



**E-WHA FOAM INDIA LIMITED**  
**10TH ANNUAL REPORT 2001-2002**

*Innovative Products for better tomorrow*

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

**TENTH ANNUAL GENERAL MEETING**

On Friday, 27<sup>th</sup> September, 2002  
at 11.00 a.m.

at

Shree Vile Parle Gujarati Mandal  
Navinbhai Thakkar Hall,  
Shraddhanand Road, Vile Parle (East),  
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, Shivai Industrial 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**

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

**FACTORY**

Sancoale Ind. Estate of GDDIDC,  
Plot No.19 to 22 & 37 to 40,  
Phase III-B, Near Zuari Nagar,  
Village Sancoale, GOA.

## NOTICE :

Notice is hereby given that the TENTH ANNUAL GENERAL MEETING of E-WHA FOAM INDIA LIMITED will be held on FRIDAY, 27TH SEPTEMBER, 2002 at 11:00 A.M. at SHREE VILE PARLE GUJRATI MANDAL, NAVINBHAI THAKKAR HALL, SHRADDHANAND ROAD, VILE PARLE [E], MUMBAI- 400 057, 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, 2002 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 Shri. 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.

### 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.
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, Bombay - 400 072.
3. The Register of Members and Share Transfer Books of the company will remain closed from Saturday, 21st September 2002 to Monday, 30th September 2002 (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.

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

By order of the Board

Chairman

Date : 5th September, 2002



E - WHA FOAM

# E - WHA FOAM INDIA LIMITED

REGD. OFFICE : 11 - H LAXMI INDUSTRIAL ESTATE, NEW LINK ROAD, ANDHERI (W), MUMBAI - 400053.  
TEL : 022-2265149, 022-2265150 • FAX : 022-2265149

DATE :

## DIRECTORS' REPORT

Dear Members,

Your Directors present herewith the TENTH ANNUAL REPORT together with the Audited statement of accounts for the year ended 31st March, 2002.

### FINANCIAL RESULTS:

	As at 31.3.2002	As at 31.3.2001
=====		
Turn over	00.91	02.21
Other Income	02.90	00.82
Profit/(Loss) before Interest & Depreciation	(05.87)	(59.99)
Interest	78.48	59.67
Depreciation	---	---
Profit/(Loss) before Tax	(84.35)	(119.66)
Tax	---	---
Profit/(Loss)	(84.35)	(119.66)

### **FINANCIALS :**

During the year under review the company did not carry out any revenue operation as it is yet to commence commercial activities.

### **DIVIDEND:**

Since the company was not in operation for whole of the year, director's express their inability to recommend any dividend for the period under review.

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E-WHA FOAM

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**PRESENT STATUS OF THE PROJECT :**

The company has submitted proposal to IDBI for one time settlement at all its dues based on offer for purchase of company's assets received from M/s.Dhanashree Estates Pvt. Ltd., a firm from Goa. The Company is in touch with IDBI for the said proposal but yet has not received any reply from them and is exploring the various other possibilities.

**DIRECTORS :**

Mr. Nijal N. Shah , Director, retires by rotation at ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.

**STATEMENT OF DIRECTORS RESPONSIBILITY :**

Pursuant to the requirement of section 217 (2AA) of the Companies Act, 1956, the Board of Directors hereby state that :

(a) in preparation of annual accounts, the applicable accounting standard had been followed along with proper explanation relating to material departure;

(b) 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 and of the profit or loss of the company for that period.

(c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing & detecting frauds and other irregularities;

(d) the directors have prepared the annual accounts on a going concern basis.

**CORPORATE GOVERNANCE :**

Recently, the listing agreements have been amended by incorporating a new clause 49 covering corporate governance, as a measure of investors protection. As per this amendment your company is required to comply with the said requirement before 2002-03 financial year. Your company has already commenced the process of implementation of the required provisions of corporate governance and will ensure that all mandatory provisions are fully complied with well before the due date prescribed by the stock exchanges.

**AUDIT COMMITTEE :**

Pursuant to amendment made in the Companies Act, 1956, since the paid up capital of the company is above Rs.5 Crores, the company has to appoint an Audit Committee. The company is in process of appointing the audit committee as the company has not started its commercial production.

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E-WHA FOAM

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**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.

**DISCLOSURES :**

**a) Employees :**

The information required pursuant to provisions of section 217(2A) of the Companies' Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 in respect of employees of the company is not given as the company did not have any employee falling in that category.

**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 is not given as the company did not carry out any commercial activities during the year under review.

**FOREIGN EXCHANGE EARNING AND OUTGO :**

During the year under review the company neither earned nor spend anything in foreign exchange.

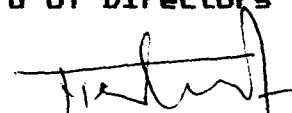
**ACKNOWLEDGEMENT :**

Your Directors wish to place on record their gratitude to the Company Bankers, Stock Exchanges and other Government Departments for their continued support and guidance.

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, 2002

  
Navin C. Shah  
Chairman

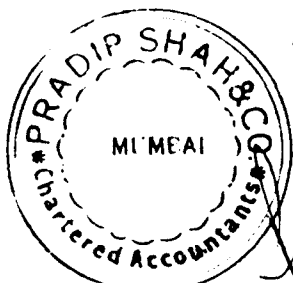
**AUDITOR'S REPORT**

**Auditor's Report to the Members of M/S. E-WHA FOAM INDIA LIMITED.**

We have audited the attached Balance Sheet of M/s. E-Wha Foam India Limited, as at 31st March, 2002 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statement are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with 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 misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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 and profit and loss account referred to in this report are in agreement with the books of accounts.
  - (d) In our opinion the Balance Sheet and Profit and Loss Account referred to in this report has complied with the accounting standard



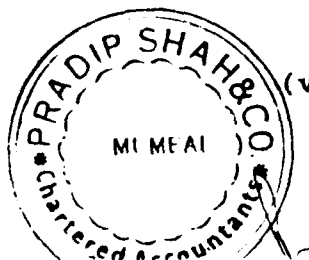
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referred in sub-section (3)(c) of Section 211 of the companies Act, 1956. except the Accounting standard -22 has not been complied by the company in the accounts.

- (e) On the basis of the written representation received from the directors, and taken on record by the board of directors, it has been informed to us that the representation from three directors namely i) Shri N.C. Shah, ii) Shri A.B. Shah & iii) Shri N.N. Shah has been received. We report that these directors by namely i) Shri N.C. Shah, ii) Shri A.B. Shah & iii) Shri N.N. Shah are not disqualified as on 31st March, 2002 from being appointed as a director in terms of clause (g) of subsection (1) of Section 274 of the companies Act, 1956.

Board of Directors have informed that the representation from the director Dr. M.K. Unni Mennon and director Mr. J.I. Shin is awaited. On which we cannot report whether these directors Mr. M.K. Unni Mennon and Mr. J.I. Shin are not disqualified or disqualified as on 31-3-2002 from being appointed as a director in terms of clause (g) of subsection (1) of Section 274 of the companies Act, 1956.

- (f) (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.5 of Schedule "N" regarding non-compliance of Accounting Standard - 22 issued by ICAI.
- (iv) Note No.10 of Schedule "N" regarding non provision of disputed penal interest under the custom Act, 1962.
- (v) Note No.12 of Schedule "N" regarding non provision of disputed electricity charges payable.
- (vi) Note No.13 of Schedule "N" regarding value of fixed assets overstated.





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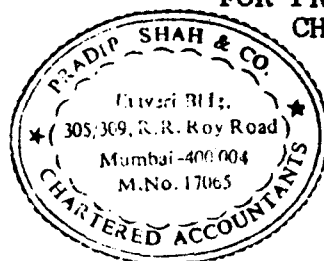
Subject to the above, in our opinion and to the best of our information and according to the explanations given to us, the said accounts read with note thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting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

(i) In the case of Balance Sheet of the state of affairs of the company as on 31st March, 2002.

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.



(P.N. SHAH)  
PROPRIETOR.

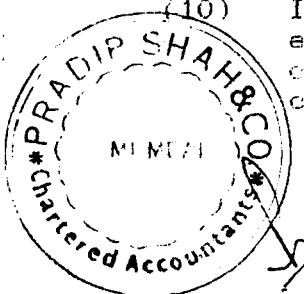
PLACE : MUMBAI.

DATE 5 SEP 2002

**ANNEXURE REFERRED TO IN PARAGRAPH 1 OF  
OUR REPORT OF EVEN DATE.**

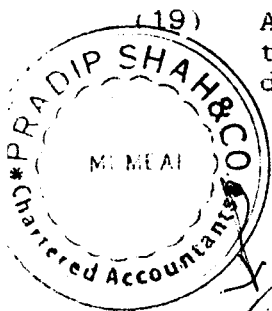
**RE : M/S. B-WHA FOAM INDIA LIMITED.**

- (1) The company has been maintaining fixed assets register giving quantitative particulars of assets which is being updated by the company and not produced before us. We are informed that during the year most of the fixed assets have been physically verified by the management and that no material discrepancies have been noticed on such verification.
- (2) None of the Fixed Assets have been revalued during the year.
- (3) Physical verification of finished goods, stores, spare parts and raw materials has been conducted by the management during the year. In our opinion, the frequency of verification is reasonable.
- (4) The procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (5) We are unable to give our opinion on whether any material discrepancies have been noticed on Physical verification of stocks as compared to book records, as the stock book is not maintained, hence the same cannot be verified by us.
- (6) The valuation of stocks is fair and proper and is in accordance with the normally accepted accounting principles.
- (7) The company has not taken loans secured or unsecured from companies, firms and other parties listed in the register maintained under section 301 of the companies Act, 1956 and from the companies under the same management within the meaning of section 370 (1B) of the Companies Act, 1956.
- (8) The company has not granted any loans, secured or unsecured to companies, firms and other parties listed in the register maintained under section 301 of the companies Act, 1956 and to the companies under the same management within the meaning of section 370(1B) of the companies Act, 1956.
- (9) According to information and explanation given to us, there is no loans or advances in the nature of loans, has been given by the company.
- (10) In our opinion and according to the 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 with regard



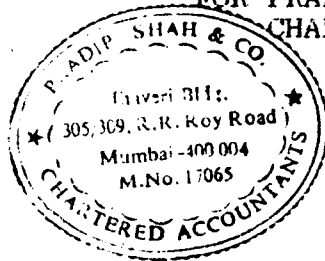
to purchase of stores, raw materials including components, plant and machinery, equipment and other assets.

- (11) In our opinion & according to the information and explanations given to us no transactions of purchases of goods and material and sale of goods, materials and services made in pursuance of contracts or arrangements entered in the registers maintained under section 301 and aggregating during the year of Rs. 50,000/- or more in respect of each party have been made. Hence the question of prices for such goods, materials or services or the prices at which transaction for similar goods, materials or services have been made with other parties does not arise.
- (12) As explained to us the company has a system to determine unserviceable or damaged stores, raw-materials and finished goods. Adequate provision has been made in the accounts for loss, if any, arising on the items so determined.
- (13) The company has not accepted any deposit from public.
- (14) As explained to us, proper records are being maintained by the Company for sale and disposal of scrap.
- (15) The company does not have an internal audit system commensurate with the size and the nature of its business. Every transaction has been authorised supervised and controlled by the officers of the company.
- (16) The Central Government has not prescribed the maintainance of cost records under section 209(1)(d) of Companies Act, 1956.
- (17) According to the information and explanation given to us, the company has stopped depositing and is in the process of closing the account with employees state insurance scheme and provident fund scheme.
- (18) According to the information and explanation given to us, no undisputed amounts payable in respect of Income-tax, Wealth-tax, Sales-tax, Custom duty and Excise duty were outstanding as at 31st March, 2002 for a period of more than six months from the date they became payable except penal interest on custom duty as per Note No.10 of Schedule "N".
- (19) According to the information and explanations given to us, no personal expenses of employees or directors have been charged to revenue account other



than those payable under contractual obligations or in accordance with generally accepted business practice.

(20) The company is a Sick Industrial Company within the meaning of clause (o) of sub-section (i) of section 3 of the Sick Industrial Companies. (Special Provisions) Act, 1985.



FOR PRADIP SHAH & COMPANY,  
CHARTERED ACCOUNTANTS.

  
( P.N. SHAH )  
PROPRIETOR

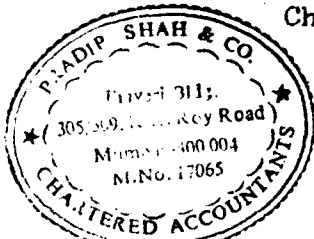
PLACE : MUMBAI.  
DATE 5 SEP 2002

M/S. E-WHA FOAM INDIA LIMITED.

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2002.

	Schedule	Current Year As at 31-03-2002 Rs.	Previous year. As at 31-03-2001. Rs.
<b>INCOME :</b>			
Sales & Services		91,159	2,21,481
Other Income	H	2,90,000	81,926
Increase/(Decrease) In Closing Stock	I	(68,119)	(2,78,039)
<b>TOTAL Rs.</b>		<b>3,13,040</b>	<b>25,368</b>
<b>EXPENDITURE :</b>			
Raw Material consumed/Sold	J	Nil	--
Manufacturing & Other Exp.	K	4,24,355	55,45,906
Financial Charges	L	78,48,893	59,70,870
Depreciation		Nil	--
Miscellaneous Exp. W/off	M	4,74,631	4,74,631
		<b>87,47,879</b>	<b>1,19,91,407</b>
PROFIT/(LOSS) for the year		(84,34,839)	(1,19,66,039)
PROFIT/(LOSS) BEFORE TAX		(84,34,839)	(1,19,66,039)
Provision for taxation		--	--
Profit/(Loss) After tax		(84,34,839)	(1,19,66,039)
Less: Prior period adjustments		--	--
Profit/(Loss) Carried to Balance Sheet		(84,34,839)	(1,19,66,039)
Notes on Accounts	"N"		

As per our report of even date  
For PRADIP SHAH & COMPANY,  
Chartered Accountants



(P. N. SHAH)  
PROPRIETOR.

PLACE: MUMBAI.

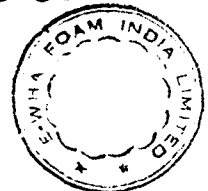
DATE: 5 SEP 2002

FOR AND ON BEHALF OF THE BOARD

*Pradip Shah*  
*H. N. Shah*  
DIRECTORS.

PLACE: MUMBAI.

DATE: 5 SEP 2002

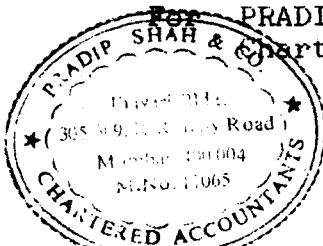


**M/S. E-WHA FOAM INDIA LIMITED.**  
**BALANCE SHEET AS AT 31ST MARCH, 2002.**

	Schedule	Current Year As at 31-03-2002 Rs.	Previous year. As at 31-03-2001 Rs.
<b>1. SOURCES OF FUNDS:</b>			
<b>1. Shareholder's Funds:</b>			
a) Share Capital	A	5,12,00,000	5,12,00,000
<b>2. Loan Funds:</b>			
a) Secured Loans	B	4,79,37,286	3,64,33,598
b) Unsecured Loans		---	---
<b>T O T A L Rs.</b>		<b>9,91,37,286</b>	<b>8,76,33,598</b>
<b>II. APPLICATION OF FUNDS:</b>			
<b>1. Fixed Assets:</b>			
a) Gross Block	C	3,98,58,438	3,98,58,438
b) Less: Depreciation		---	---
c) Net Block		3,98,58,438	3,98,58,438
<b>2. Current Assets, Loans, Advances &amp; Deposits:</b>			
a) Current Assets	D	6,52,311	7,01,826
b) Loans, Advances & Deposits	E	5,69,993	4,32,980
		12,22,304	11,34,806
<b>Less: Current Liabilities &amp; Provisions:</b>			
a) Current Liabilities	F	12,94,657	47,50,639
<b>Net Current Assets</b>		<b>(72,353)</b>	<b>(36,15,833)</b>
<b>3. a) Miscellaneous Expenditure (to the extent not written off or adjusted)</b>			
b) Profit & Loss amount	G	14,83,433	19,58,064
<b>T O T A L Rs.</b>		<b>9,91,37,286</b>	<b>8,76,33,598</b>

Notes on Accounts N  
As per our report of even date.

PRADIP SHAH & COMPANY,  
Chartered Accountants.



(P. N. SHAH)  
PROPRIETOR.

FOR AND ON BEHALF OF THE BOARD.

*(Signature)*  
AR & Co  
DIRECTORS.

PLACE : MUMBAI.  
DATE : 5 SEP 2002

PLACE: MUMBAI.  
DATE 5 SEP 2002



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

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Current Year As at 31-3-2002 (Rs.)	Previous Year As at 31-3-2001. (Rs.)
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**SCHEDULES : ANNEXED TO AND FORMING PART  
OF THE BALANCE SHEET**

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**SCHEDULE - A : SHARE CAPITAL**

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**Authorized Capital**

10000000 Equity Shares of Rs.10/- each	10,00,00,000 =====	10,00,00,000 =====
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**Issued Subscribed, Called up  
and paid up.**

51,20,000 Equity Shares of Rs. 10/- each fully paid up	5,12,00,000 =====	5,12,00,000 =====
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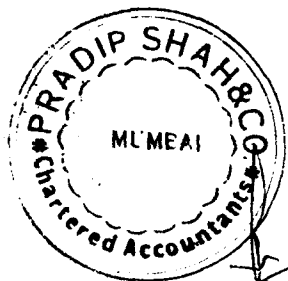
(OF THE ABOVE 10,00,658 (P.Y 10,00,658)  
Equity shares of Rs. 10/- each  
allotted to Foreign Collaborators  
E-Wha Foam Korea Co. against the  
Supply of plant and machinery for  
consideration other than cash)

**SCHEDULE - B : SECURED LOANS**

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<b>Term Loan</b> From IDBI	4,79,37,286	3,64,33,598
	-----	-----
TOTAL Rs.	4,79,37,286 =====	3,64,33,598 =====

NOTE :- 1) The term loan from Industrial Development Bank of India is secured by way of Hypothecation of present and future immovable property, tangible movable property (except book debts), and personal guarantees of the Managing Director and two other directors.



FOR E-WHA FOAM INDIA LIMITED

*[Handwritten signatures]*  
DIRECTOR

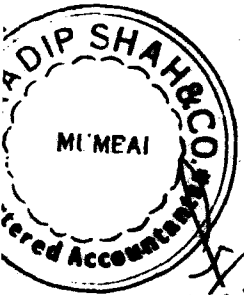
M/S. E-WHA FOAM INDIA LTD.

SCHEDULE - C : FIXED ASSETS :

Description	G R O S S B L O C K			Cost as at 31-3-2002	D e p r e c i a t i o n			N E T B L O C K	
	Cost as at 1-4-2001	Addition	Deduction		Upto 31-3-2001	For the Yr.	Up to 31-3-2002	As on 31-3-2002	As on 31-3-2001
Land Lease Hold	1375025	--	--	1375025	--	--	--	1375025	1375025
Building	2662161	--	--	2662161	--	--	--	2662161	2662161
Administration Bldg.	1628769	--	--	1628769	--	--	--	1628769	1628769
Plant & Machinery	11157540	--	--	11157540	--	--	--	11157540	11157540
Electrical Fittings (Factory Building)	2233207	--	--	2233207	--	--	--	2233207	2233207
Electrical Fittings (Administration Bldg.)	110017	--	--	110017	--	--	--	110017	110017
Furniture & Fixture	642333	--	--	642333	--	--	--	642333	642333
Vehicles	1218008	--	--	1218008	--	--	--	1218008	1218008
Office Equipments	337307	--	--	337307	--	--	--	337307	337307
Tempo	402286	--	--	402286	--	--	--	402286	402286
Scooter	41184	--	--	41184	--	--	--	41184	41184
Computer	361665	--	--	361665	--	--	--	361665	361665
<b>TOTAL Rs.</b>	<b>22169502</b>	<b>--</b>	<b>--</b>	<b>22169502</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>22169502</b>	<b>22169502</b>
Add: Capital work in progress								17666936	17666936
								<b>39836438</b>	<b>39836438</b>

AS PER BALANCE SHEET Rs.

Note : 1) Capital work in progress includes expenditure during construction period pending allocation of Rs.1,20,73,878/-



FOR E-WHA FOAM INDIA LIMITED.

*D. B. Patel*  
DIRECTOR



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

---

Current Year  
As at 31-3-2002  
(Rs.)

---

Previous Year  
As at 31-3-2001  
(Rs.)

---

**SCHEDULE - D : CURRENT ASSETS**

---

**1. INVENTORIES**

---

(As Valued, taken  
& Certified by  
management)

Raw Material (At Cost)	3,31,322	3,31,322
Finished goods (At lower of cost or net realisable Value)	87,400	1,55,519
Semi-finished goods (At lower of cost or net realisable value)	93,442	93,442

**2. SUNDRY DEBTORS**

---

(Unsecured & considered good) outstanding for more than six months.

Others	--	24,498
--------	----	--------

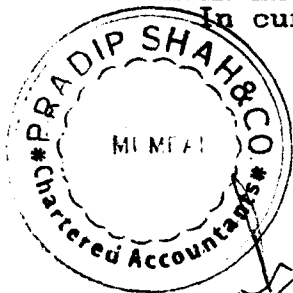
**3. CASH & BANK BALANCES**

---

Cash on hand Mumbai	33989	
Cash on hand Goa	1189	55,959

**With Schedule Bank  
In current account**

	1,04,969	41,085
<b>TOTAL</b>	<b>Rs. 6,52,311</b>	<b>7,01,826</b>



FOR E-WHA FOAM INDIA LIMITED

DIRECTOR

M/S. E-WHA FOAM INDIA LIMITED

Current Year As at 31-3-2002 (Rs.)	Previous Year As at 31-3-2001 (Rs.)
------------------------------------------	-------------------------------------------

SCHEDULE - E : LOANS, ADVANCES & DEPOSITS

(Unsecured, considered good as certified by Management).

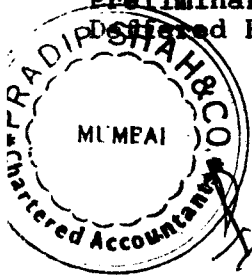
Advances (Receivable in cash or Kind)	62,943	62,943
Prepaid Expenses	13,947	13,947
Tax deducted at sources	1,79,145	1,79,145
Deposits	1,02,500	1,02,500
Balance with Excise Departments	66,458	74,445
Other Receivables	1,45,000	--
TOTAL Rs.	5,69,993	4,32,980

SCHEDULE - F : CURRENT LIABILITIES

Sundry Creditors	66,835	66,835
Creditors for expenses	11,53,085	10,22,012
TDS Payable	2,237	3,910
Statutory dues	--	36,57,882
Other Liabilities	72,500	--
TOTAL Rs.	12,94,657	47,50,639

SCHEDULE - G : MISCELLANEOUS EXPENDITURE

Preliminary Expenses	5,62,909	7,30,699
Deferred Revenue Expenses	9,20,524	12,27,365
TOTAL Rs.	14,83,433	19,58,064



FOR E-WHA FOAM INDIA LIMITED

*Santhosh*  
DIRECTOR

M/S. B-WHA FOAM INDIA LIMITED

Current Year  
As at 31-3-2002  
(Rs.)

Previous Year  
As at 31-3-2001  
(Rs.)

SCHEDULE ANNEXED TO AND FORMING PART OF PROFIT & LOSS ACCOUNT.

SCHEDULE - H: OTHER INCOME.

Sale of Scrap	--	58,558
Income Tax Refund	--	25,368
Rent Received	2,90,000	--
	2,90,000	81,926

SCHEDULE - I: INCREASE/(DECREASE) IN STOCK

CLOSING STOCK:

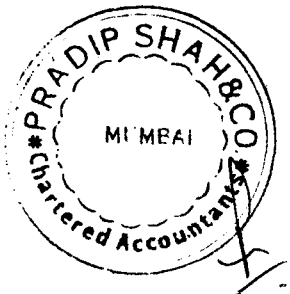
Finished Goods	87,400	1,55,519
Semi-finished goods	93,442	93,442
	1,80,842	2,48,961

OPENING STOCK:

Finished Goods	1,55,519	3,77,000
Semi-finished goods	93,442	1,50,000
	2,48,961	5,27,000
	(68,119)	(2,78,039)

SCHEDULE - J: RAW MATERIAL CONSUMED/SOLD

Opening Stock	3,31,322	3,31,322
Add: Purchases	--	--
	3,31,322	3,31,322
Less: Closing Stock	3,31,322	3,31,322



FOR B-WHA FOAM INDIA LIMITED  
*Pradip Shah*  
*Arjun*  
*Arjun*  
 DIRECTOR

M/S. E-WHA FOAM INDIA LIMITED

Current Year  
As at 31-3-2002  
(Rs.)

Previous Year  
As at 31-3-2001  
(Rs.)

**SCHEDULE - K: MANUFACTURING & OTHER EXPENSES.**

**(1) Manufacturing Expenses:**

Consumable, Stores & Spares Consumed	11,601	--
Water, Gas & Electricity	--	1,49,877
Fuel	--	8,773
Excise duty	7,987	21,880

**(II) Payment to & Provisions for Employees:**

Salary, Wages, Bonus & Allowances	1,76,392	2,98,457
Contribution to ESIC & PF	12,000	20,491
Staff Welfare	18,020	18,283

**(III) Administrative & Selling Expenses:**

Freight	--	890
Motor Car Expenses	--	6,323
Repairs & Maintenance - Others	250	6,494
Office Expenses	--	6,523
Insurance Charges	61,366	2,67,687
Conveyance Expenses	8,434	47,303
Legal & Professional Charges	5,000	67,150
Telephone, Telex Charges	3,710	37,347
Printing & Stationery	2,984	20,395
Sundry/Misc. Expenses	1,160	26,760
Travelling Expenses	1,000	10,598
Rent paid	--	27,000
Postage & Telegram	466	4,404
Security Expenses	66,885	60,000
Share R & T service charges	6,000	36,000
Auditors Remuneration	15,000	15,000
Listing Fees	24,000	61,000
Food Exps.	--	1,646
Excess Provision		
Acc. Interest W/off	--	6,54,538
Advertisement Expenses	--	14,002
Entertainment Exps.	--	1,341
Sales Tax	--	556
Custom Duty	--	36,55,479
Professional Tax	2,100	1,710

TOTAL Rs. 4,24,355 55,45,906

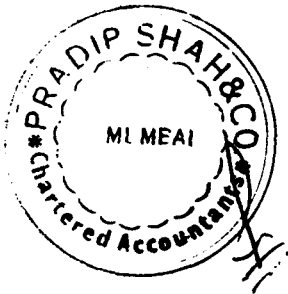


FOR E-WHA FOAM INDIA LIMITED  
*[Signature]*  
 DIRECTOR

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

---

	Current Year As at 31-3-2002 (Rs.)	Previous Year As at 31-3-2001 (Rs.)
	-----	-----
<b>SCHEDULE - L: FINANCIAL CHARGES</b>		
	-----	-----
Interest on term loan	78,48,209	59,67,189
Bank Charges	684	3,681
	-----	-----
	78,48,893	59,70,870
	=====	=====
<b>SCHEDULE-M: MISCELLANEOUS EXPENDITURE W/OFF:</b>		
	-----	-----
Preliminary Expenses	1,67,790	1,67,790
Deffered Revenue Expenses	3,06,841	3,06,841
	-----	-----
TOTAL Rs.	4,74,631	4,74,631
	=====	=====



FOR E-WHA FOAM INDIA LIMITED

*[Signature]*

*[Signature]*

*[Signature]*  
DIRECTOR.

M/S. E-WHA FOAM INDIA LIMITED.

31-3-2002

A.Y. 2002-2003.

SCHEDULE - N: NOTES ON ACCOUNTS.

1. SIGNIFICANT ACCOUNTING POLICIES:

- a) The company maintains its accounts on accrual basis under the historical cost convention in accordance with the generally accepted accounting principles, the Accounting standards issued by the institute of chartered Accountants of India to the extent they are applicable to the company and the provisions of the companies Act, 1956.
- b) Fixed Assets are capitalised at cost of acquisition or construction including installation expenses.
- c) No provision for depreciation is made in the books of accounts. Depreciation for current year computed in accordance with Section 205(2) of the Companies Act, 1956 on straight line method on pro rata basis amounts to Rs.2,71,420/- (Prev. Year Rs.2,71,420/-) on assets other than Plant and Machinery, electrical fitting (factory), capital work in progress and expenditure pending allocation, on which no depreciation has been computed since according to the management no commercial production has been started.
- d) Valuation of Inventories:
- i) Raw material, are valued at cost.
- ii) Finished good and Semi-finished goods are valued at lower of cost or net realisable value.
- e) Contingent liabilities which are not provided for are separately disclosed by way of notes.
- f) Amortisation of Miscellaneous Expenditures:
- i) Preliminary expenses are written off over a period of 10 years.
- ii) Public issue expenses are treated as deferred revenue expenditure and are amortised over a period of 10 years from this year.
- g) Sales includes excise duty, sales tax.
- h) Prior period Adjustment

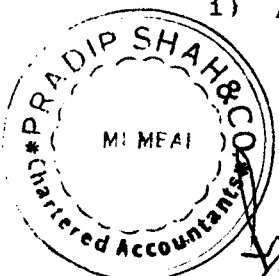
Adjustments of identifiable items of income and expenditure pertaining to the prior period are accounted through "Prior period adjustment account".

1) Accounting of CENVAT

CENVAT credit is accounted on the basis of material Purchased. CENVAT credit receivable is adjusted against Excise Duty payable on despatch of finished goods.

FOR E-WHA FOAM INDIA LIMITED

DIRECTOR.



j) Segment Reporting:

The company deals in only one product segment and hence requirements of AS-17 "Segment reporting" issued by ICAI are not applicable.

k) Related parties Transactions :

The management has informed that no related parties transaction has been taken place during the year, hence disclosures in respect of transaction with related parties as defined in AS-18 "Related party Disclosures" issued by ICAI are not applicable.

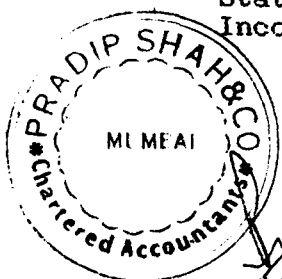
2. In the opinion of the Board and to the best of their knowledge and belief the Current Assets, Loans and Advances are approximately of the value stated in the balance sheet if realised in the ordinary course of the business.
3. Balances in Sundry creditors, debtors, Loan and advances and deposits are subject to confirmation and adjustments, if any on their reconciliation.
4. In the opinion of the Board, no provision for taxation is required in the account during the year as the Company does not envisage any tax liability on this account.

5. DEFERRED TAXATION :

The management has informed that the company since incorporation, it has never made book profit or even taxable profit under the Income Tax Act, 1961 and the company had never provided for depreciation in the books of account and even not claimed depreciation as per Income Tax Act, 1961. For the earlier year the company have carry forward of allowable business losses. The management has also informed that they have no virtual certainty of earning future taxable income in the future, as the project is in stand still mode and no commercial production has been started after the reconstruction of the entire project since 1998. The management is in the process of exploring various alternatives like finding a suitable co-promoter, management change, one time settlement with IDBI etc. So, seeing this realistic situation and on consideration of business prudence, the management have informed that the Accounting standard 22 "Accounting for Taxes on Income" issued by ICAI is not been adopted in the books of accounts by the company.

6. Auditors Remuneration:

	Current year. Rs.	Previous year. Rs.
Statutory Audit Fees	10,000	10,000
Income-tax Matters	5,000	5,000
TOTAL Rs.	15,000	15,000



FOR E-WHA FOAM INDIA LIMITED

DIRECTOR.

7. Details of Directors Remuneration:	Current year.	Previous year.
	Rs.	Rs.
Salaries	Nil	Nil
Perquisite	Nil	Nil
<b>TOTAL Rs.</b>	<b>Nil</b>	<b>Nil</b>

8. The Company has submitted application for grant of subsidy of Rs. 25 lakhs to Ministry of Industry, Goa and will account the same as and when received by the Company.

9. Estimated amount of contracts remaining to be executed on capital account (i.e. toward factory building) and not provided for Rs. NIL. (Previous year Rs. NIL. )

10. The custom authorities have demanded Rs.1,35,222/- towards interest for the delay in payment of the balance custom duty of Rs.36,55,479/-, for which the management has informed that they have applied before the custom authorities for the waiver of above penal interest payment. The same is not provided in the books of accounts.

11. The management has informed that no commercial production has been started.

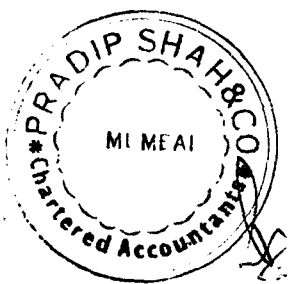
12. The management has informed that the electricity department, Goa has demanded Rs.4,52,487/- towards the amount payable for the unexpired period of H.T. agreement, for which the company has not agreed and hence no provision for the same has been made in the books of accounts.

13. The total fixed assets worth Rs. 3,98,58,438/- as on 31-3-2002 are stated at cost and no depreciation has been provided in the books of accounts. So the value of fixed assets are overstated to the extent of amount of depreciation not provided in the books of accounts.

14. The details of additional information pursuant to paragraphs 3,4C and 4D of Part II of Schedule VI of the Companies Act, 1958(as certified by the management, in absence of detailed records not verified by Auditors).

a) Details of Licenced Capacity, Installed Capacity & Actual Production.

	Current year.	Previous year.
	M.T.per Annum.	M.T.per Annum.
Installed Capacity	900 M.T.	900 M.T.
Actual Production	Nil.	Nil.
Licenced Capacity	N.A.	N.A.



FOR E-WHA FOAM INDIA LIMITED  
*[Signature]*  
 DIRECTOR



b) Sales & Closing Stock:

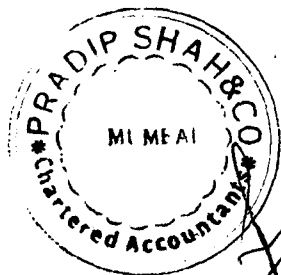
Sales: Class of Goods:	Current Year.		Previous year.	
	Qty.	Rs.	Qty.	Rs.
1. Rolls (in Running Mts)	6,820	91,159	15120	177641
2. Sheets (in Nos)	--	--	--	--
3. Others (in M.T.)	--	--	2000	43840
4. L.D.P.E. (Raw materials)(in MT)	--	--	--	--
		91,159		221481
<b>Closing Stock:</b>				
Finished goods				
Polyethylene Foam Products (in M.T.)	0.874	87400	1.556	155519
Semi-finished goods				
Polyethylene Foam Products (in M.T.)	1.249	93442	1.249	93442
	2.123	180842	2,805	248961

c) Raw Material Consumed/Sold

Particulars.	Current year.		Previous year.	
	Qty(in MT)	Rs.	Qty.	Rs.
1. L D P E	--	--	--	--
2. L P G	--	--	--	--
3. TALC	--	--	--	--
4. CHEMICAL POWDER & MASTER BATCH	--	--	--	--
5. ADDITIVE	--	--	--	--

Whereof :

	Current Year.		Previous Year.	
	Consumption Rs.	Percentage	Consumption Rs.	Percentage.
1. Imported	--	--	--	--
2. Indigenous	--	--	--	--



FOR E-WHA FOAM INDUSTRIES LIMITED  
*Southern*  
 DIRECTOR.

d) C I F Value of Imports:		
	Current year. Rs.	Previous year. Rs.
Raw Materials	Nil.	Nil.
Plant & Machinery	Nil.	Nil.
e) Details of Expenditure in foreign currency:		
	Current year. Rs.	Previous year. Rs.
Foreign Travelling	Nil.	Nil.
FOB Value of Exports	Nil.	Nil.

15. Additional information as required under part II of Schedule VI to the Companies Act, 1956 has been given to the extent applicable to the Company.

16. The Schedules referred to in the Balance Sheet & Profit and Loss Account are forming integral part of the accounts.

17. The figures of previous year are regrouped, rearranged and reclassified wherever found necessary.

18. **BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE.**

I. **Registration Details:**

Registration No.11-69447                      State Code 11  
Balance Sheet Date : 31st March, 2002.

II. **Capital Raised during the year:**

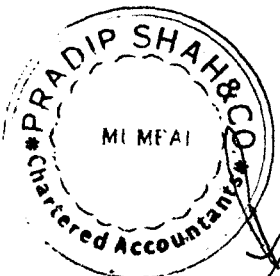
Public Issue	Right Issue
NIL.	NIL.
Bonus Issue	Private Placement
NIL.	NIL.

III. **Position of Mobilisation and Deployment of Funds during the year:**

Total Liabilities.	Total Assets.
9,91,37,286	9,91,37,286

Sources of Funds:

Paid up Capital.	Reserves & Surplus.
5,12,00,000	---
Secured Loans.	Unsecured Loans.
4,79,37,286	---



FOR E-WHA FOAM INDIA LIMITED

*Sainath*  
*Abshah*  
DIRECTOR

Application of Funds:

Net Fixed Assets

3,98,58,438

Net Current Assets

( 72,353)

Accumulated Losses

5,78,87,768

Investments.

--

Miscellaneous Expenditure

14,83,433

IV. Performance of the Company during the year:

Turnover

3,81,159

Profit/(Loss) before tax

(84,34,839)

Earning per Share

Loss

Total Expenditure

87,47,879

Profit/(Loss) after tax

(84,34,839)

Dividend per Share

Nil.

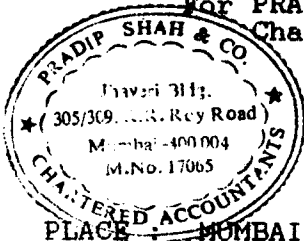
V. Generic Names of Three Principal products/Service of the Company (As per monetary terms).

- |                     |   |                                         |
|---------------------|---|-----------------------------------------|
| (a) Item Code No.   | : | 39211900                                |
| Product Description | : | CELLULAR POLYETHYLENE<br>FOAM SHEETS.   |
| (b) Item Code No.   | : | 39219000                                |
| Product Description | : | CELLULAR POLYETHYLENE<br>FOAM PROFILES. |
| (c) Item Code No.   | : | 39201009                                |
| Product Description | : | POLYETHYLENE FOAM HOSES.                |

Signature to Schedule 'A' To 'N'  
As per our report of even date.

For PRADIP SHAH & COMPANY,  
Chartered Accountants.

FOR AND ON BEHALF OF THE BOARD.



(P. N. SHAH)  
PROPRIETOR.

PLACE : MUMBAI.

DATE : 5 SEP 2002

*Samudra*  
*A. B. Shah*

*[Signature]*  
DIRECTORS.

PLACE : MUMBAI.

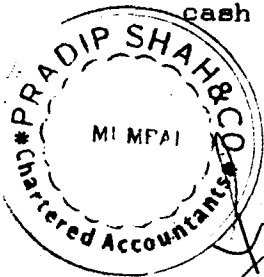
DATE : 5 SEP 2002



M/S. E-WHA FOAM INDIA LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2002.

	2001-2002 (Rs.)	2000-2001 (Rs.)
<b>A) CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit before interest tax and extra ordinary item (Note-1).	(-) 1,11,999	(-) 48,69,681
<b>Adjustments for :</b>		
Interest received	--	--
Operating Profit before working Capital changes	(-) 1,11,999	(-) 48,69,681
<b>Adjustment for :</b>		
Trade debtors & other receivable.	24,498	(-) 24,498
Inventories	68,119	(-) 2,78,039
Trade Payable	(-) 34,55,981	9,33,552
Loans & Advances	(-) 1,37,013	4,09,520
Cash generated from operation	(-) 36,12,376	(-) 32,73,068
Net cash flow from operation activities	(-) 36,12,376	(-) 32,73,068
<b>B) CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Addition to fixed Assets	--	(-) 17,941
Interest Received	--	--
Net Cash used in Investing activities	--	(-) 17,941
<b>C) CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Loan Recd from IDBI	36,55,479	29,80,170
Paid Installment towards Principle on IDBI Term Loan	--	(-) 9,61,000
Interest paid (Net)	--	--
Net Cash Generated from financing activities.	36,55,479	(-) 20,19,170
Net Increase/decrease in cash & cash equivalents (A+B+C)	(-) 43,103	(-) 12,71,839



FOR E-WHA FOAM INDIA LIMITED

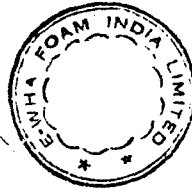
*Pradip Shah*  
*Abhishek*  
 DIRECTOR

Net Increase/decrease in cash & cash equivalents (A+B+C)	43,103	(-) 12,71,839
Cash & cash equivalents as at 31-3-2001/31-3-2000.	97,044	13,68,883
Cash & cash equivalents as at 31-3-2002/31-3-2001.	1,40,147	97,044
Note : 1) Net Profit before tax	(-) 84,34,839	(-) 1,19,66,039
Add:		
Miscellaneous Expenditure w/off	4,74,631	4,74,631
Acc. Interest Receivable W/off	--	6,54,536
Int. not paid on IDBI Term Loan	78,48,209	59,67,189
	(-) 1,11,999	(-) 48,69,681

FOR AND ON BEHALF OF THE BOARD

MUMBAI

DATED : 5 SEP 2002



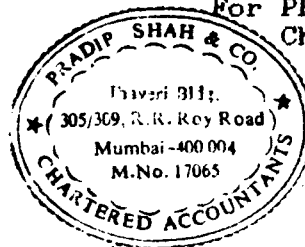
*Pradip Shah*

*Pradip Shah*  
DIRECTORS.

AUDITORS REPORT :

We have verified the attached cash flow statement of E-WHA FOAM INDIA LIMITED, derived from the audited financial statements and the books and records maintained by the company for the years ended 31st March, 2002 and 31st March, 2001 and found the same in agreement therewith.

As per our report of even date.  
For PRADIP SHAH & COMPANY,  
Chartered Accountants.



(P. N. SHAH)  
Proprietor.

PLACE : MUMBAI.  
DATE : 5 SEP 2002