

18th ANNUAL REPORT

1999-2000



NOBLE EXPLOCHEM LIMITED



NOBLE EXPLOCHEM LIMITED
EIGHTEENTH ANNUAL REPORT 2000

BOARD OF DIRECTORS

A K D JADHAV	:	Chairman
K. VISWANATHAN	:	Managing Director
N.H. BHATTER	:	Director
D M CHAWATHE	:	Director
H.J.K. KLOUMAN	:	Director
PER AHLGREN	:	Director
ARNE GEORGZEN	:	Director
K. DWARKANATH	:	Director
M T SHAH	:	Director (Alternate to PER AHLGREN)
D SAHAY	:	Director (Alternate to ARNE GEORGZEN)
DINESH SHAH	:	Director (Alternate to H J K KLOUMAN)

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 - 440 023

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



NOTICE OF THE 18TH ANNUAL GENERAL MEETING

Notice is hereby given that the Eighteenth Annual General Meeting of Noble Explochem Limited will be held at the ' Golden Retreat ' , Hotel Royal Palace, Ramdaspath, Nagpur - 440 010, on 22nd September, 2000 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, 2000 and Report of Directors and Auditors thereon.
2. To appoint a Director in place of Shri N.H. Bhattar, who retires by rotation and being eligible has offered himself for reappointment.
3. To appoint a Director in place of Shri D. M. Chawathe, who retires by rotation and being eligible has offered himself for reappointment.
4. To appoint a Director in place of Shri. H. J. K. Klouman, who retires by rotation and being eligible has offered himself for reappointment.
5. To appoint auditors and fix their remuneration.
6. Any other item for which due notice has been given by the shareholders.

By Order of the Board of Directors
for **NOBLE EXPLOCHEM LIMITED**

A K D JADHAV
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 5.9.2000 to 22.9.2000
- c. Members are requested to send all communication to the Registered address of the Company at 595/2, Giripeth, Nagpur - 440 010.



DIRECTOR'S REPORT

To,

The Shareholders,

Your Directors have pleasure in presenting the eighteenth Annual Report and Audited Accounts for the year ended 31st March, 2000.

1. FINANCIAL RESULTS

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

Particulars	Rs.In lacs for the year	
	1999-2000	1998-1999
Operating Profit	506.28	489.86
Less :		
Interest	164.34	216.56
Depreciation	171.75	169.25
Net Profit	169.19	104.05
Adjustment in respect of earlier years	(12.91)	-----
Balance brought forward from previous year Profit/(Loss)	(637.71)	(741.76)
Accumulated Profit / (Loss) carried forward	(481.43)	(637.71)

Both sales volume and value were higher during the year under review at 7962 tonnes valued at Rs. 3046 Lacs compared to 7771 tonnes valued at Rs. 2867 lacs in the previous year.

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

The Company had taken all advance action and has even completely made a new software for accounting and other purposes starting from 1-4-1999. With this new package and other actions taken, the Company was fully compliant with the requirements to meet the challenge of the year 2000 (Y2K).

4. AUDITOR'S REPORT

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

5. 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 area 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.

6. 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.

7. DIRECTORS

Shri D.T. Joseph, Chairman, resigned consequent upon his transfer from SICOM Ltd. Shri A.K.D. Jadhav, who has taken over as Managing Director of SICOM Ltd. has been appointed as Chairman of the Company with effect from 09.01.2000.

Your Directors wish to place on record valuable guidance provided by Shri. D. T. Joseph to the company during his tenure as Chairman of the company.

Shri N.H. Bhattar, Shri D.M. Chawathe and Shri H.J. K. Klouman, Directors, retire by rotation and being eligible, offer themselves for reappointment as Directors of the company.

8. AUDITORS

M/s Haribhakti & 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.

9. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUT GO

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.

10. 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, 2000 is given in Annexure 2 forming part of the Directors' Report.

11. ACKNOWLEDGEMENT

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.

For & on behalf of the Board of Directors

A. K. D. JADHAV

CHAIRMAN



ANNEXURE TO DIRECTORS' REPORT

ANNEXURE 1

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 Directors' Report for the year ended 31st March, 2000.

1. CONSERVATION OF ENERGY

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

1. Greater stress on improved maintenance of all equipments.
2. Systematic efforts at running services only during periods when they are actually required.
3. 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 measure 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	
		1999-2000	1998-1999
A. POWER & FUEL CONSUMPTION			
1. Electricity			
a. Purchased Units	Unit	2433552	2556756
Total amount	Rs. Lacs	98.28	97.61
Rate / Unit	Rupees	4.04	3.82
b. Own Generation	--	--	--
2. Coal	--	--	--
3. Furnace Oil			
Quantity	KL	132.47	120.91
Total amount	Rs. lacs	11.17	7.39
Average rate	Rs. /Litre	8.43	6.11
B. CONSUMPTION/TONNE OF PRODUCTION			
1. Product - Industrial Explosives			
Electricity	Unit	305	331
Furnace Oil	LTR	16.62	15.66



■ TECHNOLOGY ABSORPTION / ADOPTION & INNOVATION

Our plant is one of the world's most modern plant manufacturing nitroglycerine-based explosives. During the year efforts have continued, aimed at absorbing technology and adopting it to Indian conditions. These include the following :

- A. Training of local personnel to operate the plant more efficiently.
- B. Modifying compositions for manufacture of explosives to use more cost effective raw materials.
- C. Development of indigenous spares.

■ FOREIGN EXCHANGE EARNINGS AND OUTFLOW

- A. Total foreign exchange outflow for the year 1999-2000 was Rs. 13.67 lacs.
- B. Earnings and Outflow Rs. In lacs
 - i. Foreign Exchange earnings Nil
 - ii. Foreign Exchange outgo 13.67

ANNEXURE TO DIRECTORS' REPORT

ANNEXURE II

Information as per Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 annexed to and forming part of the Directors' Report for the year ended 31st March 2000.

Name (Age)	Designation	Nature of Duties	Gross Remu- neration	Qlfn.& Experience	Dt. Of Comm- encement of Employment	Last employment Held
K Viswanathan (60)	M.D.	Chief Executive	Rs. 5.32 Lacs	B.Sc. M.I.E (40 years)	2.9.85	Indian Ordnance Factories Service Dy. GM, Ordnance Factory, Bhandara

(Remuneration includes Salary, allowances, including Company's contribution to P. F. and perquisites. The monetary value of which is calculated as per. I.T. Act. 1961 and rules thereunder.)