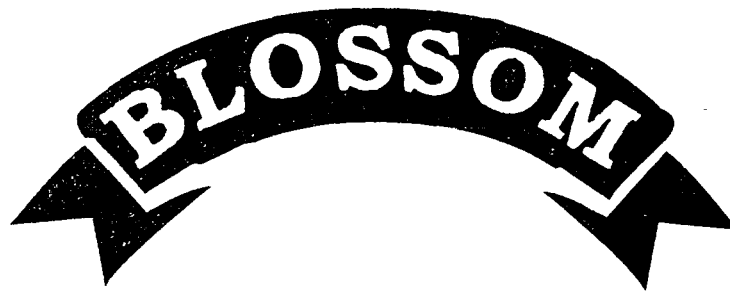


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Industries Limited



**TWELFTH ANNUAL REPORT
2000-2001**

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12TH ANNUAL REPORT 2000-2001

BOARD OF DIRECTORS

Mr. Satan S. Bharwani	Chairman
Mr. Vincent Vaz	Whole-time Director
Mr. Tulsidas M. Phulwani	Director
Dr. B. K. Jha	Director
Mr. M.A. Pai	Additional Director (w.e.f. 26-11-2001)
Dr. P. Kotaiah	Additional Director (w.e.f. 26-11-2001)

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AUDITORS :

C.C. Chokshi & Co.,
Chartered Accountants,
Mumbai.

REGISTRARS AND TRANSFERS AGENTS

Dynamic Superways and Exports Limited
Rainbow Palace, I.C. Colony,
Cross Road No. 5, Borivali (W),
Mumbai -400 103
Tel No. (022) 891 8257, 895 2148, 893 7793
Fax No. +91-22-893 7843

REGISTERED OFFICE :

18, Gev Mercantile Corner,
Kilwani Road,
Silvassa - 396 230.

PLANT :

Village Jani Vankad,
Nani Daman,
Daman - 396 210 (U.T.)

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NOTICE

NOTICE is hereby given that the Twelfth Annual General Meeting of the Members of BLOSSOM INDUSTRIES LIMITED will be held on Friday, the 28th Day of December, 2001, at the Indian Red Cross Society, Red Cross House, U.T. of Dadra & Nagar Haveli Branch, Silvassa – 396 230 at 11-00 a.m. to transact the following business:

AS ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 30th June 2001, the Profit and Loss Account for the year ended on that date and the schedules together with the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Tulisdas Phulwani who retires by rotation and being eligible, offers himself for reappointment.
3. To reappoint Auditors and to fix their remuneration.

AS SPECIAL BUSINESS

4. To consider and if thought fit pass with or without modification the following resolution as an Ordinary Resolution:

"RESOLVED that Mr. M.A. Pai who was appointed as an additional Director of the Company by the Board of Directors and who ceases to hold office under Section 260 of the Companies Act, 1956, and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company."

5. To consider and if thought fit pass with or without modification the following resolution as an Ordinary Resolution:

"RESOLVED that Dr. P. Kotaiah who was appointed as an additional Director of the Company by the Board of Directors and who ceases to hold office under Section 260 of the Companies Act, 1956, and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company."

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 THE PROXY NEED NOT BE A MEMBER. THE PROXY FORM SHOULD BE LODGED WITH THE COMPANY AT ITS REGISTERED OFFICE, NOT LATER THAN FORTY-EIGHT HOURS BEFORE THE TIME OF COMMENCEMENT OF THE MEETING.
2. Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, in respect of items No.4 & 5 of the notice set out above is annexed hereto.
3. Members are requested to notify the change in address, if any, immediately to the Company at its Registered Office at 18, Gev Mercantile Corner, Kilwani Road, Silvassa – 396 230 quoting their Folio Numbers.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from 27th day of December, 2001 to 28th day of December, 2001 (both days inclusive).

By Order of the Board of Directors

Vincent Vaz
(Whole-time Director)

Place : Daman

Date : November 26, 2001

Registered Office :

18, Gev Mercantile Corner,
Kilwani Road,
Silvassa – 396 230.

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Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

Item No.4

Mr. M.A. Pai was appointed as an Additional Director of the Company on November 26, 2001 by the Board of Directors of the Company. According to the Provisions of Section 260 of the Companies Act, 1956, he holds office as Director only up to the date of the ensuing Annual General Meeting. As required by Section 257 of the Act, a notice has been received from a member signifying his intention to propose the appointment of Mr. M.A. Pai as a Director along with a deposit of the requisite amount. Mr. M.A. Pai had joined Indian Revenue Service, and served as the Commissioner of Income Tax, Mumbai and also served as a Director of Investigation (Income Tax), Delhi. He is also having vast experience in the area of finance as well as managerial field. The Board desires that the Company should continue to avail itself of his services. None of the Directors except Mr. M.A. Pai is concerned or interested in this resolution.

Item No.5

Dr. P. Kotaiah was appointed as an Additional Director of the Company on November 26, 2001 by the Board of Directors of the Company. According to the Provisions of Section 260 of the Companies Act, 1956, he holds office as Director only up to the date of the ensuing Annual General Meeting. As required by Section 257 of the Act, a notice has been received from a member signifying his intention to propose the appointment of Dr. P. Kotaiah as a Director along with a deposit of the requisite amount. Dr. P. Kotaiah had joined the Reserve Bank of India and rose to the post of Executive Chairman of National Bank for Agriculture and Rural Development (NABARD) and he is also a consultant to the World Bank and its affiliates. He has vast experience in the area of finance and in managerial field. He was awarded the Doctor of Letters (D.Litt) by Andhra University in 1997. The Board desires that the Company should continue to avail itself of his services. None of the Directors except Dr.P. Kotaiah is concerned or interested in this resolution.

By Order of the Board of Directors

Vincent Vaz
(Whole-time Director)



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DIRECTORS' REPORT

To

The Members
Blossom Industries Limited

Your Directors herewith present the Twelfth Annual Report on the business and operations of the Company together with Audited Statement of Accounts of the Company.

1. FINANCIAL RESULTS (Rs. In Lacs)

PARTICULARS	2000-2001	1999-2000
Sales and other Income	1969.41	0.00
Profit/(Loss) : before Interest and Depreciation.	46.42	(147.82)
Less / Add :		
(1) Interest	180.71	(54.21)
(2) Depreciation	145.34	(1012.18)
Loss before tax	279.63	1214.21
Provision for tax	NIL	NIL
Loss after tax	279.63	1214.21

2. DIVIDEND:

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

3. PERFORMANCE:

Your Company restarted commercial production in the 1st week of July, 2000, after extensive repairing and revamping of the plant and machineries. During the year under review, your Company's operations have shown consistent trends of stabilization and better capacity utilization. Your directors are hopeful of achieving better performance levels during the current year.

4. DIRECTORS:

Mr. Tulidas Phulwani retires by rotation at this Annual General Meeting and being eligible, offers himself for reappointment.

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. C. C. Chokshi & Co., Chartered Accountants, Mumbai, auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting. The Company has received a letter from M/s. C. C. Chokshi & Co., Chartered Accountants, to the effect that their reappointment, if made, would be within the prescribed limits under Section 224 (1-B) of the Companies Act, 1956. Your Directors recommend their reappointment.

8. STATUS UNDER SICA:

During the year under report, the Company has filed a reference under Section 15 of the Sick Industries (Special Provisions) Act, 1985 with the Board of Industrial and Financial Restructuring (BIFR) and the rehabilitation scheme filed by the Company will come up for its consideration.

9. 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.

10. ENVIRONMENT SAFETY & ENERGY CONSERVATION:

The effluent treatment plant has been installed in accordance with the requirement of the pollution control laws. In the area of energy conservation, work was carried out with optimum levels of consumption of power and fuel thereof.

11. FOREIGN EXCHANGE EARNINGS AND OUTGOINGS:

Earnings : Rs. NIL (Previous year Rs. NIL)

Outgoings : Rs. 12.10 lacs (Previous year Rs. NIL)

12. DIRECTORS' RESPONSIBILITY STATEMENT:

In compliance with Section 217(2A), read with Section 292A of the Companies Act, 1956, we, the Directors of Blossom Industries Limited, state in respect of Financial Year 2000-01 that:

- In the preparation of annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- the Directors have selected such accounting policies and applied them consistently (except as disclosed in the notes forming part of the accounts) and 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 the loss of the Company for that period;

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- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of this Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- d) the Directors have prepared the annual accounts on a going- concern basis, and
- e) the Board has constituted an Audit Committee comprising 3 Directors, inter alia, for holding discussions with the Auditors periodically, reviewing quarterly, half yearly and annual financial statements;

reviewing, observations/suggestions of Internal and External Auditors with a view to ensuring legal compliance and internal control systems.

13. ACKNOWLEDGEMENTS:

Your Directors express their grateful appreciation for the assistance and cooperation received from the Khemani Group and the governmental authorities. Your Directors are happy to place on record their appreciation of the contribution made by the employees at all levels and for their commitment and dedicated efforts.

The Directors are also thankful to the shareholders for their continued support to the Company.

FORM A

Form for disclosure of particulars with respect to Conservation of Energy..

A. I. Electricity

	Current year	Previous year
(a) Purchased		
Units	1293500	93500
Total amount [Rs.]	3325200	329306
Rate/unit [Rs.]	2.57	3.52
(b) Own Generation	NIL	NIL
Through diesel generator		
(c) Through steam turbine/-generator	NIL	NIL
2. Coal (Specify quantity & where used)	NIL	NIL
3. Furnace Oil & Diesel		
Quantity [K.Ltrs.]	465.086	20
Total Amount [Rs.]	5091435	259439
Average Rate [Rs. Per K.Litre]	10947.30	12971.95
4. Others/internal generation	NIL	NIL
B. Consumption per unit of production	NA	NIL
Products (with details) Unit [Beer / Litre]	5760199ltrs.	NIL
Electricity [Average]	4.45 unit/ltr.	NIL

FORM B

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

1. Research & Development:

There was no operation during the year.

2. Technology Absorption, Adoption and Innovation:

No technology has been imported by the Company.

10. EXPORT PLANS & FOREIGN EARNINGS AND OUTGO:

The Company concentrate in the domestic market for its products.

FOREIGN EXCHANGE
EARNED
Nil

FOREIGN EXCHANGE
USED
12.10 lacs

For and on behalf of the Board of Directors

Satan S. Bharwani
(Chairman)

Place : Daman

Date : November 26, 2001.