



BLOOM DEKOR LIMITED

ANNUAL REPORT

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BLOOM DEKOR LIMITED**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

2/F, SUMEL,
S.G. Highway Road, Thaltej
Ahmedabad - 380 059.

REGISTERED OFFICE & WORKS

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

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ANNUAL REPORT**DIRECTORS' REPORT**

Dear BLOOM DEKOR LIMITED members,

Your Directors present the Fifteenth Annual Report along with the Audited Statement of Accounts for the year ended 31st March 2006, as under:

FINANCIAL HIGHLIGHTS:

<u>Particulars</u>	<u>Year Ended</u> <u>31/03/2006</u>	(Rs. in Lacs) <u>Year Ended</u> <u>31/03/2005</u>
Income from operations	2675.11	3149.24
Other Income	45.56	42.78
Total Expenditure	2615.76	2934.01
Interest	101.22	107.09
Profit before Amortisation, Depreciation & Prior Period Adjustment	3.69	150.92
Deffered Revenue Expenses Written off & Prior Period Adjustment	6.65	15.40
Depreciation	72.28	115.50
Provision for Tax - Current / Deferred	22.92	6.50
Net Profit/(Loss) after depreciation and tax	(52.32)	13.52
Profit / (Loss) brought forward	642.51	651.22
Balance available for appropriation	590.18	664.74
Appropriations:		
Proposed Dividend on Equity Shares	19.50	19.50
Tax on Proposed Dividend	2.73	2.73
Net Profit / (Loss) carried to Balance Sheet	567.95	642.51

DIVIDEND:

Your Directors have recommended to declare the dividend of 6% for the financial year 2005-2006.

Management Discussion and Analysis**FINANCIAL PERFORMANCE:**

During the financial year under review, your Company has earned the total income of Rs. 2675.11 Lacs which represents decrease of 15% over the previous financial year total income of Rs.3149.24 Lacs. Gross loss after interest but before depreciation was registered at Rs. 47.02 Lacs as against gross profit after interest but before depreciation of Rs.135.52 Lacs during the corresponding previous financial year. Net loss after depreciation was registered at Rs. 52.32 Lacs compared to Net profit after depreciation of Rs. 13.52 Lacs during the previous financial year.

During the financial year under review, there had been number of external factors adversely affecting the performance and profitability of the Company. Mainly 1) raw material cost particularly chemicals i.e. Phenol, Methanol, Formaldehyde and Melamine due to rising crude oil prices. 2) Unfavorable exchange rates of US Dollar and EURO 3) Freight cost both inward and outward due high fuel prices. In addition to this, frequent shortage of raw materials also affected the overall production and therefore sale turn over of the Company.

BLOOM DEKOR LIMITED

INDUSTRY OVERVIEW AND DEVELOPMENTS:

Globally, the decorative laminate industry is having a **marginal growth**. However, the domestic market is showing very handsome double digit growth, which appears to be sustainable for coming 5-10 years.

At the same time the Chinese invasion with low prices is putting pressure on the price realizations. The contribution of Indian laminate industry to the world demand is still under utilized and offers a lot of opportunity for the growth in volume but the value growth is not correspondingly high. The domestic consumption of laminates is showing positive growth rate but the additional capacities in the industry is a cause for concerned resulting into over supply.

OUTLOOK, OPPORTUNITIES AND THREATS

The Indian economy is estimated to have grown by 9.8% in 2005-2006 compared to 8.2% in the previous year. This growth is fueled by performance of the service sector besides the positive growth in manufacturing and agriculture sectors.

With the arrival of new manufactures the competition has become very stiff and margins are under constant pressure. The strategy to counter this will be:

- To reduce the manufacturing cost by achieving economics of scale.
- To capture sizeable domestic market share to improve the top line.
- To add new products with focus on value addition to improve bottom line.

RISK PERCEPTION & MANAGEMENT:

Looking at the world crude oil prices, there could be lot of discrepancies in supply and prices for various chemicals and raw material. Considering all, the business trajectory will remain challenging for the coming year.

However, the company is determined and focused to gain momentum of growth and to come back on profit track.

INTERNAL CONTROLS & THEIR ADEQUACY:

a) Internal Audit & Inspection:

A comprehensive system of internal inspection and audit is in place in your company to monitor internal control system. The scope and coverage of the Audit is reviewed by time to time to make it more focused and effective. The system of both out-sourcing and in house Audit continued during the year 2005-2006.

HUMAN RESOURCES:

During the year under review the employee attrition is minimal. The management continues its efforts on imparting professional training to Executives and Staff members at various levels with the view to upgrade their competence and managerial quality. The Industrial relations in your company continued to be cordial in the year 2005-2006.

Adequate emphasis was given for the safety of the worker in the work place through sustained, in-house training.

CAUTIONARY STATEMENT:

The statements and observations made in this analysis are reflective of the collective opinion of your company. Wherever possible conservative estimate have been taken.

Certain statements in this section relating to estimates, projections and expectations may be forward looking within the meaning of applicable laws and regulations. The actual results could differ materially from what the directors envisage in terms of the future performance and outlook. The factors that may affect the performance of the company will be drought or shortfall in rains, change in government policies, tariff barriers, delay in registrations, changes in local and overseas markets and the related factors.

NEW DOOR PROJECT:

The new door project is already under way. This forthcoming project will give boost to the Company's performance and profitability.

Your Directors' foresee the bright future of the Company.

PREFERENTIAL ALLOTMENT:

The Company had made issue of preferential equity share warrants for 27,50,000 during the year, as per SEBI Guidelines for preferential issues. These preferential equity warrants will be converted within 18 months from the date of issue i.e. 01/10/2005 into one fully paid of equity shares of Rs.10/- each at price of 15.50 per share determined in accordance with the SEBI (Disclosure and investor Protection) Guidelines, 2000.

The proceeds of preferential equity warrants is partly kept in the Bank FDR and partly utilised for general corporate purpose.

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

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.

BLOOM DEKOR LIMITED**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.

For and On behalf of the Board

Place : Ahmedabad

Date : 30/06/2006

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 increased to 1.53 units from 1.37 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 4.62 units per unit of production from 4.69 as in financial year 2004-2005. 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)

2005-2006

2004-2005

i	Foreign Exchange earned including Direct and Indirect exports.	1857.11	2181.02
ii	Foreign Exchange used	736.21	978.16

ANNUAL REPORT**FORM - A.****(B) Consumption per Unit of Production****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	16,70,202	17,48,430
Total Amount	77.14	81.96
(Rs. in Lacs)		
Rate/Unit	4.62	4.69
(b) Own Generation		
i. Through Diesel		
Generator Units	55,196	NIL
Unit per liter of Fuel	6.80 Lacs	NIL
(Total Diesel used)		
Cost/Unit	Rs. 12.31	NIL
ii. Through Steam		
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.)	48,75,125	59,83,245
Total Amount (Rs. in Lacs)	77.34	83.95
Average rate/Kgs.	1.59	1.40
5) Others		
(a) Gas :		
Quantity		
Consumed in M3	NIL	NIL
Total Cost		
Rate		
(b) L.P.G. :		
Quantity Consumed	NIL	NIL
Total Cost		
Rate		

ELECTRICITY (UNITS/UNIT
OF PRODUCTION)

1.53

1.37

FIRE WOOD & LIGNITE

(LTS, KGS/UNIT OF PROD.)

6.84

6.48

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	Nil
2. Benefits derived as a result of the above R & D	Nil	Nil
3. Future plan of action	Nil	Nil
4. Expenditure on R & D	Nil	Nil
(a) Capital	Nil	Nil
(b) Benefits derived as a result of the above R & D	Nil	Nil
(c) Future plan of action	Nil	Nil
(d) Total R & D expenditure as a percentage of total turnover adaptation and innovation.	Nil	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, 2006.

(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.	26.16 p.a.	MBBS 25 Yrs.	01.08.92	47	Executive Director Sundek India Ltd.

BLOOM DEKOR LIMITED**CORPORATE GOVERNANCE REPORT**

In compliance with the Corporate Governance requirements as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges, the Company has been incorporating for the last few years, a separate section on Corporate Governance in its Annual Report. The Shareholders and Investors of the Company would have found the information informative & useful.

Company's policies on the Corporate Governance and due compliance report on specific areas wherever applicable for the year ended 31st March, 2006 are given hereunder divided into the following areas:-

1. Company's philosophy on Corporate Governance:-

The Company continues to commit itself to maintaining the highest standards of integrity, transparency and accountability in all facets of its operations and to create Shareholders' value on a sustainable basis. Century believes that good Corporate Governance, with transparency and independence as its key ingredients, provides a market-oriented framework for the running of Companies. It can ensure a proper balance between management, board and shareholders, adequate levels of transparency, appropriate compensation schemes and the prevention of conflict of interests.

2. Board of Directors:-

(a) Composition of the Board:

The Board of Directors of the Company is comprised of two Executive Directors and three Non-Executive Directors.

Name of the Directors	Category of Directors	No. of Other Directorships held #		No. of other Committee(s) of which he/she is a member	No. of other Committee(s) of which he/she is a Chairperson
		Public	Private		
Shri Ashok Gandhi	Non Executive / Independent-Chairman -Director	9	-	8	-
Dr. Sunil Gupta	Executive/Promoter - Managing Director	1	1	-	-
Smt. Rupal Gupta	Executive/Promoter - Executive Director	-	1	-	-
Shri Mayur Parikh	Non Executive/ Independent-Director	5	2	4	2
Dr. Ramesh Shah	Non Executive/ Independent-Director	-	-	-	-

Excluding Directorships in Foreign Companies and Companies under Section 25 of the Companies Act, 1956.

All the Directors who are on various Committees are within the permissible limits of the listing agreement.

The Directors have intimated from time to time their membership in the various Committees in other Companies.

ANNUAL REPORT**(b) 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 2005-2006 i.e. 27th July 2005.

Sr. No.	Name of Members	Category	Remuneration Committee Meetings Held	Attendance
01.	Shri Ashok Gandhi	Chairman, Non-Executive & Independent Director	1	0
02.	Shri Mayur Parikh	Member, Non-Executive & Independent Director	1	1
03.	Dr. Ramesh Shah	Member, Non-Executive & Independent Director	1	1

(c) Details of sitting fees, commission and remuneration paid/payable to Directors:

Name of the Directors	Commission Payable for the year	Sitting fees paid during the year	Total (in Rs.)
Shri Ashok Gandhi	—	13,000/-	13,000/-
Shri Mayur Parikh	—	16,000/-	16,000/-
Dr. Ramesh Shah	—	24,000/-	24,000/-

Remuneration**

Dr. Sunil Gupta	—	—	21.10 Lacs
Smt. Rupal Gupta	—	—	5.06 Lacs

** Period of appointment of Managing Director : 01/09/2005 to 31/08/2008

The Managing Director remuneration detail : Not exceeding Rs.1,40,000/- over and above perks per month of a period of three years w.e.f. 01/09/2005

**Period of Appointment of Executive Director : 01/05/2004 to 30/04/2007

The Executive Director remuneration detail : Rs.20,000/- per month plus perquisites of a Period of three years w.e.f. 01/05/2004

Notes:-

- i) Certain professional services are rendered to the Company by Non-Executive Independent Directors. In the opinion and judgement of the Board, this does not affect the independence of the said Director.

(d) Board Meetings and attendance of Directors:

Directors	No. of Board Meetings Held	Attended	Attendance at the last AGM
Shri Ashok Gandhi	6	5	Yes
Dr. Sunil Gupta	6	6	No
Smt. Rupal Gupta	6	5	Yes
Shri Mayur Parikh	6	5	Yes
Dr. Ramesh Shah	6	6	No

(e) Code of Conduct:

The Company has framed a code on conduct for the members of the Board of Directors and Senior Management personnel of the Company. The said code of conduct is available on the website of the Company. The declaration by Dr. Sunil Gupta, Managing Director of the Company regarding compliance by the Board members and Senior Management personnel with the said code of conduct is given as Annexure I and Annexure II to this Report. In addition to this a separate code of conduct for dealing in equity shares and other securities having voting rights of the Company is also in place.

BLOOM DEKOR LIMITED**3. Audit Committee:**

- (i) The Audit Committee was constituted by the Board at its meeting held on 07th March 2002. Member Directors of the Audit Committee are as under:-

- 1) Shri Mayur Parikh
- 2) Shri Ashok Gandhi
- 3) Dr. Ramesh Shah

All the members of the Audit Committee are Non-executive Directors. The Committee has elected Shri Mayur Parikh as its Chairman. All the members of Audit Committee are financially literate and one member is having vast experience in the field of financial management expertise and other in these related matters.

- (ii) The Audit Committee meetings were held on 23.06.2005, 27.07.2005, 29.10.2005 and 28.01.2006. The attendance of each Audit Committee member is as under:-

Name of the Audit Committee Members	No. of Meetings	
	held	attended
Shri Mayur Parikh	4	4
Shri Ashok Gandhi	4	3
Dr. Ramesh Shah	4	4

- (iii) On the invitation of the Company, internal auditor to the Audit Committee also attended the Audit Committee meetings to respond to queries raised at the Committee meetings.

- (iv) The role and terms of reference of the Audit Committee cover the matters specified for Audit Committees under Clause 49 of Listing Agreement as well as in Section 292A of the Companies Act, 1956.

4. Subsidiary Companies:

The Company does not have any subsidiary Company.

5. Disclosures:

- (i) There are no materially significant related party transactions entered into by the Company with the Promoters, Directors or the Management, their Relatives etc. that may have potential conflicting with the interest of the Company at large. The register of contracts containing the transactions in which Directors are interested is placed before the Board regularly for its approval.

Transactions with related parties are disclosed in notes to the accounts in this Annual Report.

- (ii) All pecuniary relationship or transactions of the non-executive directors vis-a-vis the company have been disclosed in the notes forming parts of the Accounts.

- (iii) Management Discussion and Analysis forms part of the Directors' Report to the shareholders and it includes discussion on matters as required under the provisions of Clause 49 of the listing agreement with Stock Exchanges.

- (iv) No Penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

6. Shareholders / Investors Grievances Committee :

The composition of Shareholders Grievance Committee as on 31st March, 2006 and attendance of the members in the meetings held on 25.06.2005, 27.07.2005, 29.10.2005 and 28.01.2006 during the F.Y. 2005-06 are as follows :-

Name of the Shareholder Grievance Committee Members	No. of Meetings	
	held	attended
Dr. Ramesh Shah	4	4
Dr. Sunil Gupta	4	4
Smt. Rupal Gupta	4	4

- (a) The Company has constituted the Shareholders Grievance Committee consisting of Non-executive director of which Dr. Ramesh Shah is the Chairman, other members are Shareholders Grievance