is reduced to 1.37 units from 1.44 per unit of production in the Financial Year 2004-2005.

The steps taken to shift fuel requirements from Furnace oil, Fire Wood and Lignite used in Tharmax boiler is effective. The fuel consumption per unit of production has reduced to 4.7 units per unit of production from 4.96 as in financial year 2003-2004. However, the procurement costs for electricity, fire wood and lignite have increased.

(2) TECHNOLOGY ABSORPTION:

NIL

(3) FOREIGN EXCHANGE EARNINGS AND OUTGO:

Total Exchange used and earned.

		(Rs. in Lacs)
	2004-2005	2003-2004
i Foreign Exchange earned including Direct and Indirect exports.	2181.02	2153.24
ii Foreign Exchange used	978.16	1153.47



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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	17,48,430	18,34,410
Total Amount	81.96	82.95
(Rs. in Lacs)		
Rate/Unit	4.69	4.52
(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) Fire Wood & Lignite :		
Quantity (in Kgs.)	59,83,245	63,10,440
Total Amount (Rs. in Lacs)	83.95	73.48
Average rate/Kgs.	1.40	1.16
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 Production

ELECTRICITY (UNITS/UNIT OF PRODUCTION)	1.37	1.44
FIRE WOOD & LIGNITE (LTS, KGS/UNIT OF PROD.)	6.48	4.96

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	Nil
2. Benefits derived as a result of the above R & D	Nil
3. Future plan of action	Nil
4. Expenditure on R & D	Nil
(a) Capital	Nil
(b) Benefits derived as a result of the above R & D	Nil
(c) Future plan of action	Nil
(d) Total R & D expenditure as a percentage of total turnover adaptation and innovation.	Nil

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, 2005.

(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.	26.99 p.a.	MBBS 24 Yrs.	01.08.92	46	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 Directors and Three Non-Executive Directors.

During the year, Board Meetings were held on 24.04.2004, 20.07.2004, 27.10.2004, 28.01.2005 & 12.03.2005

Sr. No.	Name of Director	Category of Directorship	No. of Board meetings Attended	Attendance at Last Annual General Meeting	No. of other Directorship (excluding Private Limited Company)	No. of other Committee Membership (Excluding Bloom Dekor Limited)
1	Shri Ashok Gandhi	Chairman- Non Executive & Independent Director	5	Yes	8	6
2	Dr. Sunil Gupta	Managing Director - Executive	5	Yes	1	-
3	Smt. Rupal Gupta	Executive Director - Executive	5	Yes	-	-
4	Shri Mayur Parikh	Non-Executive & Independent Director	4	Yes	4	3
5	Dr. Ramesh Shah	Non-Executive & Independent Director	4	Yes	-	-

Information on Director Re-appointment:

A brief resume of Director being re-appointed at the ensuing Annual General Meeting and other details as per Clause-49 is furnished hereunder:

Shri Mayur Parikh is Chartered Accountant has vast experience in the field of Finance and other related matters. He is on the Board of 1) Myraj Consultancy Limited, 2) Amrapali Industries Limited, 3) M S K Projects (India) Limited, 4) M S K Projects (Himmatnagar Bye Pass) Pvt. Ltd., and 5) M S Khurana Engineering Limited.

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

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system and internal control procedure. The Committee met three times during the year i.e. on 20th July 2004, 25th November 2004 and 28th January 2005.

Meetings and attendance during the year.

Sr.No.	Name of Members	Category	Audit Committee Meetings Held	Attendance
01.	Shri Mayur Parikh	Chairman, Non-Executive & Independent Director	3	3
02.	Shri Ashok Gandhi	Member, Non-Executive & Independent Director	3	3
03.	Dr. Ramesh Shah	Member, Non-Executive & Independent Director	3	1

4. Remuneration Committee:

The Remuneration committee of the company was formed on 7th March 2002 consisting of Shri Ashok Gandhi, Shri Mayur Parikh and Dr. Ramesh Shah. As there was revision in remuneration of Executive Director, the Committee met one time during the year 2004-2005 i.e. 24th April 2004.

Sr.No.	Name of Members	Category	Remuneration Committee Meetings Held	Attendance
01.	Shri Ashok Gandhi	Chairman, Non-Executive & Independent Director	1	1
02.	Shri Mayur Parikh	Member, Non-Executive & Independent Director	1	1
03.	Dr. Ramesh Shah	Member, Non-Executive & Independent Director	1	1

Remuneration of Directors (in Rs.)

Sr.No.	Name of Directors	Salary	Perquisites	Commission	Sitting Fees	Total
01.	Shri Ashok Gandhi	0	0	0	16,000	16,000
02.	Dr. Sunil Gupta	26,88,000	10,842	0	0	26,98,842
03.	Smt. Rupal Gupta	4,35,200	3,54,971	0	0	7,90,171
04.	Shri Mayur Parikh	0	0	0	14,000	14,000
05.	Dr. Ramesh Shah	0	0	0	14,000	14,000

5. Shareholders / Investors Grievance Committee:

The Shareholders/Investors Grievance committee of the company was formed on 7th March 2002 consisting of Dr. Sunil Gupta, Smt. Rupal Gupta and Dr. Ramesh Shah.

The role and functions of the said Committee are the effective redressal of the complaints of the shareholders regarding dematerialisation, transfers, non-receipt of balance-sheet etc. The Committee will also recommend the steps to be taken for further improvement in the quality of services to the Investors.

Meetings and attendance during the year.

Sr.No.	Name of Members	Shareholders Grievance Committee Held	Attendance
01.	Dr. Ramesh Shah	3	2
02.	Dr. Sunil Gupta	3	3
03.	Smt. Rupal Gupta	3	3

The company received one complaint during the year and had redressed all the complaint in coordination of R & T Agent M/s Pinnacle Shares Registry Pvt. Limited. As on 31.03.2005 no complaints are pending.



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6. General Body Meetings

(a) Location and time, where last three Annual General Meetings were held:

Financial Year	Date	Time	Venue
31.03.2004	25th September, 2004	11.00 a.m.	Regd. Off. 267, Oran, Tal. Prantij, N.H. 8, Dist. Sabarkantha
31.03.2003	06th September, 2003	11.00 a.m.	Regd. Off. 267, Oran, Tal. Prantij, N.H. 8, Dist. Sabarkantha
31.03.2002	24th August, 2002	10.00 a.m.	Regd. Off. 267, Oran, Tal. Prantij, N.H. 8, Dist. Sabarkantha

- (b) Whether Special Resolutions were put through Postal Ballot last year : N.A.
- (c) Persons who conducted the Postal Ballot exercise : N.A.
- (d) Are proposed to be conducted through Postal Ballot this year : No Resolutions requiring postal ballot for matters as required under clause 4 of the Companies (Passing of Resolutions by Postal Ballot) Rules, 2001 have been placed for Shareholders' approval at the Meeting.
- (e) Procedure for Postal Ballot : N.A.

7. Disclosure

- (a) Disclosure on materially significant transaction i.e. transactions of the Company of material nature, with its promoters, the Directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of Company at large : Transaction with related parties are disclosed in detail in Note No. 18 of Schedule "Notes forming part of the Accounts" annexed to the financial statements of the year.
- (b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years. : None in the last three years.

8. Means of Communication

- A. Quarterly Results : The Company has published quarterly results in The News Line (English) and Chanakya (Gujarati), both at Ahmedabad.
- B. Management Discussion and Analysis : Appended to this Report.

9. General Shareholder Information

1. Annual General Meeting Date and Time Venue : 17th September 2005 (Saturday) at 11.00 A.M. 267, Oran, Tal. Prantij, Dist. Sabarkantha N.H. 8, North Gujarat - 383 205
2. Financial Calendar 2004-05 : Annual General Meeting - 17/09/2005
The Company follows April-March as its financial year. The Unaudited results for every quarter beginning from April is declared in the month following the quarter except for the last quarter, for which the audited results were declared in 25th