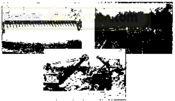
NOBLE EXPLOCHEM LTD.

PARTNERS
IN
PROGRESS



20[th] ANNUAL REPORT 2001-2002

BOARD OF DIRECTORS

M. R. Chandurkar
Chairman

T. C. Kothari
Managing Director

Sameer Maheshwari
Jt. Managing Director

Ramesh Kothari
Executive Director

Prakash Maheshwari
Director

A. C. Gohro
Director

S. M. Sarda
Director

Dr. V. B. Deshmukh
Director

A. W. Sapre
Director

K. Viswanathan
Director

Pradip Chhana
Company Secretary

Auditors
Haribhakti & Co.
Chartered Accountants
Mumbai

Bankers
HDFC Bank
Canara Bank
Indian Overseas Bank
State Bank of India
Bank of India

Registered Office
595/2, Giripeth,
Nagpur - 440 010

Works
At. Village Hingni
Taluka - Seloo Dist. Wardha
Maharashtra

NOTICE OF THE TWENTIETH ANNUAL GENERAL MEETING

Notice is hereby given that the Twentieth Annual General Meeting of the members of Noble Explochem Limited will be held at Vidarbha Industries Association Hall, 1st Floor, Udyog Bhavan, Civil Lines, Nagpur - 440 001 on Saturday September 07, 2002 at 4.00 p.m. to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2002 and the Profit and Loss Account for the year ended on that date and the Directors' and Auditors' Reports thereon.
2. To declare dividend.
3. To appoint a Director in place of Shri K. Viswanathan who retires by rotation and is eligible for re-appointment.
4. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS :

5. To appoint a Director in place of Shri T. C. Kothari, who was appointed as an Additional Director of the Company by the Board of Directors and who holds office upto the date of the ensuing Annual General Meeting in accordance with Section 260 of the Companies Act, 1956, but who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director.
6. To appoint a Director in place of Shri R. C. Kothari, who was appointed as an Additional Director of the Company by the Board of Directors and who holds office upto the date of the ensuing Annual General Meeting in accordance with Section 260 of the Companies Act, 1956, but who is eligible for appointment and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director.
7. To appoint a Director in place of Shri Sameer Maheshwari, who was appointed as an Additional Director of the Company by the Board of Directors and who holds office upto the date of the ensuing Annual General Meeting in accordance with Section 260 of the Companies Act, 1956, but who is eligible for appointment and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director.
8. To appoint a Director in place of Shri Prakash Maheshwari, who was appointed as an Additional Director of the Company by the Board of Directors and who holds office upto the date of the ensuing Annual General Meeting in accordance with Section 260 of the Companies Act, 1956, but who is eligible for appointment and in respect of

whom the Company has received a notice in writing proposing his candidature for the office of Director.

9. To appoint a Director in place of Shri Madhukar Chandurkar, who was appointed as an Additional Director of the Company by the Board of Directors and who holds office upto the date of the ensuing Annual General Meeting in accordance with Section 260 of the Companies Act, 1956, but who is eligible for appointment and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director.

10. To appoint a Director in place of Mrs A. C. Buhar, who was appointed as an Additional Director of the Company by the Board of Directors and who holds office upto the date of the ensuing Annual General Meeting in accordance with Section 260 of the Companies Act, 1956, but who is eligible for appointment and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director.

11. To appoint a Director in place of Dr. V. B. Deshmukh, who was appointed as an Additional Director of the Company by the Board of Directors and who holds office upto the date of the ensuing Annual General Meeting in accordance with Section 260 of the Companies Act, 1956, but who is eligible for appointment and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director.

12. To appoint a Director in place of Shri Subodh Sarda, who was appointed as an Additional Director of the Company by the Board of Directors and who holds office upto the date of the ensuing Annual General Meeting in accordance with Section 260 of the Companies Act, 1956, but who is eligible for appointment and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director.

13. **To consider, and if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution :**

"RESOLVED THAT pursuant to the provisions of Sections 198, 269 and 309 read with Schedule XIII and other applicable provisions of the Companies Act, 1956, including any statutory modification or re-enactment thereof, for the time being in force, the Company in general meeting hereby approves the appointment of Shri F. C. Kothari as Managing Director of the Company for a period of five years with effect from January 1, 2002 on the terms and conditions and remuneration (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) as set out in the explanatory statement which statement be and it is hereby specifically approved."

" FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to vary any of the terms of remuneration in consultation with Managing Director provided such variation is in accordance with the provisions in part II of Schedule XIII of the Companies Act, 1956 and/or the provisions of law as may be applicable thereto from time to time."

4. **To consider, and if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution :**

"RESOLVED THAT pursuant to the provisions of Sections 198, 269 and 309 read with schedule XIII and other applicable provisions of the Companies Act, 1956, including any statutory modification or re-enactment thereof, for the time being in force, the Company in general meeting hereby approves the appointment of Shri Sameer Maheshwari as Joint Managing Director of the Company for a period of five years with effect from January 1, 2002 on the terms and conditions and remuneration (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) as set out in the explanatory statement which statement be and it is hereby specifically approved"

" FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to vary any of the terms of remuneration in consultation with Joint Managing Director provided such variation is in accordance with the provisions in part II of Schedule XIII of the Companies Act, 1956 and/or the provisions of law as may be applicable thereto from time to time."

5. **To consider, and if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution :**

"RESOLVED THAT pursuant to the provisions of Sections 198, 269 and 309 read with schedule XIII and other applicable provisions of the Companies Act, 1956 including any statutory modification or re-enactment thereof, for the time being in force, the Company in general meeting hereby approves the appointment of Shri Ramesh Kothari as Executive Director of the Company for a period of five years with effect from January 1, 2002 on the terms and conditions and remuneration (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) as set out in the explanatory statement which statement be and it is hereby specifically approved".

" FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to vary any of the terms of remuneration in consultation with Executive Director provided such variation is in accordance with the provisions in part II of Schedule XIII of the Companies Act, 1956 and/or the provisions of law as may be applicable thereto from time to time."

16 To consider, and if thought fit, to pass, with or without modification, the following Resolution as a Special Resolution :

"RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions if any of the Companies Act, 1956, the regulations contained in the new set of Articles of Association of the company as placed before the meeting be and are hereby adopted as Articles of Association of the company in place of the existing Articles of Association of the Company".

NOTES :

1 The relative explanatory statement under Section 173 of the Companies Act, 1956 in respect of special business at item nos. 5 to 16 is annexed hereto.

2 A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.

3 THE INSTRUMENT APPOINTING A PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

4 The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, August 10, 2002 to Saturday, August 17, 2002 (Both days inclusive)

5. Dividend if declared will be payable to those members whose names appear in the Register of Members on August 17, 2002. In respect of shares held in electronic form the dividend will be payable on the basis of beneficial ownership as per details furnished by National Securities Depository Limited and Central Depository Services (India) Limited for this purpose.

6. Members are requested to notify promptly any change in their addresses to the Company's Registrar and Share Transfer Agents, Satellite Corporate Services Private Limited, A-60/1223, Azad Nagar, Veera Desai Road, Andheri (West), Mumbai 400 053.

By order of the Board

Pradip Channe
Company Secretary

Registered Office:
595/2, Gitpeth,
Nagpur 440 010
Dated : July 09, 2002

ANNEXURE TO NOTICE

Explanatory statement under Section 173 of the Companies Act, 1956

ITEM NOS. 5 to 12:

Shri J.C. Kothari, Shri R. C. Kothari, Shri Sameer Maheshwari, Shri Prakash Maheshwari and Shri Madhukar Chandurkar were appointed as Additional Directors of the Company by the Board of Directors on December 26, 2001. Shri A.C. Bohra, Shri Subash Sarda and Dr V.S.Deshmukh were appointed as Additional Directors of the Company by the Board of Directors on December 29, 2001. By virtue of Section 260 of the Companies Act, 1956 they hold office upto the date of the ensuing Annual General Meeting and are eligible for appointments. The Company has received notices under section 257 of the Companies Act, 1956 alongwith a deposit of Rs. 500/- for each of them from members of the Company proposing their names as candidates for the office of Director.

The Board commends the approval by the members of the appointment of Directors.

All the above Directors are interested in the resolutions relating to their respective appointment as Director of the Company.

Shri R. C. Kothari is interested in the resolution of item no. 5 being relative of Shri J.C.Kothari. Shri J.C. Kothari is interested in the resolution of item no. 6 being relative of Shri R.C.Kothari.

Shri Prakash Maheshwari is interested in the resolution of item no. 7 being relative of Shri Sameer Maheshwari. Shri Sameer Maheshwari is interested in the resolution of item no. 8 being relative of Shri Prakash Maheshwari.

ITEM NO. 13

Shri R.C.Kothari was appointed as Managing Director of the Company for a period of five years with effect from January 01, 2002. The principal terms and conditions of his appointment are as follows:

a) **SALARY** : Salary at the rate of Rs. 50,000/- per month subject to the ceiling limit of Rs. 1,00,000/- per month as may be fixed by the Board from time to time.

b) **COMMISSION** : Commission on the net profits of the Company computed in the manner laid down in Section 349 of the Companies Act, 1956, as may be fixed by the Board of Directors subject to the ceiling limits laid down in Sections 198 and 309 of the Companies Act 1956.

c) **PERQUISITES** : In addition to the aforesaid salary and commission, the Managing Director shall be entitled to the following perquisites :

i) Free furnished residential accomodation or House Rent Allowance, House Maintenance allowance together with utilities thereof such as gas, electricity, water furnishings, repairs, servants salaries, society charges and property taxes as may be approved by the Board of Directors.

ii) Reimbursement of medical expenses incurred for self and family and medical accident insurance.

iii) Leave travel concession for self and family once in a year in accordance with the rules of the Company or as may be agreed to by the Board of Directors.

iv) Fees of clubs/annual membership fees for professional bodies.

v) Personal accident insurance premium

For the purposes of the above ceilings perquisites shall be evaluated as per the Income tax Rules wherever applicable. In the absence of any such Rules, perquisites will be evaluated at actual costs.

Where in any financial year during the currency of the tenure of the Managing Director the Company has made no profits or its profits are inadequate, the Company shall pay to the Managing Director the above salary and perquisites except commission not exceeding the ceiling limits prescribed in Schedule XIII of the Companies Act, 1956 as minimum remuneration.

d) The Managing Director shall also be entitled to the following perquisites which shall not be included in the computation of the ceiling on remuneration specified herein above :

i) Contribution to the Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961

ii) Gratuity payable at a rate not exceeding half a month salary for each completed year of service.

iii) Earned privilege leave at a rate of one months leave for every eleven months of service. The Managing Director shall be entitled to encash leave at the end of his tenure as Managing Director.

iv) Provision of cars and telephones at the residence of the Managing Director shall not be treated as perquisites.

OTHER TERMS :

The Managing Director shall be entitled to reimbursement of actual expenses on entertainment and travelling incurred in the course of the Company's business.

The Board commends the approval of the members of the appointment of Managing Director and payment of remuneration to him.

Shri I. C. Kothari is concerned in the said resolution at item no.13 of the accompanying notice as it relates to his own appointment. Shri R. C. Kothari being relative of Shri I. C. Kothari is also interested in the said resolution.

ITEM NO. 14 :

Shri Sameer Maheshwari was appointed as Joint Managing Director of the Company for a period of five years with effect from January 01,2002. The principal terms and conditions of his appointment are as follows :

a) **SALARY** : Salary at the rate of Rs. 50,000/- per month subject to the ceiling limit of Rs 1,00,000/- per month as may be fixed by the Board from time to time.

b) **COMMISSION** : Commission on the net profits of the Company computed in the manner laid down in Section 349 of the Companies Act, 1956 as may be fixed by the Board of Directors subject to the ceiling limits laid down in Sections 198 and 309 of the Companies Act,1956.

c) **PERQUISITES** : In addition to the aforesaid salary and commission, the Joint Managing Director shall be entitled to the following perquisites :

i) Free furnished residential accommodation or House Rent Allowance, House Maintenance Allowance together with utilities thereof such as gas, electricity, water, furnishings, repairs, servants' salaries, society charges and property taxes as may be approved by the Board of Directors.

ii) Reimbursement of medical expenses incurred for self and family and medical accident insurance.

iii) Leave travel concession for self and family once in a year in accordance with the rules of the Company or as may be agreed to by the Board of Directors.

iv) Fees of clubs/annual membership fees for professional bodies.

v) Personal accident insurance premium.

For the purposes of the above ceilings perquisites shall be evaluated as per the Income Tax Rules wherever applicable. In the absence of any such Rules,perquisites will be evaluated at actual costs.