

19th ANNUAL REPORT 2000-2001

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NOBLE EXPLOCHEM LIMITED



NOBLE EXPLOCHEM LIMITED
NINETEENTH ANNUAL REPORT 2001

BOARD OF DIRECTORS

SHRI A. K. D. JADHAV	:	Chairman
SHRI K. VISWANATHAN	:	Managing Director
SHRI N. H. BHATTER	:	Director (upto 29th Nov. 2000)
SHRI D. M. CHAWATHE	:	Director
SHRI H. J. K. KLOUMAN	:	Director
SHRI PER AHLGREN	:	Director
SHRI ARNE GEORGZEN	:	Director
SHRI K. DWARKANATH	:	Director
SHRI J. F. SALVE	:	Director (from 27th April, 2001)
SHRI A. W. SAPRE	:	Director (from 4th June, 2001)
SHRI M. T. SHAH	:	Director (Alternate to Shri PER AHLGREN)
SHRI D. SAHAY	:	Director (Alternate to Shri ARNE GEORGZEN)
SHRI DINESH SHAH	:	Director (Alternate to Shri 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

COMPANY SECRETARY

Mr. P. S. Channe

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

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NOTICE OF THE 19TH ANNUAL GENERAL MEETING

Notice is hereby given that the Nineteenth Annual General Meeting of Noble Explochem Limited will be held at the 'Golden Retreat', Hotel Royal Palace, Ramdaspath, Nagpur - 440 010, on 4th August, 2001 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, 2001 and Report of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Per Ahlgren, who retires by rotation and being eligible has offered himself for reappointment.
3. To appoint a Director in place of Shri Arne Georgzen, who retires by rotation and being eligible has offered himself for reappointment.
4. To appoint a Director in place of Shri.K.Dwarkanath, who retires by rotation and being eligible has offered himself for reappointment.
5. To appoint Shri J.F. Salve as Director of the Company.
6. To appoint Shri A.W. Sapre, Additional Director, on the board of the Company as per explanatory statement.
7. To appoint auditors and fix their remuneration.
8. 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 31.7.2001 to 4.8.2001.
- c. Members are requested to send all communications to the Registered address of the Company at 595/2, Giripeth, Nagpur - 440 010.

Explanatory Statement :

SICOM Limited has recommended the name of Shri A.W. Sapre as Additional Director on the Board of the Company. Shri A. W. Sapre has a long experience of financial management and the board feels that his appointment will be immensely valuable for the Company. With appointment of Shri A.W. Sapre the Board will have nine directors. This is within the maximum number of directors prescribed under clause 9 of Articles of Association of the Company.

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DIRECTORS' REPORT

To,

The Shareholders,

Your Directors have pleasure in presenting the Nineteenth Annual Report and Audited Accounts for the year ended 31st March, 2001.

1. FINANCIAL RESULTS

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

Particulars	Rs. In lacs for the year	
	2000-2001	1999-2000
Operating Profit	696.76	505.28
Less :		
Interest	117.11	164.34
Depreciation	173.75	171.75
Net Profit	405.90	169.19
Adjustment in respect of earlier years	(9.91)	(12.91)
Less : Provision for Taxation	36.00	----
Balance brought forward from previous year Profit/(Loss)	(481.43)	(637.71)
Accumulated Profit / (Loss) carried forward	(121.44)	(481.43)

Both sales volume and value were higher during the year under review at 9344 tonnes valued at Rs. 3868 Lacs compared to 7962 tonnes valued at Rs. 3046 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.

**3. AUDITOR'S REPORT**

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

4. OPERATIONS FOR THE CURRENT YEAR

The operations for the first quarter of the current year are satisfactory.

5. DIVERSIFICATION

The company has also diversified into rendering services for projects in area of drilling and blasting operations.

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 highest ever production, sales and profit during the year.

7. DIRECTORS

Shri Per Ahlgren, Director retires by rotation and being eligible, offers himself for reappointment as Director of the Company.

Shri Arne Georgzen, Director retires by rotation and being eligible, offers himself for reappointment as Director of the Company.

Shri K. Dwarakanath, Director retires by rotation and being eligible, offers himself for reappointment as Director of the Company.

Consequent upon resignation of Shri N. H. Bhattar from employment of SICOM Ltd., SICOM withdrew the name of Shri N. H. Bhattar from the Board of the Company. In his place Shri J. F. Salve, an employee of SICOM Ltd., has been nominated as non-rotational director.

SICOM Ltd has proposed appointment of Shri A.W. Sapre as additional director of the Company and this proposal was approved by the Board. Shri A.W. Sapre holds office of Director of the Company till the 19th Annual General Meeting and being eligible, offers himself for reappointment as director 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 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, 2001 is NIL.

11. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Sec. 217 (2AA) of the Companies Act 1956, the Directors report :

- a) That in preparation of the annual accounts, the applicable accounting standards had been followed.
- b) That the Directors selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of statement 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) That the Directors had 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 and detecting fraud and other irregularities.
- d) That the Directors had prepared the annual accounts on a going concern basis.



12. PUBLIC ANNOUNCEMENT FOR OPEN OFFER FOR ACQUISITION OF EQUITY SHARES OF THE COMPANY.

The following significant events occurred relating to the shareholding of the Company.

- a. SICOM Limited has invited proposal for acquisition of the controlling interest held by them in the Company by a press advertisement published on 4th April 2001.
- b. The Company received a letter from M/s ENAM Financial Consultants Pvt. Limited, along with a copy of the public announcement made in the newspapers on 16.4.2001, intimating that they have been appointed as Managers for the open offer by Mr. Sailesh C. Mehta along with Smartchem Technologies Ltd (persons acting in concert) for acquisition of equity shares from the shareholders of Noble Explochem Limited, consequent upon Shri Sailesh C. Mehta agreeing to buy 17.56% shareholding of the Company held by the three foreign collaborators of Noble Explochem Limited. The public announcement is as per the SEBI Takeover Code for acquisition of 20% shareholding in the company from public at a price of Rs. 5.50 per share as laid down under the SEBI Takeover Code.
- c. SICOM Limited has served a Legal Notice on Mr. Sailesh C. Mehta, challenging the acquisition on the ground that under the Shareholders Agreement, executed between SICOM and the three foreign collaborators, the said shares cannot be acquired without the consent of SICOM.
- d. Mr. Sailesh C. Mehta and Smartchem Technologies have filed a suit against SICOM and the foreign collaborators seeking injunction against SICOM creating any impediments in purchase of the shares of the foreign collaborators and for stay of the bidding process initiated by SICOM for acquisition of the 35.65% shareholding of SICOM in the company.
- e. The company has complied with the directives of SEBI to provide necessary information about the list of shareholders, their addresses, etc., as required by M/s ENAM Financial Consultants Pvt. Limited in connection with their Public Announcement referred in point (b) above.

**13. DEMAT OF SHARES**

Shares of the Company are being dematerialised from July 2001.

14. CORPORATE GOVERNANCE

Clause 49 of Listing Agreement with the Mumbai Stock Exchange becomes applicable to our Company from the next financial year, i.e., 2001-02. The Company has taken steps for implementation of this clause.

- a) Item 1 of Clause 49 requires that the board of directors of the Company shall have an optimum combination of executive and non-executive directors with not less than 50% of the board of directors comprising of non-executive directors.
- b) The Company has set up an audit committee consisting of the following directors.
 - i) Shri K. Dwarakanath
 - ii) Shri D.M. Chawathe
 - iii) Shri Deepak Sahay

The Committee will start functioning during the year 2001-02.

All other provisions of clause 49 of Listing Agreement shall be implemented during the financial year 2001-02.

15. 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