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Bloom Industries Ltd.

**17th
ANNUAL REPORT
2005 - 2006**

Bloom Industries Ltd.

BOARD OF DIRECTORS

KAMAL KUMAR CHAUDHARY	Chairman
ASHISH CHAUDHARY	Director
SHARAD KUMAR GUPTA	Director
VIMAL SHARMA	Director
RAJESH KUMAR NAGORI	Director

REGISTERED OFFICE

C-23/2, M.I.D.C.,
TALOJA - 410 208.
DIST - RAIGAD,
MAHARASHTRA

BANKERS

STATE BANK OF BIKANER & JAIPUR
HDFC BANK LTD.
STATE BANK OF HYDERABAD

SOLICITOR

PRAMOD KUMAR & COMPANY
57G, BHUPEN CHEMBERS,
3RD FLOOR, 9 DALAL STREET,
MUMBAI - 400 023.

AUDITORS

M/S. JANGID & ASSOCIATES
21, REHMAN BUILDING, 3RD FLOOR,
24 VEER NARIMAN ROAD, FORT,
MUMBAI - 400 023.

REGISTRAR & TRANSFER AGENT

M/S. PURVA SHAREGISTRY (INDIA) PRIVATE LIMITED
9, SHIV SHAKTI INDUSTRIAL ESTATE
GROUND FLOOR, SITARAM MILL COMPOUND
J.R.BORICHA MARG, LOWER PAREL,
MUMBAI - 400 011.



NOTICE

NOTICE is hereby given that the Seventeenth Annual General Meeting of the shareholders of **BLOOM INDUSTRIES LIMITED** will be held on Friday, 15th day of September, 2006 at Registered Office: C-23/2, M.I.D.C., Taloja, Dist- Raigad, Maharashtra - 410 208. at 10.30 a.m. to transact the following business:

Ordinary Business

- 1 To receive and adopt the audited Profit and Loss Account for the year ended March 31, 2006 and the Balance Sheet as at March, 31, 2006 and Directors' and Auditors' Reports thereon.
- 2 To appoint a Director in place of Mr. Ashish Chaudhary, who retire by rotation and, being eligible, offers himself for re-appointment.
- 3 To appoint Auditors for the year ending 31st March, 2007 and to fix their remuneration.

Special Business

- 4 To Consider and if thought fit, to pass with or without modification as an Ordinary Resolution.

"RESOLVED THAT pursuant to Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Mr. Vimal Sharma who was appointed by the Board of Directors as Additional Director of the Company and who hold office up to the date of ensuing Annual General Meeting under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member proposing the candidature of Mr. Vimal Sharma the office Director be and is hereby appointed as Director of the Company.

- 5 To Consider and if thought fit, to pass with or without modification as an Ordinary Resolution.

"RESOLVED THAT pursuant to Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Mr. Rajesh Kumar Nagori who was appointed by the Board of Directors as Additional Director of the Company and who hold office up to the date of ensuing Annual General Meeting under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member proposing the candidature of Mr. Rajesh Kumar Nagori the office Director be and is hereby appointed as Director of the Company.

NOTES:

1. The relative explanatory statement pursuant to Section 173 of the Companies Act, 1956 in respect of the business. Hereto.
2. THE MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
3. Members are requested to intimate the change in their registered address, if any, to the Company's registered office.
4. Members desiring any information at the Annual General Meeting of the Company are requested to write to the Company at least 10 days in advance so as to enable the Company to keep the information ready.
5. The Register of Member and Share Transfer Books of the Company will remain closed from Monday, 11th September 2006 to Friday, 15th September, 2006 (both days inclusive).
6. Member who hold shares in dematerialised form are requested to write their Client-ID and DP-ID Numbers and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the meeting.
7. All documents referred to in accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all working days except Tuesday between 11.00 a.m. to 4.00 p.m. up to the date of Annual General Meeting.

Registered office:
C-23/2, MIDC,
Taloja - 410 208,
Dist. Raigad,
Maharashtra.
Date : July 27, 2006

By Order of the Board of Directors

Kamal Kumar Chaudhary
Chairman

Bloom Industries Ltd.

ANNEXURE TO NOTICE

Explanatory Statement in respect of the Special Business pursuant to Section 173(2) of the Companies Act, 1956

Item No. 4

Shri Vimal Sharma was appointed as an Additional Director of the company effective from 29th December 2005. By virtue of the provisions of Section 260 of the Companies Act, 1956, Shri Vimal Sharma would, therefore, hold office only upto the ensuing Annual General Meeting. The Notice under section 257 of the Companies Act, 1956, received from the members proposing appointment of Shri Vimal Sharma as a Director of the Company.

The services of Shri Vimal Sharma will be useful to the Company and the Directors, therefore, recommend her appointment.

None of the Directors are deemed to be concerned or interested in the proposed resolutions except Shri Vimal Sharma.

Item No. 5

Shri Rajesh Kumar Nagori was appointed as an Additional Director of the company effective from 29th December 2005. By virtue of the provisions of Section 260 of the Companies Act, 1956, Shri Rajesh Kumar Nagori would, therefore, hold office only upto the ensuing Annual General Meeting. The Notice under section 257 of the Companies Act, 1956, received from the members proposing appointment of Shri Rajesh Kumar Nagori as a Director of the Company.

The services of Shri Rajesh Kumar Nagori will be useful to the Company and the Directors, therefore, recommend her appointment.

None of the Directors are deemed to be concerned or interested in the proposed resolutions except Shri Rajesh Kumar Nagori.

Registered office:
C-23/2, MIDC,
Taloja - 410 208,
Dist. Raigad,
Maharashtra.
Date : July 27, 2006

By Order of the Board of Directors

Kamal Kumar Chaudhary
Chairman

DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting the SEVENTEENTH ANNUAL REPORT and the Audited statements of Accounts of the Company for the year ended 31st March, 2006.

FINANCIAL RESULTS

	Year ended 31st March, 2006 Rupees	Year ended 31st March, 2005 Rupees
Profit before Depreciation	85,05,732.90	(17,58,908.10)
Less: Depreciation	15,55,541.85	13,98,297.15
Profit/(Loss) before Tax	69,50,191.05	(31,57,205.25)
Add/(Less): Exceptional Items	—	1,65,52,088.16
Less: Provision for Taxation	6,08,957.00	4,68,263.00
Profit / (Loss) after tax	63,41,234.05	1,29,26,619.91
Less: Earlier year adjustment	—	6,18,088.00
Add: Balance of Profit brought forward from previous year	(4,00,87,890.51)	(5,23,96,422.42)
Balance carried to Balance Sheet	(3,37,46,656.46)	(4,00,87,890.51)

REVIEW OF OPERATIONS

During the year under review, the total income from operation is Rs. 143.80 Lac as against the Income of Rs. 3.11 of the previous year.

DIVIDEND:

The Board of directors does not recommend any dividend.

FINANCE

The Authorised Share Capital of the Company is Rs. 550.00 Lacs and Paid-up Share Capital is Rs. 470.60 Lacs.

FIXED DEPOSITS

The Company has so far not invited any deposits from the public.

DIRECTORS

The Board at present comprises of Mr. Kamal Kumar Chaudhary, Mr. Ashish Chaudhary, Mr. Sharad Kumar Gupta, Mr. Vimal Sharma and Mr. Rajesh Kumar Nagori all having vast business experience.

DIRECTORS RESPONSIBILITY STATEMENT :

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors state :

- (i) That in the preparation of the Annual Accounts, the applicable accounting standards have been followed;
- (ii) That the Directors have 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 ended 31st March, 2006 and of the profit or loss of the Company for that financial year.
- (iii) That the Directors have 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.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars with respect to Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo pursuant to Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 and under section 217 (1) (e) of the Companies Act, 1956 is set out hereunder.

Bloom Industries Ltd.

(A) POWER AND FUEL CONSUMPTION

Electricity :

Purchase Unit (KWH)	49,981 Units
Total Amount	Rs. 3,18,150/-

Rate/Unit	Rs. 6.37
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(B) TECHNOLOGY ABSORPTION

No research and development work has been carried out by the company and therefore, there is no expenditure on this head, or any benefit accrued from it.

(C) FOREIGN EXCHANGE EARNING AND OUTGO

The foreign exchange earning during the year is Rs. NIL and outgo USD \$ 87904.60 Rs. 39,38,777/-

PARTICULARS OF EMPLOYEES :

Particulars of employees as required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 are not applicable to our company, as during the year under review no employee is in receipt of remuneration of more than Rs. 1,00,000/- per month or Rs. 12,00,000/- per annum.

CORPORATE GOVERNANCE :

Under the Listing Agreement, the provisions of Clause 49 relating to Corporate Governance are applicable to the Company effective 31st March 2003. However, the Company has already initiated steps to comply with the requirements. The Audit Committee is not required to be formed pursuant to Section 292A of the Companies Act, 1956 since the paid-up Capital is less than Rs. 5 Crores. The Corporate Governance Report and Certificate from Auditor is given in Annexure-1 and forms part of this report.

DEMATERIALISATION OF SECURITIES

The Company Dematerialised of Security 33,69,400 Shares out of 47,06,000 Shares till 31st March, 2006 (71.60 %) with CDSL bearing ISIN No: INE 373E01015.

AUDITORS

M/s. Jangid & Associates, Chartered Accountants retire as Auditors of the Company at the conclusion of the ensuing Annual General Meeting and, being eligible, have offered themselves for re-appointment.

EMPLOYEES' RELATIONS

The relations between the employees and management continue to be good and cordial.

ACKNOWLEDGEMENTS

The Directors have pleasure to place on record their appreciation for the valuable co-operation and assistance by the Company's Bankers, Financial Institutions, Associates, Investors and Employees.

Place : Mumbai

Date : July 27, 2006

FOR AND ON BEHALF OF THE BOARD

KAMAL KUMAR CHAUDHARY
CHAIRMAN

ANNEXURE 1 TO DIRECTORS' REPORT :-**CORPORATE GOVERNANCE REPORT**

The detailed Report on Corporate Governance as per the Format prescribed by SEBI and incorporated in Clause 49 of the Listing Agreement is set out below.

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE :

The Company's philosophy on Corporate Governance lays strong emphasis on transparency, accountability and integrity. The Company has implemented mandatory requirements of the Code of Governance as mentioned in Clause 49 of the Listing Agreement.

2. BOARD OF DIRECTORS

Composition and number of meeting held:

There are Five members of the Board of Directors. The Board comprises of Chairman and Four other Non-Executive Director. All are independent Directors.

During the financial year ending 31st March 2006, 5 (Five) meeting of the Board of Directors were held on 29th April, 2005, 30th July, 2005, 24th October, 2005, 29th December, 2005 and 30th January, 2006. The Composition the last Annual General Meeting, number of Directorship in other Companies and Membership in committees across various Companies of which the Director is a Member / Chairman are given below.

Name of the Director	Category	No. of other Directorships	Committee No. of Membership	Positions Chairman	No. of Board Meeting Attended	Last AGM Attended
Mr. Kamal Kumar Chaudhary	Chairman	1	1	5	5	Yes
Mr. Ashish Chaudhary	Independent Non-Executive	NIL	1	NIL	5	Yes
Mr. Sharad Kumar Gupta	Independent Non-Executive	1	1	NIL	5	Yes
Mr. Vimal Sharma*	Independent Non-Executive	NIL	1	NIL	2	No
Mr. Rajesh Kumar Nogari*	Independent Non-Executive	NIL	1	NIL	2	No

* Appointed with effect from 29th December, 2005.

Three Directors Mr. Kamal Kumar Chaudhary, Mr. Ashish Chaudhary and Mr. Sharad Kumar Gupta have attended the last AGM held on 15th September, 2005.

3. AUDIT COMMITTEE:

The Company has constituted Audit Committee to look after the accounts & audit works and following members have been appointed :

1. Shri Sharad Kumar Gupta	Chairman of the Committee
2. Shri Rajesh Kumar Nagori	Director
3. Shri Vimal Sharma	Director

4. REMUNERATION OF DIRECTORS:

The Company does not pay any remuneration and sitting fees for attending the Board / Committee Meeting to Non-executive Directors.

Disclosure of Non-mandatory requirement:

The Board has not constituted a Remuneration Committee, as it is not mandatory. The same will be constituted as and when the need will arise.