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**EIGHTH ANNUAL REPORT 1996-97**  
**NINTH ANNUAL REPORT 1997-98**  
**TENTH ANNUAL REPORT 1998-99**



## 8TH ANNUAL REPORT 1996-97

### BOARD OF DIRECTORS

Mr. H. S. Damania- Director

Ms. M. V. Panchal - Director

Mr. M. V. Sheth - Director

Mr. D. C. Desai - Director

### AUDITORS

**M/s. Jayesh Thakur & Co.**  
Chartered Accountants  
Mumbai

### REGISTERED OFFICE

1287, Parmar House  
Opp. Gurukrupa Society  
Khanvel Road  
Silvassa 396 230 (U.T.)

### PLANT

Village Jani Vankad  
Nani Daman, Daman  
396 210 U.T.  
Daman & Diu

### NOTICE

Notice is hereby given that the Eighth Annual General Meeting of the members of BLOSSOM INDUSTRIES LIMITED will be held on Wednesday, the 21st day of June 2000, at the Indian Red Cross Society, Red Cross House, U.T. of Dadra & Nagar Haveli Branch, Silvassa - 396 230 at 10.00 a.m. to transact the following business :

#### ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 30th June 1997, the Profit and Loss Account for the period ended on that date and the Schedules together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. H. S. Damania who retires by rotation and being eligible offers himself for re-appointment.
3. To re-appoint Auditors and to fix their remuneration.

#### NOTES:

- a. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

A blank proxy form is enclosed at the end of the booklet which if used should be deposited with the Registered Office of the Company at 1287, Parmar House Opp. Gurukrupa Society Khanvel Road Silvassa 396 230 U.T. Dadra and Nagar Haveli not later than 48 hours before the commencement of the Meeting.

- b. Members are requested to bring their copy of the Annual Report to the Meeting. Shareholders seeking information on Accounts are requested to intimate the Company atleast 10 days in advance to enable the management to keep the information ready at the time of the Meeting.
- c. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during office hours on all working days except Saturdays and Holidays between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.

**For and on behalf of the Board of Directors**

D.C.Desai  
Director

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### REGISTERED OFFICE

1287, Parmar House  
Opp. Gurukrupa Society  
Khanvel Road  
Silvassa 396 230  
U.T. Dadra and Nagar Haveli

Date : 17th May, 2000



## DIRECTORS' REPORT

To  
The Members  
Blossom Industries Limited

Your Directors herewith present the Eighth Annual Report on the business and operations of the Company together with Audited Statement of Accounts of the Company for the period (fifteen months) ended June 30, 1997. Your Directors regret the delay in presenting these accounts due to appointment of Court Receiver, High Court Bombay, who had physical possession of the assets including Books of Account.

### 1. FINANCIAL RESULTS

(Rs. in Lacs)

	1996-97 (15 months)	1995-96 (12 months)
Sales and other Income	535.74	392.99
Increase / (Decrease) in stock	10.97	(3.01)
Profit / (Loss) before interest	108.75	83.51
Depreciation		
Less:		
(1) Interest	105.05	106.38
(2) Depreciation	127.92	102.29
Profit/[Loss] before tax	(124.22)	(125.16)
Less :Provision for tax	Nil	Nil
Profit/[Loss] after tax	(124.22)	(125.16)

### 2. DIVIDEND :

Your Directors regret their inability to recommend any dividend on account of losses made by the Company.

### 3. OPERATIONS & PROSPECTS :

During the period under review the Company achieved a turnover of Rs. 535.74 lacs.

The Company had started manufacture of beer under its own brand name "BLOSSOM LAGER" and "BLOSSOM DIET" and launched successfully in Daman, Diu, Silvassa, Delhi, Gujarat, Andhra Pradesh and Maharashtra.

The name of your Company has been changed from 'Blossom Breweries Limited' to 'Blossom Industries Limited' with effect from 11th February, 1997.

### 4. DIRECTORS:

Mr. H.S. Damania, Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Directors recommend his re-appointment.

Mr. U.Nimmagadda, Dr. Dev Sharma and Mr.Kishore Satwick were appointed as Additional Directors and Mr. M. Ananth and Mr. Uday Borkar were appointed as Alternate Directors to Dr. Nimmagadda and Dr. Dev Sharma respectively by the Board of Directors of the Company on November 27,1997. Further the said Additional Directors have resigned as Directors and the Alternate Directors ceased to be Directors consequent to the said resignations.

### 5. FIXED DEPOSIT:

The Company has not accepted any deposit within the meaning of Section 58-A of the Companies Act, 1956, and the Companies Acceptance of Deposits) Rules, 1975.

### 6. PERSONNEL:

There were no employees, during the year under review, who were in receipt of remuneration exceeding the limit prescribed as per Section 217 (2A) of the Companies Act, 1956 read with the Companies (particulars of Employees) Rules, 1975.

### 7. AUDITORS:

M/s. Jayesh Thakur & Co., Chartered Accountants, Mumbai, were appointed as Auditors of the Company at the Seventh Annual General Meeting held on 31st December, 1996 to hold office until the conclusion of the Eighth Annual General Meeting of the Company. The Company has received letter from M/s. Jayesh Thakur & Co., Chartered Accountants, to the effect that their appointment, if made, would be within the prescribed limits under Section 224 (1-B) of the Companies Act, 1956. Your Directors recommend their re-appointment.

### 8. DISCLOSURE UNDER LISTING REQUIREMENTS:

The Cash Flow Statement pursuant to Clause 32 of the Listing Agreement with the Stock Exchanges is given along with the accounts of the Company.

### 9. ENVIRONMENT SAFETY & ENERGY CONSERVATION

The effluent treatment plant has been installed in accordance with the requirement of pollution Control laws. The Company's management has provided enough consideration for a healthy working environment and in minimising happenings of accidents and health hazards.

In the area of energy conservation, work was carried out with optimum levels of consumption of captive power and fuel thereof.

## 8TH ANNUAL REPORT 1996-97

## FORM A

Form for Disclosure of Particulars with respect to Conservation of Energy..

## A. I. Electricity

(a) Purchased	Current year	Previous year
Unit	7,75,743	5,09,475
Total amount [Rs.]	19,07,830	11,76,020
Rate/unit [Rs.]	2.46	2.31

(b) Own Generation  
Through diesel generator

Unit	9000	28,500
Total Cost [Rs.]	9084	28,766
Cost/unit [Rs.]	1.01	1.01

## (c) Through steam turbine/-generator

Nil Nil

## 2. Coal (Specify quantity &amp; where used) Nil Nil

## 3. Furnace Oil

Quantity (K.Ltrs.)	240	249.20
Total Amount [Rs.]	16,76,200	16,94,560
Average Rate [Rs.]	6.98	6.80

## 4. Others/internal generation Nil Nil

## B. Consumption per unit of production

Product (with details) Unit	27,60,170	26,20,667
[Beer / Litre]		
Electricity (Average)	2.69	3.33

## FORM B

Form for disclosure of particulars with respect to Technology Absorption, Research and Development (R &amp; D)

## 1. Research &amp; Development:

The Company constantly made efforts to improve the quality of its Products.

## 2. Technology Absorption, adoption and innovation: No technology has been imported by the Company .

## 10. EXPORT PLANS &amp; FOREIGN EARNINGS AND OUTGO :

The Company concentrated in the domestic market for its products.

FOREIGN EXCHANGE  
EARNED

Nil

FOREIGN EXCHANGE  
USED

Nil

For and on behalf of the Board of Directors

D.C.Desai  
DirectorM.V. Sheth  
DirectorPlace: Silvassa  
Date : 17th May, 2000



## AUDITORS' REPORT TO THE SHAREHOLDERS

To  
The Members of  
Blossom Industries Limited

We have audited the attached Balance Sheet of BLOSSOM INDUSTRIES LIMITED as at 30<sup>th</sup> June 1997 and also the Profit and Loss Account of the Company for the period ended on that date annexed thereto and report that :-

1. As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988 issued by the Company Law Board in terms of section 227(4A) of the Companies Act, 1956, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to in paragraph 1 above, we report that :-
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief are necessary for the purpose of our audit.
  - b) In our opinion, the Company, as required by law, has kept proper books of account so far as it appears from our examination of such books.
  - c) The Balance Sheet and the Profit & Loss Account dealt with by this report are in agreement with the books of account.
  - d) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read subject to notes 8 & 9 thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
    - (i) in case of the Balance Sheet, of the state of the affairs of the Company as at 30th June 1997.
    - (ii) In case if of the Profit and Loss Account of the loss of the Company for the period ended 30th June 1997.

For **M/s. JAYESH THAKUR & Co.**  
Chartered Accountants

**JAYESH M. THAKUR**  
(Proprietor)

Place : Mumbai  
Date : May 17, 2000

## 8TH ANNUAL REPORT 1996-97

## ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph (1) of our Report of even date to the members of BLOSSOM INDUSTRIES LIMITED, on the accounts for the period ended 30th June 1997.

1. Fixed assets records showing full particulars including quantitative details and situation of fixed assets are under compilation in view of the appointment of the Court Receiver by the Hon'ble High Court, Mumbai as all records were lying at the Court Receiver's office. The fixed assets have been physically verified by the management during the period. The discrepancies, if any, could not be ascertained due to records under compilation.
2. None of the fixed assets have been revalued during the year.
3. Physical verification of finished goods, stores, spare and raw material have been conducted by the management only at the close of the accounting year.
4. In our opinion and according to the information and explanations given to us, the procedures of physical verification of stocks followed by the management were reasonable and adequate considering the size of the company and nature of its business.
5. It is explained that no material discrepancies were noticed on physical verification of stocks as compared to books and records. Minor discrepancies whenever noticed were properly dealt with in the books of account.
6. The valuation of inventories viz. Stores, spares and consumables, raw materials and finished goods, packing materials and work in process have been made at least of cost or market value except that excise duty paid / payable on unsold finished goods is not included in valuation of inventory. In this regard, the certificate issued by the management is relied upon by us. The valuation is fair and proper in accordance with normally accepted accounting principles. The basis of valuation is not the same as in the preceding year. However, there is no impact on the profit / loss for the year.
7. The Company has not taken any loans, from companies, firms or other parties as listed in the register maintained under section 301 and from the companies under the same management as defined under sub-section (1B) of section 370 of the Companies Act, 1956 except unsecured loans taken from Directors. There are no stipulation for payment of interest and its repayment.
8. The Company has not granted any loans, secured or unsecured to Companies, firms or other parties listed in the registers (s) maintained under sub-sections (1B) of Section 370 of the Companies Act, 1956.
9. Interest free loans or advances in the nature of loans have been given to the employees of the Company who are repaying the principal amount as stipulated.
10. According to information and explanations given to us the internal control over purchases of stores, raw materials including component plant and machinery, equipment and others assets were being strengthened during the year. According to information and explanation given to us, there are adequate internal control procedures, commensurate with the size of the Company and the nature of its business for the sale of goods.
11. According to the information and explanations given to us in respect of transaction of purchase and sales of goods and materials made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 50,000/- or more in respect of each party have been made at prices which are reasonable having regard to prevailing market prices for such goods, materials or service or the prices at which transactions for similar goods, materials or services have been made with other parties.
12. As explained to us the Company does not have a regular procedure for the determination of unserviceable or damages stores, raw materials and finished goods. No provision for the loss, if any, in respect of the same has been made.
13. The Company has not accepted any Deposits from the Public.
14. As the value of the realizable scrap generated during the year is not considered to be significant, no detailed quantitative records have been maintained therefore. Proper records have, however, been maintained in respect of sales and proposal of such stocks. The Company has no by-products.
15. The Company has no formal Internal Audit Department as such but its control procedures ensure reasonable internal checking of its financial and other records.
16. The Central Government has not prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for the products of the Company.
17. As explained to us, the Provident Fund Act and the Employees State Insurance Act are not yet applicable to the Company.
18. No undisputed amounts payable in respect of Income-tax, Wealth-tax, Custom-duty and Excise Duty were outstanding as at 30th June 1997 for a period of more than six months from the date they become payable except Sales Tax liability in respect of which the Company's petition for exemption is pending consideration with the Sales Tax authorities.
19. No personal expenses of employees or Directors have been charged to revenue account, other than those payable under contractual obligation and in accordance with generally accepted business practices.
20. In our opinion, the company is not a Sick Industrial Company within the meaning of Clause (o) of Sub-Section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.

For M/s. JAYESH THAKUR & Co.  
Chartered Accountants

JAYESH M. THAKUR  
(Proprietor)

Place : Mumbai  
Date : May 17, 2000

**BLOSSOM INDUSTRIES LIMITED****BALANCE SHEET AS AT 30TH JUNE 1997**

<b>PARTICULARS</b>	<b>SCHEDULE NO.</b>	<b>AS AT 30.6.97 (Rs.in lacs)</b>	<b>AS AT 31.3.96 (Rs.in lacs)</b>
<b>SOURCES OF FUNDS:</b>			
<b>SHAREHOLDERS' FUND:</b>			
Share Capital	1	1,377.00	1,235.44
<b>LOAN FUNDS:</b>			
Secured Loans	2	941.12	853.48
Unsecured Loans	3	108.36	250.57
		<u>2,426.48</u>	<u>2,339.49</u>
<b>Fixed Assets:</b>			
Gross Block	4	2,309.13	2,308.49
Less: Depreciation		<u>268.24</u>	<u>140.33</u>
Net Block		2,040.89	2,168.16
<b>CURRENT ASSETS LOANS &amp; ADVANCES:</b>			
Inventories	5	82.93	50.74
Sundry Debtors	6	108.54	2.95
Cash & Bank Balances	7	26.71	32.78
Loans & Advances	8	19.50	26.97
		<u>237.68</u>	<u>113.44</u>
Less: Current Liabilities & Provision	9	<u>178.67</u>	<u>153.25</u>
		59.01	(39.81)
<b>MISCELLANEOUS EXPENDITURE</b>	10	47.46	56.25
<b>PROFIT AND LOSS ACCOUNT</b>		279.12	154.89
		<u>2,426.48</u>	<u>2,339.49</u>
<b>NOTES TO ACCOUNTS</b>	18		

AS PER REPORT OF EVEN DATE

FOR M/s. JAYESH THAKUR & CO.  
Chartered AccountantsJAYESH M. THAKUR  
Proprietor

Mumbai

May 17, 2000

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Ms. M. V. Panchal  
M. V. Sheth  
D. C. Desai  
Directors

Silvassa

May 17, 2000



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## BLOSSOM INDUSTRIES LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE PERIOD 1ST APRIL 1996 TO 30TH JUNE 1997

PARTICULARS	SCHEDULE NO.	15 months Period ended 30.6.97 (Rs.in lacs)	Year ended 31.3.96 (Rs.in lacs)
<b>INCOME:</b>			
Sales (inclusive of Excise)		533.70	390.81
Other Income	11	2.04	2.18
Increase/(Decrease) in Stocks	12	10.97	(3.01)
		<u>546.71</u>	<u>389.98</u>
<b>EXPENDITURE:</b>			
Material Cost	13	218.60	167.23
Stores & Spares	14	14.69	8.24
Employment Cost		32.64	28.98
Power & Fuel	15	36.18	25.23
Excise Duty		33.49	29.54
Interest	16	105.05	106.38
Operating & Other Expenses	17	93.57	40.22
Depreciation		127.92	102.29
Share Issue, Preliminary Expenses w/off	10	8.79	7.03
		<u>670.93</u>	<u>515.14</u>
Profit/(Loss) for the Year		(124.22)	(125.16)
Provision for Taxation		Nil	Nil
		<u>(124.22)</u>	<u>(125.16)</u>
Net Profit/(Loss) carried to Balance Sheet			
<b>NOTES TO ACCOUNTS</b>	18		

AS PER REPORT OF EVEN DATE  
FOR M/s. JAYESH THAKUR & CO.  
Chartered Accountants

JAYESH M. THAKUR  
Proprietor

Mumbai

May 17, 2000

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Ms. M. V. Panchal  
M. V. Sheth  
D. C. Desai  
Directors

Silvassa

May 17, 2000





## SCHEDULES FORMING PART OF BALANCE SHEET AS AT 30TH JUNE,1997

	AS AT 30.6.97 (Rs.in lacs)	AS AT 31.3.96 (Rs.in lacs)
<b>SCHEDULE - 1</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
150,00,000 Equity Shares of Rs. 10/- each	1,500.00	1,500.00
<b>ISSUED &amp; SUBSCRIBED</b>		
146,00,000 Equity Shares of Rs. 10/- each	1,460.00	1,460.00
<b>PAID-UP SHARE CAPITAL</b>		
146,00,000 Equity Shares of Rs. 10/- each	1,460.00	1,460.00
Less: Allotment Money in Arrears	83.00	224.56
	<u>1,377.00</u>	<u>1,235.44</u>
<b>SCHEDULE - 2</b>		
<b>SECURED LOANS</b>		
<b>FROM BANK</b>		
1 Deferred Payment Credit (Includes DPG Bills Past Due A/c Current Yr Rs. 461.12 lacs)(Pre.Year 414.40 Lacs)	604.10	721.48
2 Term Loan (includes interest accrued & due thereon )	137.83	132.00
3 Over Draft facilities	199.19	0.00
	<u>941.12</u>	<u>853.48</u>
Item No. 1 & 2 Secured by:		
a) Hypothecation of movable Machineries & other assets of the Company present & future on pari passu basis.		
b) Hypothecation of Stock of Raw Materials, Stores, Spares, Stock Process, Finished Goods and Receivables, present & future on pari passu basis.		
c) Joint Mortgage on the Land & Building of the Company on pari passu basis.		
d) Demand promissory note executed by the Company.		
e) Counter indemnity given by the Company.		
f) Personal Guarantee of a Director.		
Item No. 3 Secured by:		
a) Demand Promissory note		
b) Fixed Deposit of Directors		
c) Personal Guarantee of Directors		
<b>SCHEDULE - 3</b>		
<b>INTEREST FREE UNSECURED LOANS</b>		
From Companies	0.00	73.36
From Directors	108.36	177.21
	<u>108.36</u>	<u>250.57</u>

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**SCHEDULE - 4**  
**FIXED ASSETS**

Particular	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	As on 01/04/96	Additions	Deductions/	Total 30/6/97	Up to 01/04/96	For the 15 Months	Up to 30/06/97	As on 31/3/96	As on 30/6/97
1. Land & Site Development	30.09	—	—	30.09	0.00	0.00	0.00	30.09	30.09
2. Plant & Machinery	1,841.21	0.57	—	1,841.78	119.81	109.33	229.14	1,721.40	1,612.64
3. Factory Building	428.50	—	—	428.50	19.74	17.89	37.63	408.76	390.87
4. Furniture & Fixture	8.69	0.07	—	8.76	0.78	0.69	1.47	7.91	7.29
<b>TOTAL</b>	<b>2,308.49</b>	<b>0.64</b>	<b>—</b>	<b>2,309.13</b>	<b>140.33</b>	<b>127.91</b>	<b>268.24</b>	<b>2,168.16</b>	<b>2,040.89</b>
(Previous Year)	2306.68	1.81	—	2308.49	38.05	102.28	140.33	2268.63	2,168.16

**AS AT**  
**30.6.97**  
**(Rs.in lacs)**

**AS AT**  
**31.3.96**  
**(Rs.in lacs)**

**SCHEDULE - 5**  
**INVENTORIES**

(Valued at Cost)

Stores & Spares	2.50	0.33
Oil & Fuel	0.40	0.65
Raw Materials	18.53	7.54
Packing Materials	21.47	13.16
Work-in-Process	21.00	24.47
Finished Goods	19.03	4.59
	<b>82.93</b>	<b>50.74</b>

**SCHEDULE - 6**
**SUNDRY DEBTORS**

(Unsecured, Considered good)

Outstanding for a period

exceeding Six Month:

Other Debts

62.08	0.00
46.46	2.95
<b>108.54</b>	<b>2.95</b>

**SCHEDULE - 7**

Cash on hand

Balance with Scheduled Banks

Margin/Deposit with Bank

3.47	1.72
12.24	11.12
11.00	19.94
<b>26.71</b>	<b>32.78</b>

**SCHEDULE - 8**
**LOANS & ADVANCES**

Advances recoverable in cash or kind  
or value to be received (considered good)

Deposits

15.74	26.31
3.76	0.66
<b>19.50</b>	<b>26.97</b>