

# **17th**

## **ANNUAL REPORT**

### **1998-99**



**NOBLE EXPLOCHEM LIMITED**



**NOBLE EXPLOCHEM LIMITED**  
**SEVENTEENTH ANNUAL REPORT 1999**

**BOARD OF DIRECTORS**

<b>D T JOSEPH</b>	:	Chairman
<b>N H BHATTER</b>	:	Director
<b>H J K KLOUMAN</b>	:	Director
<b>PER AHLGERN</b>	:	Director
<b>ARNE GEORGZEN</b>	:	Director
<b>B D USHIR</b>	:	Nominee Director (IDBI)
<b>K. DWARKANATH</b>	:	Director
<b>M T SHAH</b>	:	Director (Alternate to PER AHLGERN)
<b>D SAHAY</b>	:	Director (Alternate to ARNE GEORGZEN)
<b>DINESH SHAH</b>	:	Director (Alternate to H J K Klouman)
<b>D M CHAWATHE</b>	:	Director
<b>K VISWANATHAN</b>	:	Managing Director

**REGISTERED OFFICE:**

595/2, Giripeth  
 NAGPUR - 440 010

**BANKERS :**

Indian Overseas Bank  
 Nariman Point  
 MUMBAI - 400 021

**WORKS :**

At village Hingni  
 Taluka Seloo  
 District : Wardha

**AUDITORS :**

M/s. HARIBHAKTI & CO.  
 Chartered Accountants.  
 MUMBAI - 400 023

**MUMBAI OFFICE:**

A to Z Business Chambers,  
 30, Tamarind Lane, Fort,  
 MUMBAI - 400 023

Shareholders are requested to send all communications at Company's registered office.



### NOTICE OF THE 17TH ANNUAL GENERAL MEETING

Notice is hereby given that the Seventeenth Annual General Meeting of Noble Explochem Limited will be held at the Registered Office of the Company at 595 / 2 Giripeth, Nagpur - 440010, on Friday, 24th September, 1999 at 3.30 p.m. to transact the following business.

#### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts for the year ended 31st March 1999 and Report of Directors and Auditors thereon.
2. To appoint a Director in place of Shri K. Dwarkanath who retires by rotation and being eligible has offered himself for reappointment.
3. To appoint a Director in place of Shri Per Ahlgren who retires by rotation and being eligible has offered himself for reappointment.
4. To appoint a Director in place of Shri Arne Georgzen who retires by rotation and being eligible has offered himself for reappointment.
5. To appoint auditors and fix their remuneration.

#### SPECIAL BUSINESS

6. To appoint Shri K Viswanathan as a Director who was re-appointed at the meeting of the Board of Directors held on 25th May 1999 on expiry of his second term of three years. His term expires at the Annual General Meeting.

To consider and if thought fit to pass with or without modifications the following as a special resolution

"RESOLVED THAT Shri K Viswanathan appointed as Director of the company be reappointed at this meeting as the Managing Director on the terms and conditions given under the Explanatory Statement for Special Business, within the parameters of Schedule XIII of the Companies Act, 1956".

7. Any other item for which due notice has been given by the shareholders

By Order of the Board of Directors  
for NOBLE EXPLOCHEM LIMITED

Report Junction **D.T. JOSEPH**  
CHAIRMAN

#### Notes :

- a. A Member entitled to attend and vote at the said 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.
- b. The Register of Members and Share Transfer Books of the Company shall remain closed from 10-9-99 to 24-9-99.
- c. Members are requested to send all communication to the Registered address of the Company at 595/2, Giripeth, Nagpur - 440 010.

**EXPLANATORY STATEMENT FOR SPECIAL BUSINESS**

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

Shri K. Viswanathan was appointed as Executive Director of the Company on 26th May 1993 and his appointment was ratified in the 11th Annual General Meeting held on 21st October 1993 at Nagpur, for a period of three years. On completion of the first three years period the Board of Directors of the Company reappointed him in the 74th Board meeting held on 24th May 1996 for a further period of three years with effect from 26.05.96. On completion of further three years period the Board of Directors of the company appointed him as the Managing Director of the Company in the 91st Board Meeting held on 25th May 1999 for a period of three years with effect from 26.05.99. The terms of appointment for Shri K. Viswanathan are as follows.

**1. Term of Office**

Three years w.e.f. 26th May 1999 however, it can be terminated with three month's notice on either side.

**2. Designation**

Managing Director

**3. Remuneration**

- i) Salary : Rs. 30,000/-
- ii) An increase of 10% of last salary for every completed year of term.
- ii) Perquisites : Value of Perks shall be restricted to annual salary or Rs. 3,60,000/- p.a. whichever is less as per Schedule XIII to the Company's Act, 1956. The details of the perks will be as follows :
  1. Housing - HRA of Rs. 4,000/- per month will be paid to the Managing Director.
  2. Gas, Elec., Water & Furnishing - The Company will reimburse to the Managing Director the expenditure in connection with gas, electricity, water and soft furnishing at his residence subject to a ceiling of 10% of salary p.a.
  3. Medical Reimbursement - Medical Expenditure incurred for the Managing Director and his family subject to the limit of salary of one month in a year or three months' salary over a period of three years.
  4. Leave Travel Concession - Expenditure incurred by the Managing Director and his family limited to one month's salary once in two years.



5. Leave - Leave and encashment thereof shall be allowed as per the Company's rules.
6. Entertainment Expenditure - Reimbursement of all entertainment and other expenditure properly incurred by the Managing Director in furthering the business activities of the company not exceeding Rs. 2500/- p.m.
7. Personal Accident Insurance - Premium not to exceed Rs. 1000/- p.a.
8. Clubs Fees - Reimbursement of subscription amount, subject to a maximum of two clubs. However, this will not include admission and life membership fee as well as any other expenditure connected with the use of club facilities.
9. Provident Fund - Contribution of P.F. limited to 12% of the salary. This however, will not be included in the computation of perquisites to the extent that this either singly or put together is not taxable under the Income Tax Act.
10. Gratuity - Not exceeding half a month's salary for each completed year of service, subject to a ceiling as per Gratuity Act and rules.
11. Bonus, Ex-gratia-Bonus/Ex-gratia will be paid to the Managing Director at the rates applicable to other employees of the Company.
12. The Company shall provide a car with driver and telephone at residence. Alternately, the *Managing Director can engage a driver and expenses will be reimbursed by the Company.* Use of car and telephone for the Company's business will not be considered as perquisites. However, personal long distance calls and usage of car for personal purposes shall be billed by the Company as per Company's rules.
4. The Managing Director shall not be paid any sitting fees for attending the meetings of the Board of Directors or committees thereof.
5. The Board of Directors shall be at liberty to alter and /or vary the terms at any time so as not to exceed the limits prescribed in Schedule XIII to the Company's Act, 1956 or any subsequent amendments thereof."

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## DIRECTOR'S REPORT

To,  
The Shareholders

Your Directors have pleasure in presenting the Seventeenth Annual Report and Audited Accounts for the year ended 31st March 1999.

### 1. FINANCIAL RESULTS

The operating results of the Company for the year are as follows :

Particulars	Rs. in lacs for the year	
	1998-99	1997-98
Operating Profit	489.86	486.04
Less :		
Interest	216.56	243.86
Depreciation	169.25	156.86
Net Profit	104.05	85.32
Adjustment in respect of earlier years	--	(7.53)
Balance brought forward from previous year Profit/(Loss)	(741.76)	(819.55)
Accumulated Profit/ (Loss) carried forward	(637.71)	(741.76)

Both sales volume and sales were lower during the year under review at 7768.35 tonnes valued at Rs. 2898 lacs compared to 7907 tonnes valued at Rs. 2943 lacs in the previous year due to overall recession in the country and competitive conditions.

### 2. DIVIDEND

In view of the accumulated losses, the Directors regret it will not be possible to pay dividend on shares this year also.

### 3. FINANCE

- A. The Company had availed a loan of Rs. 825.00 lacs from SICOM Ltd. during previous years to fulfil its obligations in repaying the entire term loans to Banks and Financial Institutions in terms of the BIFR Order. Out of this amount, a total of Rs. 231.74 lacs has been repaid to SICOM Ltd as scheduled.
- B. In addition to the above mentioned loan, the Company had outstanding loans amounting to Rs. 301.11 lacs as on 31.12.93. Repayment of these loans has



commenced after the loans of Banks and Financial Institutions were repaid. The Company has paid Rs. 94.60 lacs to SICOM Ltd against these loans upto 31.3.99.

- C. During the year under review, the Company purchased the cartridge machine which was earlier leased from SICOM Ltd. The Company has availed a term loan of Rs. 100 lacs from SICOM Ltd. for this purpose.
- D. Sales Tax : The Government of Maharashtra had exempted the Company from payment of Sales Tax for 9 years, i. e., upto 31.1.97 which was extended upto 31.1.2001. The original exemption ceiling was Rs. 2456 lacs based on the original projected project cost. The matter was again taken up with concerned authorities and the ceiling has now been increased to Rs. 2904.51 lacs based on the actual project cost incurred by the company.

#### **4. COMPLIANCE FOR THE YEAR 2000 (Y2K COMPLIANCE)**

The Company has taken all actions and has even completely made a new software for accounting and other purposes starting from 1.4.99. With this new package and other actions taken, the Company is fully compliant with the requirements to meet the challenge of the year 2000 (Y2K).

#### **5. AUDITOR'S REPORT**

The Auditor's Report does not need any comments by the Directors.

#### **6. OPERATIONS FOR THE CURRENT YEAR**

The operations for the first quarter of the current year are satisfactory. The Company has also diversified into rendering services for projects in areas of drilling and blasting operations. The Company had first undertaken a small project for Irrigation Department of Government of Maharashtra and had gained sufficient experience in this new venture. The Company proposes to pursue this activity further in other projects.

#### **7. PERSONNEL**

There was complete industrial peace in the Company. The Directors of the Company also wish to record their appreciation for the co-operation rendered by all the employees of the Company in achieving economy in expenditure and to keep up the production levels.

#### **8. DIRECTORS**

Since the last Annual General Meeting there has been no change in the Directors of the Company.

**9. AUDITORS**

M/s. Haribhakti and Co., Chartered Accountants, the auditors of the Company vacate office at the conclusion of the ensuing Annual General Meeting. A Certificate under section 224 (1B) of the Companies Act, 1956 regarding their eligibility for re-appointment has been received from them by the Company. Shareholders are requested to appoint auditors to hold office till the conclusion of the next Annual General Meeting and fix their remuneration.

**10. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO**

As required under section 217 (1) of the Companies Act, 1956 read with the Rule 2 of the Companies (Disclosures of particulars in the report of Board of Directors) Rules 1988, the particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo are annexed at Annexure 1.

**11. PARTICULARS OF EMPLOYEES**

The information required under sub-section 2A of section 217 of the Companies Act, 1956 read with Companies Rules 1975 (particulars of employees) for the year ended 31st March, 1999 is given in Annexure 2 forming part of the Directors Report.

**12. ACKNOWLEDGEMENTS**

The Directors wish to record their gratitude to SICOM Ltd, M/s Chematur Engineering, M/s Dyno Industrier, A S SWEDFUND, Indian Overseas Bank and various other statutory authorities of the Central and State Governments for their continued co-operation and support.

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For & on behalf of the Board of Directors.

**D.T. JOSEPH**  
CHAIRMAN





## ANNEXURE TO DIRECTOR'S REPORT

### ANNEXURE I

Information as per section 217 (1) (e) read with Companies (Disclosure of particulars in report of the Board of Directors) Rules, 1988 and forming part of the Director's Report for the year ended 31st March 1999.

#### 1. CONSERVATION OF ENERGY :

Following Energy Conservation measures initiated in the earlier years were continued.

- i. Greater stress on improved maintenance of all equipments.
- ii. Systematic efforts at running services only during periods when they are actually required
- iii. Due to stricter measures in conserving power, the consumption per tonne has been kept under control. An outside agency was appointed to study and suggest measures for conservation of energy and they have submitted their report and most of the recommendations have been implemented. However, on account of rise in electricity tariff by MSEB the overall cost of power has increased.

#### FORM A

PARTICULARS	UNIT	FOR THE YEAR	
		1998-99	1997-98
<b>A. POWER &amp; FUEL CONSUMPTION</b>			
<b>1. Electricity</b>			
a. Purchased Units	Unit	2556756	2448039
Total amount	Rs. lacs	97.61	89.95
Rate / unit	Rupees	3.82	3.67
b. Own generation	--	--	--
<b>2. Coal</b>			
<b>3. Furnace oil</b>			
Quantity	KL	120.91	138.89
Total amount	Rs. lacs	7.39	8.54
Average rate	Rs./litre	6.11	6.15
<b>B. CONSUMPTION/TONNE OF PRODUCTION</b>			
<b>1. Product - Industrial Explosives</b>			
Electricity	Unit	331	317
Furnace Oil	LTR	15.66	18.03