



Industries Limited

**TWENTY-FIRST ANNUAL REPORT
2009-2010**

BLOSSOM
Industries Limited
21st Annual Report 2009-2010

BOARD OF DIRECTORS

Mr. Satan S. Bharwani	Chairman
Mr. Amit Khemani	Managing Director
Mr. Vincent Vaz	Whole-time Director
Dr. P. Kotaiah	Director
Mr. D.T. Khilnani	Director
Dr. S.D. Israni	Director
Padmashree Ms. Lila Poonawalla	Director
Mr. P.R. Barpande	Additional Director (w.e.f. 7 th November 2009)

COMPANY SECRETARY

Mr. Haresh Thakkar

AUDITORS

M/s Deloitte Haskins & Sells
Chartered Accountants,
Mumbai

REGISTRAR AND TRANSFER AGENT (R & TA)

Sharex Dynamic (India) Private Limited
Unit No. 1, Luthra Ind. Premises,
Andheri - Kurla Road, Safed Pool,
Andheri (East), Mumbai - 400 072
Tel No: 022 - 2851 5606, 2851 5644
Fax No: 022 - 2851 2885
Email: sharexindia@vsnl.com

REGISTERED OFFICE & PLANT

Village Jani Vankad,
Nani Daman,
Daman - 396210 (U.T.)



NOTICE

To,
The Members,

BLOSSOM INDUSTRIES LIMITED

Notice is hereby given that the **Twenty-first Annual General Meeting** of the Shareholders of BLOSSOM INDUSTRIES LIMITED will be held on Wednesday, September 8, 2010 at 12.30 p.m. at Sandy Resort, Devka Beach, Daman - 396 210 (U.T.) to transact the following business: -

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2010 and the Profit & Loss Account of the Company for the year ended on that date, together with the Report of Directors' and the Auditors' thereon.
2. To appoint a Director in place of Mr. D. T. Khilnani, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Dr. P. Kotaiah, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s Deloitte Haskins & Sells, Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT Mr. P. R. Barpande who was appointed as an Additional Director by the Board of Directors of the Company with effect from November 7, 2009 under Section 260 of the Companies Act, 1956 (the "Act") and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 257 of the Act from a member proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company."

By order of the Board

Mr. Amit A. Khemani
Managing Director

Date: July 15, 2010
Place: Mumbai

Registered Office:

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

NOTES:

- A. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER, THE PROXIES IN ORDER TO BE VALID MUST BE DULY COMPLETED STAMPED AND SIGNED AND MUST REACH THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- B. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the social business as set out above is annexed hereto.
- C. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, the September 3, 2010 to Wednesday, the September 8, 2010 inclusive of both the days.
- D. Members are requested to:
 - 1) Intimate to the Company or its Registrar and Share Transfer Agent immediately, of any change in their address.
 - 2) Send all share transfer lodgments (Physical mode)/ correspondence to the Registrar and Share Transfer Agent at the following address upto the date of book closure to:
M/s Sharex Dynamic (India) Private Limited
Unit No. 1, Luthra Ind. Premises,
Andheri - Kurla Road, Safed Pool,
Andheri (East), Mumbai - 400 072
Tel No: 022 - 2851 5606, 2851 5644,
Fax No: 022 - 2851 2885
Email: sharexindia@vsnl.com
 - 3) Write to the Company at least 7 (seven) days before the date of meeting, in case they desire any information as regards the Audited Accounts for the financial year ended March 31, 2010, so as to enable the Company to keep the information ready.
 - 4) Quote Registered Folio Numbers/ DP ID/ Client ID in all the correspondence.
 - 5) Members holding shares in dematerialized form (electronic form) are requested to intimate any change in their address directly to their respective Depository Participants.
 - 6) Members holding shares in physical form may avail themselves of the facility of nomination in terms of Section 109A of the Companies Act, 1956 by nominating in the prescribed form a person to whom their shares in the Company shall vest in the event of their death. The prescribed form can be obtained from the Company's Registered Office or from its R & TA at either of the aforesaid addresses.
 - 7) Members/ Proxies are requested to bring the Attendance Slip duly filled up and the copy of the Annual Report at the Annual General Meeting.

EXPLANATORY STATEMENT

Pursuant to Section 173(2) of the Companies Act, 1956

Item No. 5:

Mr. P. R. Barpande was appointed as an Additional Director of the Company on November 7, 2009 by the Board of Directors of the Company. According to the provisions of Section 260 of the Companies Act, 1956, he holds office upto the date of Annual General Meeting. As required under Section 257 of the Companies Act, 1956, a notice has been received from member informing his intention to propose appointment of Mr. P. R. Barpande as a Director alongwith a deposit of Rs.500/-. The Board considers it desirable that the Company should continue to avail itself of his services.

Mr. Barpande was an audit partner in Deloitte Haskins & Sells, Chartered Accountants and has recently retired after practising for about 32 years. He has a wide experience of serving the domestic and international clients including groups like Reliance, Mafatlal, Lupin, Mahindra, Hexaware, Jet Airways and John Deere, Bridgestone, Tech Mahindra, etc. He was actively involved in reformatting the accounts to US GAAP for major domestic and multi - national companies and Indian

banks such as Corporation Bank, Oriental Bank of Commerce, Punjab National Bank, Union Bank of India, Bank of Baroda, etc. He also had the privilege of serving Blossom Industries Limited as audit partner and had been associated, as such, during the turnaround of the Company.

The Board of Directors commends this resolution to the members for their approval.

None of the Directors except Mr. P. R. Barpande, himself is interested in the above resolution.

By order of the Board

Mr. Amit A. Khemani
Managing Director

Date: July 15, 2010
Place: Mumbai

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

DIRECTORS' REPORT

To,

The Members,

BLOSSOM INDUSTRIES LIMITED

The Directors have pleasure in presenting the **Twenty-first Annual Report** of the Company and the Audited Statement of Accounts for the year ended **March 31, 2010**.

1.0 FINANCIAL RESULTS:

(Rs. In Lacs)

Particulars	2009-2010	2008-2009
Sales & Other Income	15354.52	9332.15
Profit before interest and Depreciation	2229.67	1452.22
Less /Add:		
(1) Interest	841.77	545.06
(2) Depreciation	2038.37	1203.40
Profit before tax	(650.47)	(296.25)
Less:		
Provisions for tax	53.94	(68.86)
Profit/ (Loss) for the Year	(596.53)	(365.11)
Balance brought forward from previous year	997.74	1362.85
Balance carried to the Balance Sheet	401.21	997.74

2.0 DIVIDEND:

In view of losses in the financial year under review, the Directors do not recommend any dividend.

3.0 PERFORMANCE:

During the year under review, the sales and other income increased from Rs.9332.15 Lacs to Rs.15354.52 Lacs registering growth of 64.53%. The profit before Depreciation and interest has also gone up from Rs.1452.22 Lacs to Rs.2229.66 Lacs i.e. a growth of 53.53%. However, the Company has suffered loss of Rs.596.53 Lacs in the Current financial year. The loss is mainly due to provision of depreciation provided in the current year. The financial performance of the Company was satisfactory and is expected to back on profit zone in the current financial year.

4.0 ACHIEVEMENTS: BEST BREWERIES AWARD RECEIVED BY BLOSSOM INDUSTRIES LIMITED:

Blossom Industries Limited has received the prestigious award of the Best Brewery from "Ambrosia INDSPIRIT 2009" for the year 2009. Mr. Amit Khemani had attended the function on the Company's behalf, which was arranged by "Ambrosia" the Magazine for the Alcove Industry, wherein the trophy was presented to him.

Your Directors feel that it is a great honour for the Company to receive this prestigious award and it has added new feathers in the Company's progress and achievements.

5.0 MODERNIZATION PROJECT:

The modernization project "UDAAN" undertaken by the Company is fully operational. The total capital outlay for the project was Rs.93.50 Crores, which was funded through the term loan from the Bank and internal accruals. The Plant is running successfully.

6.0 DIRECTORS:

Mr. D. T. Khilnani and Dr. P. Kotaiah retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Mr. P. R. Barpande was appointed as an Additional Director w.e.f. November 7, 2009 and holds office till the date of ensuing Annual General Meeting. The approval of shareholders is being sought to appoint Mr. P. R. Barpande as a Director of your Company.

7.0 AUDITORS:

The retiring Auditors, M/s Deloitte Haskins & Sells, Chartered Accountants, have given their consent for appointment as Statutory Auditors at the ensuing Annual General Meeting. The Company has received a letter from M/s Deloitte Haskins & Sells, Chartered Accountants, to the effect that their reappointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956. Your Directors recommend their reappointment.

8.0 AUDITORS' REPORT:

There are no qualifications contained in the Auditors' Report and therefore there are no further explanations to be provided for in this report. However, in the notes to the accounts attached with the Balance Sheet, reference was made to the freezing of certain bank accounts maintained with one of your Company's Bankers on the instruction of Central Bureau of Investigation (CBI). Being gravely concerned, your Board responded by taking urgent cognizance of the unlawful, illegal and erroneous action on the part of the CBI and promptly moved to the Court of the Special Judge at Daman, praying for declaring the said order/ action illegal and the same be set aside or quashed. The Board's stand stood to be vindicated by the Hon'ble Court's order de-freezing all the affected bank accounts with effect from July 21, 2010.

9.0 INSURANCE:

All the assets of your Company have been adequately insured.

10.0 FIXED DEPOSIT:

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

11.0 EMPLOYEES:

No employee falls within the purview of the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

12.0 ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE:

The information required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in Report of the Board of Directors) Rules, 1988 with respect to conservation of energy, technology absorption and foreign exchange earnings/ outgo is appended hereto as Annexure I and forms part of this report.

13.0 DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors based on the representations received from the Operating Management confirm that:

- (1) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- (2) they have, in the selection of the accounting policies, consulted the Statutory Auditors and have applied them consistently 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 end of the financial year and of the profit of the Company for that year;
- (3) they have taken proper and sufficient care, to the best of their knowledge and ability, 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;
- (4) they have prepared the annual accounts on a going concern basis.

14.0 ACKNOWLEDGEMENTS:

The Directors express their deep gratitude for the co-operation and support extended to your Company by its customers, suppliers, bankers and various Government agencies. Your Directors also place on record the commitment and involvements of the employees at all levels and look forward to their continued co-operation.

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

For and on behalf of the Board of Directors

Mr. S. S. Bharwani
Chairman

Date: July 26, 2010

Place: Mumbai

ANNEXURE I - TO THE DIRECTORS' REPORT

A. CONSERVATION OF ENERGY

Energy Conservation measures taken by the Company.

a) Electrical Energy

- Steps are taken to improve power factor by installing capacitors and AC drives.
- Highly efficient refrigeration system installed that will ensure substantial saving in power.
- Brewing and bottling operations synchronized during lean season to achieve optimal energy consumption.

b) Fuel Oil Consumption

- Heat recovery system installed in the brew house to recover waste heat
- Low - pressure Burners in boiler replaced with energy efficient Burners.
- Steam condensate recovery pumps installed to recover steam condensate from the brew house and washing machine.

B. TECHNICAL ABSORPTION

- Indigenous/ Locally available raw materials are utilized to gain maximum advantage.
- No technology has been imported by the Company.
- Efforts are being made to further improve the quality of the products.

C. FOREIGN EXCHANGE EARNING AND OUTGO

The Company concentrates in the domestic market for its products. The efforts are being made to increase the exports of our own brand of beer.

Foreign Exchange Earnings Rs. 38,111,938/-

Foreign Exchange Outgo Rs. 46,169,099/-

GENERAL SHAREHOLDERS INFORMATION

A) Annual General Meeting:

Day, Date, Time & Venue	Wednesday, September 8, 2010 at 12.30 P.M. at Sandy Resort, Devka Beach, Daman - 396 210 (U.T.).
Financial Year	April 1, 2009 - March 31, 2010
Book Closure Date	Friday, September 3, 2010 to Wednesday, September 8, 2010

B) Registrar & Share Transfer Agent:

M/s Sharex Dynamic (India) Private Limited of Mumbai is the Registrar & Share Transfer Agent of the Company.

For any assistance regarding share transfers, transmissions, change of address, duplicate/ missing share certificates and other relevant matters, please write to the Registrar & Share Transfer Agent of the Company, at the address given below:



M/s Sharex Dynamic (India) Private Limited

Unit No. 1, Luthra Ind. Premises,
Andheri - Kurla Road, Safed Pool,
Andheri (East), Mumbai - 400 072
Tel No: 022 - 2851 5606, 2851 5644
Fax No: 022 - 2851 2885

Contact Person: Mr. B.S. Baliga, Director
Email: sd_india@rediffmail.com

C) Share Transfer System:

All matters pertaining to Share Transfer are being handled by M/s Sharex Dynamic (India) Private Limited. The Share Transfer requests received are processed by them and a Memorandum of Transfer is sent to the Company for approval. The average time taken for processing Share Transfer requests including dispatch of Share Certificates is less than 30 days, while it takes a minimum of 15 days for processing dematerialization requests. The Company's representatives visit the office of the Registrar & Share Transfer Agents to monitor, supervise and ensure that there are no delays or lapses in the system.

D) Dematerialization of Shares and Liquidity:

The Company in May 2002 has entered into an agreement with the Central Depository Services (India) Limited for dematerialization of its Equity Shares in accordance with the provisions of the Depositories Act, 1996.

Plant Locations:

The Company has manufacturing plant situated at Village Jani Vankad, Nani Daman, Daman - 396210. (U.T.)
Tel: (0260) 2221050, 2221130, 2221120
Fax: (0260) 2220421
E-mail: blossom@bildaman.com

**ADDRESS FOR CORRESPONDENCE
REGISTERED OFFICE**

Village, Jani Vankad, Nani Daman,
Daman-396210(U.T.)
Tel: (0260) 2221050, 2221130, 2221120
Fax: (0260) 2220421
E-mail: blossom@bildaman.com

AUDITORS' REPORT

To,

The Members,

BLOSSOM INDUSTRIES LIMITED

1. We have audited the attached Balance Sheet of **BLOSSOM INDUSTRIES LIMITED** ("the Company") as at March 31, 2010, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

- (iii) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (iv) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
- (v) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010.
 - (b) in the case of the Profit and Loss Account, of the loss of the Company for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of the written representations received from the Directors as on March 31, 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2010 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Registration No.117366W)

R.A. Banga
Partner
(Membership No.37915)

Mumbai, July 15, 2010