



E-WHA FOAM INDIA LIMITED

8TH ANNUAL REPORT 1999-2000

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M/S. E-WHA FOAM INDIA LIMITED



E-WHA FOAM INDIA LIMITED

EIGHTH ANNUAL GENERAL MEETING

On Friday, the 29th September 2000
at 11.00 a.m.

at

Shree Vile Parle Gujrati Mandal,
Navinbhai Thakkar Hall,
Shradhanand Road, Vile Parle (E),
Mumbai - 400 057.

BOARD OF DIRECTORS

Mr. Navin C. Shah	Chairman
Mr. Ajay B. Shah	Director
Mr. Nijal N. Shah	Director
Mr. J. I. Shin	Nominee
	E-Wha Foam Korea Co.
Dr. M. K. Unnimenon	Director

Request to Shareholders

1. Shareholders are requested to bring their copy of the Annual Report alongwith them at the Annual General Meeting as copies of the Report will not be distributed at the Meeting.
2. Kindly send all your Transfer deeds together with Share Certificates for transfer of Shares to the Registrar and Transfer Agents at their following address :

SYSTEM SUPPORT SERVICES

209, Shivaloj Estate,
89, Andheri Kurla Road, Sakinaka,
Mumbai - 400 072.

3. Kindly notify change of your address and write only to the Registrar and Transfer Agents in respect of any matter connected with your Shares.
4. Members seeking any information/clarification with regards to accounts are requested to write to the company at an early date so as to enable the management to keep the information ready.

AUDITORS

M/s. Pradip Shah & Company
Chartered Accountants

BANKERS

Oriental Bank of Commerce
Bank of Baroda

REGISTERED OFFICE

11-H, Laxmi Industrial Estate,
New Link Road,
Andheri (West),
Mumbai - 400 053.

FACTORY

Sancoale Ind. Est. of GDDIDC.,
Plot No. 19 to 22 & 37 to 40,
Phase III-A, Near Zuari Nagar,
Village Sancoale, Goa.

M/S. E-WHA FOAM INDIA LIMITED**NOTICE**

Notice is hereby given that the EIGHTH ANNUAL GENERAL MEETING of E-WHA FOAM INDIA LIMITED WILL BE HELD ON FRIDAY, 29TH SEPTEMBER, 2000 AT SHREE VILE PARLE GUJARATI MANDAL, NAVINBHAI THAKKAR HALL, SHRADDHANAND ROAD, VILE PARLE (E), MUMBAI - 400 057. AT 11 A.M. TO TRANSACT THE FOLLOWING BUSINESS :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2000 and the Balance Sheet as at that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Nijal N. Shah, who retires by rotation and being eligible, offers himself for re-appointment.
3. To re-appoint M/S Pradip Shah & Co., Chartered Accountants, as Auditors of the company to hold the office from the conclusion of this annual general meeting until the conclusion of next annual general meeting on such remuneration as shall be decided by the Board of Directors of the company.
2. Members are requested to notify immediately change in their address, if any, to the company's registered office and/or to the company's share transfer agent M/s. System Support Services, 209, Shivai Ind. Estate, Next to Parke Davis, 89, Andheri Kurla Road, Sakinaka, Mumbai - 400 072.
3. Register of Members and Share Transfer Book of the Company will remain closed from Thursday, 21st September, 2000 to Saturday, 30th September, 2000 (both days inclusive).
4. Members are requested to bring the copy of Annual Report at the time of attending the Annual General Meeting.
5. Members seeking any information/clarification with regards to accounts are requested to write to the company at an early date so as to enable the management to keep the information ready.
6. Members/proxy holders are requested to produce attendance slip, at the entrance of the Hall of the meeting duly completed and signed.
7. Shares of the company are listed on Mumbai stock exchange and Ahmedabad stock exchange.

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 PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE LODGED/RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR THIS ANNUAL GENERAL MEETING.

By order of the Board

NAVIN C. SHAH

CHAIRMAN

Regd. Office :

11-H, Laxmi Industrial Estate,
New Link Road, Andheri (West),
Mumbai-400053

Date : 5th September, 2000

M/S. E-WHA FOAM INDIA LIMITED



E-WHA FOAM INDIA LIMITED

DIRECTOR'S REPORT

Dear Members,

Your Directors present herewith the EIGHTH ANNUAL REPORT together with the Audited statement of accounts for the year ended 31st March 2000.

FINANCIAL RESULTS: (Rs. in Lacs)

	As at 31-3-2000	As at 31-3-99
Turn over	00.91	00.29
Other Income	8.12	02.27
Profit/(Loss) before Interest & Depreciation	(49.63)	(34.07)
Interest	62.92	-----
Depreciation	-----	-----
Profit/(Loss) before Tax	(112.55)	(34.07)
Tax	-----	-----
profit/(Loss)	(112.55)	(34.07)

NOTE :

Since the company did not commence the commercial production the depreciation has not been provided for.

DIVIDEND

Since, during the year under review the company did not carry out any revenue operations your Directors regret their inability to recommend any dividend.

PRESENT STATUS OF THE PROJECT:

As you are aware that the company has not made representation before the IDBI for relief and concession but so far the company has not received any kind of favourable response from them so as to enable the company to commence

the commercial production.

The company was expecting relief from IDBI so as to withstand the cut throat competition prevailing in the foam market by reducing its overheads including the interest on term loan being charged to the company by IDBI. The company regrets to inform that the IDBI under whose supervision and authority the company had deposited its insurance claim, deducted the entire sum of outstanding interest on term loan granted to the company, from the said money, lying with IDBI Bank which was supposed to be used for the company's rehabilitation programme.

The company, inspite of getting the insurance claim as per expectation and partially completing the project as per the programme under the supervision of IDBI, has not been able to resume the production as the company is short of working capital. And to overcome the said problems the company has again reapproached IDBI and initiated talks with the concerned persons and/or institutions to join the company as co-promoters and infuse the requisite funds.

OUTSTANDINGS CUSTOM LIABILITIES :

Since company could not fulfill required export obligation during the five years period ending July 1999, Customs had raised demand for duty saved at the time of import and interest thereon (Duty amount Rs. 65,79,872/- Interest amount Rs. 63,52,731) and further interest. Your company had approached DGFT and then grievance committee for extension of export fulfilment period but it was not granted. Under the circumstances company has approached settlement commission admitting to basic duty of Rs. 29,24,383/- only and is waiting for their favourable judgement.

M/S. E-WHA FOAM INDIA LIMITED**DIRECTORS :**

Mr. Niraj N. Shah retires by rotation at ensuing Annual General Meeting and being eligible, has offered himself for reappointment.

FIXED DEPOSITS :

During the year under review the company has not accepted any deposit within the meaning of section 58A of the Companies, Act 1956 read with the Companies (Acceptance of Deposit) Rules, 1975 as amended.

AUDITORS:

Messrs. Pradip Shah & Co., Chartered Accountants, retire as Auditors of the company at the conclusion of the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment. They have furnished a certificate to the effect that the re-appointment, if made, will be in accordance with section 224 (1B) of the Companies Act, 1956.

DISCLOSURES :**a) Employees :**

The company did not have any employee drawing remuneration as stipulated under section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended.

b) Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo :

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 in respect to above matters appended hereto and form part of this report.

Conservation of energy : Since the company did not carry out any operations the details required to be furnished are not available.

Technology Absorption: To resume the

production the company has imported duly technically upgraded critical components and parts from the company's collaborators and with the assistance of the collaborators plant and machinery have been upgraded and being commissioned.

Other information required to be furnished in Form - B under section 217(1)(e) of the Companies' Act, 1956 read with the companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988 is not available since the company did not carry out any operations during the year under review.

Foreign Exchange Earning and Outgo :

During the year under review the company neither earned nor spent any foreign exchange.

Y2K COMPLIANCE :

Since the operations of the company are not computerised the Y2K bug did not affect the company in any way. However the system changed over to the new year very smoothly.

ACKNOWLEDGEMENT :

Your Directors wish to place on record their gratitude to the Industrial Development Bank of India, Oriental Bank of Commerce and other Government Departments for their continued support and guidance.

Your Directors also wish to place on record their sincere gratitude to the Insurance Company and other agencies for their co-operation and timely help in settlement of final claim.

Your Directors also wish to record their appreciation of the dedicated services of the employees of the company.

For and on behalf of the Board of Directors

PLACE : MUMBAI.

DATE : 5th September, 2000 **Navin C. Shah**
CHAIRMAN

M/S. E-WHA FOAM INDIA LIMITED

**AUDITORS REPORT**

The Members of M/s. E-WHA FOAM INDIA LIMITED.

We have audited the attached Balance sheet of E-WHA FOAM INDIA LIMITED, as at 31st March, 2000, and the profit and loss account of the company for the year 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 a statement on the matters specified in the paragraph 4 & 5 of the said order.

2. Further to our comments in the Annexure referred to in paragraph 1 above, we state that :-

(a) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.

(b) In our opinion, proper books of accounts as required by Law have been kept by the company, so far as appears from our examinations of such books, except stock books.

(c) The balance sheet referred to in this report are in agreement with the books of accounts.

(d) In our opinion the profit & loss account and balance sheet has complied with the accounting standard referred in sub-section (3) (c) of section 211 of the Companies Act, 1956.

(e) (i) Note No.1 (C) of schedule "N" regarding non provision of depreciation.

(ii) Note No.3 of Schedule "N" regarding balances in accounts referred to in the said note being subject to confirmation and reconciliation.

(iii) Note No. 11 of Schedule "N" regarding non provision of disputed custom duty payable.

(iv) Note No. 13 of Schedule "N" regarding non provisions of disputed electricity charges payable.

(v) Note No. 14 of Schedule "N" regarding non provisions of disputed Sales tax payable.

Subject to the above, in our opinion and to the best of our information and according to the explanations given to us, the said accounts read with note thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view.

(i) In the case of balance sheet of the state of affairs of the company as on 31st March, 2000.

AND

(ii) In the case of Profit and Loss account of the loss of the company for the year ended on that date.

FOR PRADIP SHAH & COMPANY.
CHARTERED ACCOUNTANTS.

PLACE : MUMBAI.

DATE : 5th September 2000

(P.N.SHAH)
PROPRIETOR.