

NOBLE
EXPLOCHEM
LIMITED

Partners in Progress

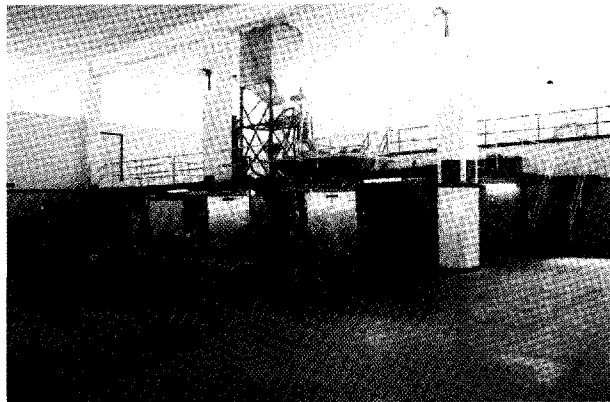
22nd Annual Report 2003-2004

Report  Junction .com

www.reportjunction.com



NOBLE EMULSION EXPLOSIVES PLANT.





Index

1.	Board of Directors	2
2.	Notice	3
3.	Director's Report	4-6
4.	Report on Corporate Governance	7-12
5.	Management Discussion and Analysis	13-14
6.	Auditors Certificate on Corporate Governance	15
7.	Auditors Report	16-20
8.	Balance Sheet	21
9.	Profit & Loss Account	22
10.	Schedules Forming Part of Balance Sheet	23-26
11.	Schedules Forming Part of Profit & Loss Account	27-29
12.	Significant Accounting Policies & Notes on Accounts	30-37
13.	Balance Sheet Abstract	38
14.	Cash Flow Statement	39



NOBLE EXPLOCHEM LIMITED

BOARD OF DIRECTORS

M. R. Chandurkar
Chairman

Vinod Jain
Chief Executive Officer
& Compliance Officer

T. C. Kothari
Managing Director

S. P. Maheshwari
Jt. Managing Director

Auditors
Haribhakti & Co.
Chartered Accountants

R. C. Kothari
Executive Director

P. R. Maheshwari
Director

Bankers

A. C. Bohra
Director

Indian overseas Bank
HDFC Bank
State Bank of India
Shikshak Sahakari Bank Ltd.

S. M. Sarda
Director

Dr. V. B. Deshmukh
Director

Registered office

595/2, Giripeth
Nagpur -440 010
Maharashtra

A. K. Gandhi
Director

Works

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

A. W. Sapre
Director

NOTICE

Notice is hereby given that the **Twenty Second 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 Friday, September 10, 2004 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, 2004 and the Profit and Loss Account for the year ended on that date and the Directors' and Auditors' Reports thereon.
2. To appoint a Director in place of Shri P. R. Maheshwari, who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Shri M. R. Chandurkar, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Shri A. C. Bohra, who retires by rotation and is eligible for re-appointment.
5. To appoint Auditors and to fix their remuneration.

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 / HERSELF AND A PROXY NEED NOT BE A MEMBER.
2. 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.
3. The Register of Members and Share Transfer Books of the Company will remain closed from **Friday, September 03, 2004 to Friday, September 10, 2004** (both days inclusive).
4. Members are requested to notify promptly any change in their addresses to the Company's Registrars 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

Sd/-

T. C. Kothari
Managing Director

Registered Office:

595/2, Giripeth,
Nagpur 440 010
Dated: June 23, 2004

**NOBLE EXPLOCHEM LIMITED****DIRECTORS' REPORT**

To
The Members

The Directors present herewith the Twenty Second Annual Report together with the Statement of Accounts for the year ended March 31, 2004.

FINANCIAL RESULTS :

(Rs. in lakhs)

PARTICULARS	2003- 2004	2002- 2003
Net Sales/Turnover	2518.02	3199.89
Gross Profit/(Loss)	(156.52)	354.33
Less : Provision for Depreciation	78.13	66.58
Interest and Finance charges	52.42	18.16
Interest on Settlement of Recompense Dues	119.63	45.00
Profit/ (loss) before Tax	(406.70)	224.59
Less : Provision for Taxation	161.02	171.37
Add : Excess Provision for Taxation	32.17	---
Net Profit / (Loss) for the year	(213.51)	53.22
Add : Balance brought forward from previous year	79.78	26.56
Profit/(loss) carried to Balance sheet	(133.73)	79.78

OPERATIONS:

The Company has discontinued the production of NG based explosives with effect from April 1, 2004 as per the Govt. of India notification dated January 21, 2004.

The Company has set up new production facilities for the manufacture of Emulsion Explosives with licensed capacity of 25000 MT per annum.

DIRECTORS:

Shri P. R. Maheshwari, Shri M. R. Chandurkar and Shri A. C. Bohra would retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

We hereby state:

- (i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that the Directors had selected such accounting policies 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 at the end of the financial year and of the loss of the Company for that period;
- (iii) 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;

(iv) that the Directors had prepared the annual accounts on a going concern basis.

PARTICULARS OF EMPLOYEES:

The Company does not have any employee whose particulars are required to be given pursuant to the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO:

As required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, statement-showing particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo forms part of this report.

LISTING:

The Equity Shares of the Company are listed on the Stock Exchange, Mumbai. The company has paid the Annual Listing Fees for the year 2004-05.

CORPORATE GOVERNANCE

Pursuant to clause 49 of the Listing Agreement with the Stock Exchange, Reports on Management Discussion & Analysis and on Corporate Governance along with a certificate from the Auditors are attached hereto and forms part of this report.

AUDITORS:

M/s. Haribhakti & Co., Chartered Accountants, the Auditors of the company would retire at the ensuing Annual General Meeting and are eligible for re-appointment.

You are requested to appoint Auditors and to fix their remuneration.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

sd/-
M. R. CHANDURKAR
CHAIRMAN

Date: June 23, 2004
Place: Nagpur.



ANNEXURE

Information as per section 217(1)(e) read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2004.

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.

FORM A

PARTICULARS	UNITS	FOR THE YEAR	
		Current Year	Previous Year
A. POWER & FUEL CONSUMPTION			
1. Electricity			
(a) Purchased	Units	24,56,819	25,55,776
Total Amount	(Rs. in Thousands)	8957	9490
Rate/unit	(Rupees)	3.65	3.71
(b) Own Generation			
2. Furnace Oil			
Quantity	(K. L.)	172.80	135.53
Total amount	(Rs. in Thousands)	2299	1,916
Average rate	(Rupees)	13.31	14.14
B. CONSUMPTION / TONNE OF PRODUCTION			
Product – Industrial Explosives			
Electricity	(Units)	304.74	245.61
Furnace Oil	(Liters)	21.43	13.02

2. TECHNOLOGY ABSORPTION / ADOPTION & INNOVATION

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

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

3. FOREIGN EXCHANGE EARNINGS AND OUTGO: (Rs. in thousands)

- i. Foreign exchange earned 15364
- ii. Foreign exchange outgo 40048

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

sd/-

M. R. CHANDURKAR
CHAIRMAN

Date: June 23, 2004
Place: Nagpur

REPORT ON CORPORATE GOVERNANCE



NOBLE EXPLOCHEM LIMITED

REPORT ON CORPORATE GOVERNANCE

(Pursuant to clause 49 of the Listing Agreement)

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy of Corporate Governance is aimed at assisting the top management of the Company in the efficient conduct of its business and in meeting its obligations to the shareholders.

The Company is committed to learn and adopt the best practices of corporate governance.

2. BOARD OF DIRECTORS

The present strength of Board of Directors of your Company is ten. Composition and category of Directors is as follows :

Name of Director	Category of Directorship*	No. of Board Meetings attended	Attendance at the last AGM	Directorship in other Companies including private companies in India	No. of Committees in which Chairman/Member (other than Noble Explochem Ltd.)	
					Member	Chairman
Shri M. R. Chandurkar	Chairman & N.E.D.	4	Yes	7	1	Nil
Shri T. C. Kothari	Managing Director	5	Yes	3	Nil	Nil
Shri S. P. Maheshwari	Joint Managing Director	2	No	3	Nil	Nil
Shri R. C. Kothari	Executive Director	1	No	Nil	Nil	Nil
Shri P. R. Maheshwari	N.E.D.	4	Yes	5	Nil	Nil
Shri A. C. Bohra	I & N.E.D.	5	Yes	2	Nil	Nil
Shri A. K. Gandhi	I & N.E.D.	5	Yes	2	Nil	Nil
Shri S. M. Sarda	I & N.E.D.	Nil	No	Nil	Nil	Nil
Dr. V. B. Deshmukh	I & N.E.D.	5	Yes	Nil	Nil	Nil
Shri A. W. Sapre	I & N.E.D.	5	Yes	1	Nil	Nil

*I & N.E.D. – Independent & Non-Executive Director

*N.E.D. –Non-Executive Director

No. of Board Meetings held and the dates on which held :

Five Board Meetings were held during the Financial Year 2003- 2004. The dates on which the said meetings were held are as follows:

28.04.2003, 30.07.2003, 26.09.2003, 18.10.2003 and on 27.01.2004

Information required under clause 49 VI A of the Listing Agreement :

The particulars of Directors who are proposed to be appointed/re-appointed at this Annual General Meeting, are given below, as required pursuant to clause 49 of the Listing Agreement:

1. Name : Shri P. R. Maheshwari
Qualifications : B. A.
Expertise : More than 42 years experience in Newspapers Publication and other Industrial Units
Other Directorships : Kaushal Aromatic Chemicals Private Limited
Nava Bharat Press (Raipur) Private Limited
Nisha Holdings Private Limited
Bajaj Steel Industries Limited
Coventry Springs Limited
Other Membership : NIL
2. Name : Shri M. R. Chandurkar
Qualifications : B. COM.
Expertise : Over 22 years experience in Pharma and Chemical Business and International Trade
Other Directorships : IPCA Laboratories Limited
Win Laboratories Private Limited
Chandurkar Investment Private Limited
Monetize Financial Services Private Limited
Salvia Investments & Traders Private Limited
Faldrup Investments & Traders Private Limited
Contemporary Health Care Private Limited
Other Memberships : IPCA Laboratories Limited
3. Name : Shri A. C. Bohra
Qualifications : B. Com., F. C. A.
Expertise : More than 22 years experience as practicing Chartered Accountant and in the field of finance.
Other Directorships : NCJ Securities Limited
Danghati Investments & Trading Co. Private Limited
Other Membership : NIL

