

BLOOM

SIMPLY D'FRONT ►►



BLOOM DEKOR LIMITED
ANNUAL REPORT
2012-2013

BLOOM

SIMPLY D'FRONT ►►

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DIRECTORS

Dr. Sunil Gupta	<i>Chairman & Managing Director</i>
Mr. Ashok Gandhi	<i>Director</i>
Mr. Mayur Parikh	<i>Director</i>
Mr. Karan Gupta	<i>Executive Director</i>
Mrs. Rupal Gupta	<i>Whole-time Director</i>
Mr. Chirag Mehta	<i>Director</i>

BANKERS

Punjab National Bank

AUDITORS

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

NOTICE

Notice is hereby given that the Twenty Second Annual General Meeting of the Members of will be held on 28th September, 2013 (Saturday) at 11.00 a.m. at the Registered Office of the Company at 267, Village Oran, Tal. Prantij, Dist. Sabarkantha, North Gujarat-383 205 to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31.03.2013 and the profit and loss account for the period ended on 31.03.2013 and Reports of Directors and Auditors thereon.
2. To declare final dividend on the equity shares for the financial year ended 31st March, 2013.
3. To appoint a Director in place of Mr. Ashok Gandhi who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors of the Company to hold office from the conclusion of this Annual General Meeting and to authorize the Board of Directors to fix their remuneration. In this context, to consider and if thought fit to pass with or without modifications following as an ordinary resolution.

“RESOLVED that B.T. VORA & CO., Chartered Accountants [Firm Reg. No. 123652W] be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting on such remuneration as may be decided by the Board of Directors of the Company.”

SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to provisions of Section 269,309,314 and other applicable provisions, if any, read with Schedule XIII of the Companies Act,1956 and subject to approval of Shareholders at the ensuing General Meeting of the Company, consent of the company be and hereby accorded for re-appointment and revision in the remuneration of Smt. Rupal Gupta, Executive Director of the Company for a period of three years with effect from 01/05/2013 for a period of 3 years on the following terms and conditions subject to such modifications , if any, as may be acceptable to the Board of Directors of the Company and Smt. Rupal Gupta within the ceiling as laid down under the provisions of the Companies Act, 1956.

- 1] Salary of Rs.41400/- (Rupees Forty One Thousand Four Hundred Only) per month and House Rental Allowance of Rs.24840/-(Rupees Twenty Four Thousand Eight Hundred Forty Only) per month with an annual increment of 15% p.a.
- 2] Perquisites and Benefits: Perquisites may be allowed in addition to salary and/or commission or both permissible under the provisions of the Companies Act, 1956 but perquisites shall be restricted to annual salary of the appointee.”

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

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

“RESOLVED THAT pursuant to requirements of Mumbai Stock Exchange and stipulation for mentioning correct relevant date while granting in principle approval for issue, allotment and enlistment of convertible warrants issued in terms of the resolution passed at the annual general meeting of the members of the company held on 29/09/2012, and in terms of the undertaking provided by the company for amending the resolution at the ensuing Annual General Meeting of the shareholders of the company, the consent of the members of the company be and is hereby accorded for partial modification of the said original resolution by substitution of the relevant date as “30th August, 2012” in place of “29th August, 2012” as the correct relevant date.”

By order of the Board

Place : Ahmedabad

Date : 14/08/2013

Managing Director

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.
2. The relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Item No. 5 and 6 of Notice is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from 23/09/2013 to 28/09/ 2013 (both days inclusive).
4. Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued a circular No.17/2011 on April 21, 2011 stating that the service of documents including Annual Report to shareholders by a Company can be made through electronic mode. Keeping in view the underlying theme and to support this green initiative of Government in the right spirit, members who holds shares in electronic mode and who have not registered their email addresses, so far, are requested to register their email address and changes therein from time to time, with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to fill the prescribed form (refer page No. 3 of this Annual Report), giving their consent to receive the Notices calling general meetings, audited financial statements, auditors' report, directors' report, explanatory statement or any other communication in electronic mode, and register the said form with Purva Shareregistry India Private Limited. The said form is also available on the Company's website www.bloomdekor.com.
5. Shareholders desirous of 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.
6. 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.
7. 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.
8. Members who hold the shares in dematerialized 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

10. In case their shares are held in dematerialized form then information should be passed on directly to their respective Depository Participant and not to the Company / Share Transfer Agent without any delay.
11. The annual listing fees of all the Stock Exchanges where Company's shares are listed are generally being paid regularly.
12. Re-appointment of Director.
 - [a] At the ensuing Annual General Meeting Mr. Ashok Gandhi Director retires by rotation and being eligible, offers himself for re-appointment. The information or details pertaining to Mr. Ashok Gandhi, to be provided in terms of Clause 49 of the Listing Agreement are furnished in the Statement on Corporate Governance published elsewhere in this Report.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956, IN RESPECT OF ITEM NO. 5 OF NOTICE IS ANNEXED HERETO.

Item No. 5

- (1) Smt. Rupal Gupta, who was earlier appointed as an Executive Director for a period of 3 years has been hereby re-appointed for a further period of three years at the meeting of the board of directors held on 11/05/2013 with effect from 01/05/2013 on the following terms and conditions subject to such modifications, if any as may be decided by the members in their meeting.
- (2) Salary of Rs.41400/- (Rupees Forty One Thousand Four Hundred Only) per month and House Rental Allowance of Rs.24840/- (Rupees Twenty Four Thousand Eight Hundred Forty Only) per month with an annual increment of 15% p.a.
- (3) Perquisites and Benefits: Perquisites may be allowed in addition to salary and/or commission or both permissible under the provisions of the Companies Act, 1956 but perquisites shall be restricted to annual salary of the appointee."
- (4) Pursuant to provisions of Section 269,309,314 and other applicable provisions, if any read with Schedule XIII of the Companies Act, 1956, it is necessary to pass an ordinary resolution at the Annual General Meeting of the Shareholders of the Company. Therefore the present resolution has been proposed for approval of the Shareholders.
- (5) None of the Directors of the Company is interested in this resolution, except Smt. Rupal Gupta in so far as it pertains to her remuneration; Dr. Sunil Gupta and Mr. Karan Gupta may be regarded concerned or interested in the Resolution since he/they are the relatives of Smt. Rupal Gupta

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:	(₹ In Lacs)	
Particulars	31.03.2013	31.03.2011
Income from operations	6358.69	5393.96
Other Income	26.90	23.29
Total Expenditure	5742.72	4841.14
Interest	339.94	394.48
Profit before Amortisation, Depreciation & Prior Period Adjustment	302.93	181.63
Depreciation	118.99	121.35
Provision for Tax – Current / Deferred	74.31	2.14
Net Profit after depreciation and tax	109.63	58.14
Profit / (Loss) brought forward	688.45	668.18
Net Profit / (Loss) carried to Balance Sheet	728.97	688.45

II. Information about the appointee:

- i) Smt. Rupal Gupta along with her relatives holds 32,26,867 Equity Shares of the Company as on 31/03/2013. Dr. Sunil Gupta being Managing Director and Mr. Karan Gupta being Executive Director are relatives of Smt. Rupal Gupta.

None of the Directors except Dr. Sunil Gupta, Mr. Karan Gupta and Mrs. Rupal Gupta are interested in the Resolution.

Item No. 6 :

At the Annual general meeting of the shareholders of the company held on 29th September, 2012, a special resolution was passed by the shareholders for the purpose of issue and allotment of convertible warrants on preferential allotment basis to the outside investors as well as promoters of the company. While granting in-principle approval for the purpose of enlistment of securities proposed to be issued in terms of the said resolution, Mumbai Stock Exchange had observed that the "Relevant Date" should be 30th August, 2012 instead of 29th August, 2012 and they had further stipulated that the company will, at the ensuing Annual general meeting pass a specific resolution for the purpose of modification of said correct relevant date which can be considered for the purpose of all calculations of Preferential allotment of warrants.

In view of the stipulation by the BSE and undertaking given by the company for mentioning correct relevant date for all practical purpose of the preferential allotment of convertible warrants, the proposed resolution at item No. 6 has been recommended for your approval.

None of the directors, except the promoter and directors who have subscribed to the issue of warrants are directly or indirectly concerned or interested in the proposed resolution.

By order of the Board

Place : Ahmedabad

Date : 14/08/2013

Managing Director

Bloom Dekor Limited
Important Communication to Shareholders

“GREEN INITIATIVE IN THE CORPORATE GOVERNANCE”

Ministry of Corporate Affairs (MCA) has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the Companies and has issued a circular No.17/2011 on April 21, 2011 stating that the service of document to shareholders by a Company can be made through electronic mode. Keeping in view the underlying theme and to support this green initiative of Government in the right spirit, members who holds shares in electronic mode and who have not registered their email addresses, so far, are requested to register their email address and changes therein from time to time, with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to fill the below mentioned prescribed form, giving their consent to receive the Notices calling general meetings, audited financial statements, auditors’ report, directors’ report, explanatory statement or any other communication in electronic mode, and register the said form with **Purva Sharegistry (India) Private Limited**. The said form is also available on the Company’s website www.bloomdekor.com

Please note that you will be entitled to be furnished, free of cost, with a physical copy of the notice, balance sheet and all other documents required by law to be attached thereto including the profit & loss account and auditors’ report etc., upon receipt of a requisition from you, any time, as a member of the Company.

We are sure you would appreciate the “Green Initiative” taken by MCA and your Company’s desire to participate in such initiatives.

EMAIL ADDRESS REGISTRATION FORM

(For members who holds shares in Physical Form)

BLOOM DEKOR LIMITED

Registered Office: 267, Village Oran, Tal. Prantij, Dist. Sabarkantha, North Gujarat-383 205

Ledger Folio No. : _____

No. of Share(s) held : _____

NAME OF THE SHAREHOLDER/ JOINT HOLDER : _____

EMAIL ADDRESS: 1. _____ 2. _____

CONTACT NO. (R) _____ (M) _____

I hereby give my/our consent to receive the Notices calling general meetings, audited financial statements, auditors’ report, directors’ report, explanatory statement and all other documents required by law to be attached thereto or any other communication in electronic mode at my/our above mentioned email ID.

Signed this _____ day of _____, 2013.

Signature of the shareholder(s)

Note:

- 1) Members are requested to send their duly completed form as above to the Registrar and Transfer Agent (RTA) namely Purva Sharegistry India Pvt. Ltd.
- 2) Members are also requested to inform about any change in their email ID immediately to RTA.
- 3) This form is also available on the Company’s website www.bloomdekor.com

DIRECTORS' REPORT

Dear members,

The Directors take pleasure in presenting the Twenty Second Annual Report along with the Audited Statement of Accounts for the year ended 31st March, 2013 as under:

FINANCIAL HIGHLIGHTS

Particulars	Year Ended	(₹ in Lacs) Year Ended
	31/03/2013	31/03/2012
Income from operations	6358.69	5393.96
Other Income	26.90	23.29
Total Expenditure	5742.72	4841.14
Interest	339.94	394.48
Profit before Amortisation, Depreciation & Prior Period Adjustment	302.93	181.63
Depreciation	118.99	121.35
Provision for Tax – Current / Deferred	74.31	2.14
Net Profit after depreciation and tax	109.63	58.14
Profit / (Loss) brought forward	688.45	668.18
Net Profit / (Loss) carried to Balance Sheet	728.97	688.45

DIVIDEND:

Your Directors are pleased to recommend a dividend of ₹0.80/- per equity share of ₹10 /- each for the year ended 31st March, 2013, subject to the approval of the members at the ensuing Annual General Meeting.

MANAGEMENT DISCUSSIONS AND ANALYSIS**FINANCIAL PERFORMANCE:**

The growth in the local market opened new opportunities for the company to shift focus onto the domestic markets. Domestic sales have shown a growth of 16.02% over the previous year 11-12.

The gross turnover of the company in the year 2012-2013 has shown a growth of 17.88% as compared to the previous year which also exceeded the projections. The turnover of the company in the year 2012-2013 is ₹6358.69 Lacs as against ₹5393.96 Lacs for the previous year 2011-2012.

The domestic markets in India have shown tremendous up trends in demand due to a boom in the construction industry and new design concepts emerging for sophisticated interiors. This is reason enough for the increase in domestic laminate sales and strategic decisions taken by the management have helped in improving the top line of the company both in the domestic and the international markets.

During the financial year under review, there had been a number of external factors adversely affecting the performance and profitability of the Company; i.e Increase in 1) raw material cost, for chemicals like Phenol, Methanol, Formaldehyde and Melamine due to rising crude oil prices. 2) Unfavorable exchange rates of US Dollar and EURO 3) Increase in both inward and outward freight costs due to high fuel prices. In addition to this, frequent shortage of raw materials also affected the overall production and in turn, the anticipated top line of the Company.

Despite the downturn in the economy Bloom Dekor has returned an increase of 17.88% on the top line with better margins.

INDUSTRY OVERVIEW AND DEVELOPMENTS:

Globally, the decorative laminate industry is projected to have a marginal growth. However, the domestic market is showing a very healthy double digit growth, which appears to be sustainable for the coming decade mainly on account of boom in the real estate markets which has put a high demand for decorative laminate sheets catering to the interior decoration of the innumerable residential and commercial buildings sector.

At the same time, the Chinese invasion with low prices is adding 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.

OUTLOOK & OPPORTUNITIES:

LAMINATES:

Bloom is continuing to be a preference amongst the architects and the interior designers by the introduction of each of its new collection every season. We will be concentrating on expanding our reach to tie up with new channel partners to increase volume. The 3rd press for laminates will be operational soon and Bloom will look to cater to the door skins market by the introduction of 7x3 sized HPL sheets. Professional Enterprise Resource Planning (ERP) systems have been implemented, which will help the company take strategic decisions on cost cutting and improving the bottom line. With the implementation of the new press and a new product in the form of 7x3, along with creating an entirely new channel partner strategy to market this product, Bloom has great plans to significantly achieve growth with improved margins.

DOORS:

Bloom Doors has seen a significant increase in comparison to the figures for the previous years. There has been excellent acceptance feedback and the company has widened its direct marketing for doors to over a dozen cities outside the home territory. Huge plans are in process and the company should be out with a totally new look and awareness campaign for the use of good decorative doors through its team of efficient sales executives. This B2B product will also find its way to the retail customer through a strategic execution plan of creating a network of channel partners. Distribution policies, a newer product range, branding etc will be a part of this plan. To effectively market doors in the shortest span of time, Bloom will also leverage the Times Treaty and tie up with various professional creative agencies to execute the action plan in a professional and time bound manner to mark its presence and position itself as a premium door manufacturer in this competitive door industry.

PROFESSIONAL MANAGEMENT

The company is poised for phenomenal growth and has also started the management restructuring process and introduction of modern systems to ensure total professional approach to business. Company is also in the process of implementation of ERP (Enterprise Resource Planning) software.

RISK PERCEPTION:

Looking at the price movement of world crude oil prices, there would be noticeable variations in prices and supply of various chemicals and raw materials. The weakening of rupee will prove to be a major setback which will directly affect all raw material prices in both the Doors and the Laminates division.

However, the company is determined and focused to gain momentum in growth and to improve their profit margins for the coming financial year by dividing the overheads into higher sales.

For the doors division, competition will come in from cheaper doors being marketed by Chinese companies and other unorganized flush door manufacturers and not to forget the growth of new companies which would be wanting to tap the huge market that exists for the eco-friendly engineered panel doors and designer flush doors. This will induce heavy pressure on the cost control during the manufacturing process.

INTERNAL CONTROLS & THEIR ADEQUACY:

Internal Audit & Inspection:

A comprehensive system of internal inspection and audit is in place in the company to monitor internal control systems. The scope and coverage of the Audit is reviewed from time to time to make it more focused and effective. The system of both out-sourcing and in-house audit continued during the year 2012-2013.

HUMAN RESOURCES:

During the year under review the employee attrition was minimal. The management continues its efforts in imparting professional training to Executives and Staff members at various levels with the view to upgrade their competence and managerial abilities. The Industrial relations in the company continued to be cordial in the year 2012-2013.

New focus is being given to improve safety for the workers and improve awareness of work place management through training on 5S principles.

CAUTIONARY STATEMENT:

The statements and observations made in this analysis are reflective of the collective opinion of the company. Wherever possible, conservative estimates have been considered.

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 marginally 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 changes pertaining to government policies, tariff barriers, delays in registrations, changes in local and overseas markets and the related factors there of.

FIXED DEPOSIT:

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

DIRECTORS:

As per the Articles of Association Mr. Ashok Gandhi retires by rotation but being eligible, offers himself for reappointment

During the year, Smt. Rupal Gupta has been reappointed as Executive Director (Whole-time) w.e.f. 01.05.2013 for the periods of three years.

DIRECTOR'S 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:

In the preparation of the Annual Accounts, the applicable accounting standards were followed:

The Directors had selected such accounting policies and applied them consistently, made judgments 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;

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.

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.

AUDITORS:

The Company's Auditors B.T. Vora & Co., Chartered Accountants, Ahmedabad [Firm Reg. No. 123652W] 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.

PARTICULARS OF EMPLOYEES:

There is no employee of the company drawing total remuneration of ₹60,00,000 p.a. or ₹5,00,000 p.m. as required u/s 217 (2A) of The Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975

ACKNOWLEDGEMENT:

The Directors take this opportunity to thank all their valued customers, business associates and vendors for their kind support. The Directors also record their appreciation for the sincere and dedicated efforts put in by all the employees at all levels for their contribution towards this performance. The co-operation of our bankers Punjab National Bank have been commendable and have helped us through out the year. The Management also thanks their share holders.

For and On behalf of the Board

Place: Ahmedabad

Date : 14/08/2013

Managing Director