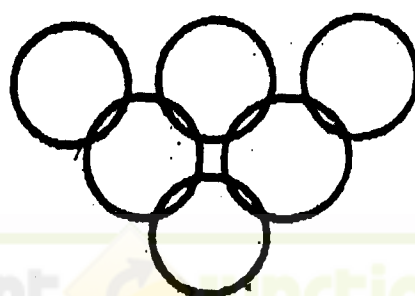


# **Fourteenth Annual Report**

**December, 2002**



Report  junction.com

**Olympia Industries Limited**

**CORPORATE DIRECTORY**  
**BOARD OF DIRECTORS**

Shri Navin Pansari - Director  
Shri Vijay Patel - Director  
Shri Sandesh Shirke - Director

**AUDIT COMMITTEE**

Shri Navin Pansari - Member  
Shri Vijay Patel - Member  
Shri Sandesh Shirke - Member

**REGISTERED OFFICE :**

112- New Sonal Ind. Estate,  
Building No.02,  
Off. S.V.Road,  
Malad (W),  
Mumbai – 400 064.

**MANUFACTURING FACILITIES :**

Block No.284, Plot No. & 5  
Mota Borasara,  
Kim – 34 110,  
Dist. Surat, Gujarat.

S.No.441/2,4,6 Village Mahim  
Palghar- 401 404,  
Dist. Thane,  
Maharashtra.

**AUDITORS :**

CPM & Associates  
Chartered Accountants,  
32, Nityanand Nagar III  
Andheri (East),  
Mumbai – 400 06.

**FINANCIAL INSTITUTION :**

Industrial Development bank of India.

**BANKER :**

Union Bank of India.

## NOTICE

To  
**The Members,  
Olympia Industries Limited**

Notice is hereby given that the 14<sup>th</sup> Annual General Meeting of the Members of Olympia Industries Limited will be held on Monday the 30<sup>th</sup> June, 2003 at 9.00 A.M. at the Registered Office of the company at 112, Sonal Link Industrial Estate, Bldg. No. 2, Link Road, Malad (West), Mumbai – 400 064 to transact the following Business :-

---

### ORDINARY BUSINESS :-

1. To receive, consider and adopt the Audited Profit and Loss Account of the Company for the year ended 31<sup>st</sup> December, 2002 and the Balance Sheet as at that date together with Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Navin Pansari, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors and fix their remuneration.

### SPECIAL BUSINESS :-

4. To consideration and if thought fit to pass with or without modifications, the following Resolutions as an Ordinary Resolution :-

“ RESOLVED THAT Shri Sandesh Shirke, who was appointed as an Additional Director of the Company by the Board of Directors and who holds this Office upto the date of this Annual General Meeting under the provisions of Section 260 of the Companies Act, 1956 be and is hereby appointed as a Director of the Company liable to retire by rotation.”

**By order of the Board**

**NAVIN PANSARI  
DIRECTOR**

Place : Mumbai  
Dated : 02-06-2003

## 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 OF THE COMPANY. PROXY FORM IN ORDER TO BE EFFECTIVE, MUST BE SUBMITTED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE TIME OF THE MEETING.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 27<sup>th</sup> June, 2003 to 30<sup>th</sup> June, 2003 ( both days inclusive ).
3. Members are requested to bring their copy of Annual Report at the meeting.
4. Member are requested to intimate any change in their address at the Registered Office of the Company.
5. Members desirous of getting any information about the Accounts and operations of the Company are requested to address their queries to the Company well in advance so that the same are received at least 7 days before the date of the Meeting to keep the information readily available at the Meeting.
6. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Item No. 4 of the Notice is given in Annexure.

## ANNEXURE

### EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

Shri Sandesh Shirke was appointed as an Additional Director of the Company by the Board of Director of the Company with effect from 31.10.2002. As per the provisions of Section 260 of the Companies Act, 1956 he holds this office upto the date of the ensuing Annual General Meeting and therefore requires reappointment. The Resolution at Item No. 4 of the Notice is meant for this purpose. As required under Section 257 of the Companies Act, 1956, a Notice has been received from a member proposing the name of Shri Sandesh Shirke for the office of a Director along with a deposit of Rs. 500/-. The Directors commend this Resolution for your approval.

None of the Directors of the Company except Shri Sandesh Shirke is concerned or interested in this Resolution.

**By order of the Board**

**Navin Pansari  
Director**

# OLYMPIA INDUSTRIES LIMITED

## DIRECTORS REPORT

To the Members ,

Your Directors present before you the 14<sup>th</sup> Annual Report of your Company together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> December ,2002

### FINANCIAL RESULTS

	Year ended 31-12-2002	(Rs.in Lacs) Year ended 31-12-2001
Turnover – Sales & Job work	213.74	215.73
Profit /(Loss )before Interest & Finance Charges, Provision for Doubtful Debts and Depreciation	21.76	( 4.62 )
Interest & Finance Charges	84.03	310.75
Loss before Depreciation and Provision for Doubtful Debts	62.26	315.37
Depreciation	66.56	76.65
Provision for Doubtful Debts	0.00	489.53
Net Loss	128.83	881.55
Less : Excess Provision for Taxation Written Back	0.00	0.61
Add : Prior Period expenses	6.62	0.00
Add : Loss brought forward from previous year	2319.20	1438.25
Loss carried to Balance Sheet	2454.65	2319.20

## OPERATIONS :

The Textile Industry after implementation of various remedial measures as the part of economical growth is showing sign of improvement. However, due to the shortage of working capital funds the company could not resume own production and had concentrated on job work production. It helped the company to minimize its losses.

The Company's sales including job charges receipts during the year under review is Rs.213.74 Lacs as against Rs.215.73 Lacs of previous year. The production including the job work has increased to 1551.075 M.T. from 1008.921 M.T in the previous year. Since the company is contemplating compromise of dues with Bank/FIs, no provision is made for interest w.e.f. 1.4.2002 resulting into net loss during the year to be Rs. 128.83 Lacs as against Rs.881.56 of the previous year.

The Company's performance during the year continued to suffer on account of the prevailing problems like recession in textile industry, cut throat competition, high power cost, slow /non - recovery of sticky receivables and inadequate working capital etc.

Your Company is persuading for recovery of sticky receivables, however in view of part of them being time barred, the company is finding it difficult to recover the same. Further, the company has also been advised that undertaking legal recourse against numerous parties may not be much result oriented and cost effective. Your Directors estimate further losses in this regard.

IDBI and Union Bank Of India have advised the Company to explore the possibility of compromising the dues under scheme of One Time Settlement. Your Directors are exploring the possibility of compromising the dues amicably with other creditors too.

In the matter of appeal preferred by the company the AAIFR have remanded back the old Reference to BIFR for further hearing. The BIFR heard the case along with the new Reference filed by the company. Pursuant to the directives of BIFR, Special Investigative Audit was conducted by the Auditors appointed by IDBI (OA). The Special Investigative Auditor have reported that the company is a sick company as per provisions of SICA. BIFR is yet to pass order in this regard. On suitable direction from BIFR, the company would formulate the comprehensive proposal for rehabilitation/revival.

In the matter of various legal cases filed against the company, the same are being defended/ settled suitably.

## FIXED DEPOSITS

The Company has not accepted any fixed deposits during the under report during the year.

## CONSERVATION OF ENERGY ,TECHNOLOGY ABSORPTION , FOREIGN EXCHANGE EARNINGS AND OUTGO

THE Company has used electricity supplied by the Maharashtra State Electricity Board , Gujarat Electricity Board ,the details as required by the Companies (Disclosure of particulars in the Board of Directors)Rules,1988 are as under:

	Year ended 31.12.2002.	Year ended 31.12.2001.
<b>1. POWER &amp; FUEL CONSUMPTION</b>		
a) Electricity Purchased ( Units in '000 )	1589	1221
Total Amount ( Rs. In '000 )	7772	6234
Average Rate ( Rs./Unit )	4.89	5.08
b) Light Diesel Oil Consumed ( in '000 Ltrs )	-	41
Total Amount ( Rs. In '000 )	-	6.88
Average Rate ( Rs/Litre)	-	16.86
<b>2. CONSUMPTION PER UNIT OF PRODUCTION</b>		
Yarn Processing ( tones )	1551	1009
Electricity ( Unit per kg )	1.02	1.22
Fuel ( Liters per kg )	-	0.04
<b>3. FOREIGN EXCHANGE</b>		
a) Earning ( Rs. In'000 )	Nil	Nil
b) Outgo ( Rs. In '000 )	Nil	Nil

## RESEARCH & DEVELOPMENT

In house Research & Development department of the Company has been working to develop various new colour shades and new products in various dyed yarn varieties as per the requirement of job work customers.

## PARTICULAR OF EMPLOYEES :

The Company had no employee of the category specified in Section 217 (2A) of the Companies Act, 1956 during the year under report.

#### **AUDITORS :**

M/s. CPM & Associates, Chartered Accountants of the Company hold office till the conclusion of ensuing Annual General Meeting and being eligible for appointment they are being recommended for reappointment. The Company has received a letter from them to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1-B) of the Companies Act, 1956.

#### **AUDITOR'S REPORT :**

The notes to the Accounts and observations made by the Auditors are self-explanatory and therefore do not require further elaboration.

#### **DIRECTORS :**

Shri Sandesh Shirke was appointed as an Additional Director from 31-10-2002 and his appointment is upto the date of ensuing Annual General Meeting. He being eligible offers himself for re-appointment.

Shri Ram Ratan Kanoongo had resigned as Director from the Board. The Board of Directors put on records the sincere appreciation for the services rendered by him during his tenure as a Director of the Company.

Shri Navin Pansari, Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

#### **CORPORATE GOVERNANCE :**

As per the Schedule of implementation, Company was required to comply with provisions of Clause 49 of listing Agreement relating to corporate governance within financial year 2002-2003 but not later than 31<sup>st</sup> March, 2003. The Company is finding difficulty in appointing more independent Directors due to status of the Company as a BIFR Company and therefore presently the Company is working with the minimum 3 Directors. Looking into the present scale of operations of the Company any increase in the number of Directors is also not necessary. However the Company is in search of more independent Directors. A Corporate Governance report regarding the compliance of conditions of Corporate Governance is made as part of this Annual Report.



**DIRECTOR'S RESPONSIBILITY STATEMENT :**

A Directors' Responsibility Statement as required Under Section 217 (2AA) of the Companies Act 1956 is given below :-

- i) We have followed the applicable accounting standards in the preparation of the Annual Accounts and proper explanation relating to material departures have been given in Schedule 'O' of Notes on accounts forming part of the accompanying Accounts.
- ii) We have selected the Accounting Policies as given in Schedule 'O' of Notes on Accounts and 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 as at 31<sup>st</sup> December, 2002 and of the loss of the Company for the year ended on that date.
- iii) We have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) We have prepared the Annual Accounts for the year ended 31<sup>st</sup> December, 2002 on a going Concern basis.

**ACKNOWLEDGEMENTS :**

Your Directors would like to place on record, their appreciation and gratitude to its esteem Shareholders, Industrial Development Bank of India, Union Bank of India and various other Government organizations for their continued support. Your Directors also place on record, their deep sense of appreciation for the dedicated services rendered by all the executives, staff and workers of the Company throughout the year.

**For and on behalf of the Board**

**Director**

**Director**

**Place : Mumbai**

**Dated : 02-06-2003**

## CORPORATE GOVERNANCE :

Corporate Governance is the combination of voluntary practices and compliance with laws & regulations leading effective control & management of the organization. Good corporate Governance leads to long term shareholders value and enhances interest of other shareholders.

The Company's policies of implementing the broad principles of Corporate Governance, namely transparency, integrity and accountability are imperative in the management of the Company.

The Companies Corporate Governance practices on various parameters are described below :-

### 1. Board of Directors

The Company's Board presently consists of a majority of non-executive/independent Directors. The Board comprises of One Non-executive Promoter Director and Two Independent Directors.

(a) The constitution of Board is given below;

Director	Executive / Non Executive / Independent*	No. of other Directorships
Mr. Navin Pansari	Non Executive	6
* Mr. Ram Ratan Kanoongo	Non Executive	5
Mr. Vijay Patel	Independent	2
# Mr. Sandesh Shirke	Independent	-

\*1. Mr. Ram Ratan Kanoongo, Director resigned w.e.f. 01.11.2002.

#2. Mr. Sandesh Shirke appointed as an Additional Director on 31.10.2002.

(b) Information of the Directors appointed/ to be reappointed

1. Mr. Sandesh Shirke is a B. Com having Five years experienced in the field of Accounts and handling BIFR matter.
2. Mr. Navin Pansari , is a fellow member of the Institute of Chartered Accountants of India and also alumin of Indian Institute of Management, Ahmedabad. He is having 19 years experience in the field of Accounts, Administration and Marketing.

### 2. Attendance of Directors at Board Meeting and Annual General Meeting

The Board of Directors of the Company met 5 times during the last financial year, on the dates 31.01.02, 30.04.02, 31.07.02, 18.09.02 and 31.10.02.