



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, 27th 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



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E - WHA FOAM INDIA LIMITED

REGD. OFFICE : 11 - H LAXMI INDUSTRIAL ESTATE, NEW LINK ROAD, ANDHERI (W), MUMBAI - 400053.
 TEL : 022-22551497, 022-4000 • FAX : 022-4019

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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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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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.

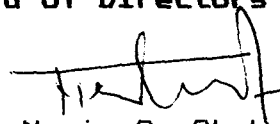
ACKNOWLEDGEMENT :

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

PRADIP N. SHAH
B. COM., F.C.A.

PRADIP SHAH & CO.
CHARTERED ACCOUNTANTS

9, Jhaveri Bldg., 2nd Floor, 305 / 309, Raja Rammohan Roy Road, MUMBAI - 400 004. ☎ Off. : 387 47 95

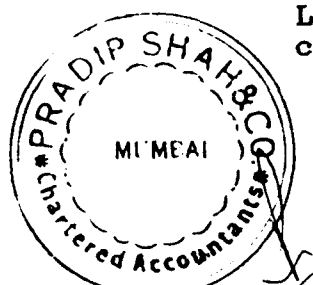
AUDITOR'S REPORT

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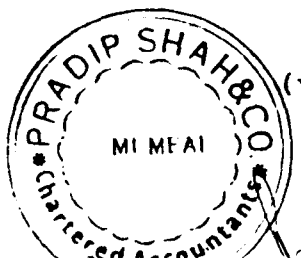
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referred in sub-section (3)(c) of Section 211 of the companies Act, 1956. except the Accounting standard -22 has not been complied by the company in the accounts.

- (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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