

24th
ANNUAL
REPORT
2005-2006

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NOBLE EXPLOCHEM LIMITED

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Noble Explochem Ltd.

NOBLE EXPLOCHEM LIMITED

BOARD OF DIRECTORS

T. C. Kothari

Chairman and Managing Director

R. C. Kothari

Executive Director

Prashant Kothari

Whole time Director

A. C. Bohra

Director

A. W. Sapre

Director

Mahavir Dhanecha

Director

Vinod Jain

Chief Executive Officer

Pranab Panigrahi

Company Secretary &
Compliance Officer

Auditors

Haribhakti & Co.

Chartered Accountants

Bankers

Indian overseas Bank

HDFC Bank

State Bank of India

Shikshak Sahakari Bank Ltd.

United Western Bank Ltd.

Registered office

1261/A-11, Ramkrishna Nagar

Wardha Road

Nagpur -440 015

Maharashtra

Works

At Village Hingni

Taluka- Seloo, Dist.- Wardha

Maharashtra



Noble Explochem Ltd.

NOBLE EXPLOCHEM LIMITED

Regd. Office: 1261/A-11, Ramkrishna Nagar, Wardha Nagar, Nagpur 440 015

Notice

Notice is hereby given that the Twenty Fourth 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 Wednesday, September 27th, 2006 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, 2006 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 A C Bohra who retires by rotation and is eligible for re-appointment.
3. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

4. To appoint Director in place of Shri Prashant Kothari, who was appointed as an Additional Director by the Board of Directors and who holds office upto the date of the ensuing Annual General Meeting pursuant to the provisions of Section 260 of the Companies Act, 1956 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.
5. To appoint Director in place of Shri Mahavir Dhanecha, who was appointed as an Additional Director by the Board of Directors and who holds office upto the date of the ensuing Annual General Meeting pursuant to the provisions of Section 260 of the Companies Act, 1956 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 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 Sections 198, 269 and 309 read with schedule XIII and other applicable provisions of the Companies Act, 1956 (the "Act") including any statutory modification of re-enactment thereof, for the time being in force, the appointment of Shri Prashant Kothari as Whole time Director of the Company for a period of five years with effect from October 27, 2005 on the terms and conditions (including the terms as approved by the Remuneration Committee and as set out in the Explanatory statement annexed to this Notice, be and is hereby specifically approved with liberty to the Board of Directors of the Company (the "Board") to alter, vary and modify the terms and conditions of the said appointment in such manner as may be agreed to between the Board and Shri Prashant Kothari.

RESOLVED FURTHER THAT in the event of any loss or inadequacy of profits in any financial year of the Company during Shri Prashant Kothari term of office as Wholetime Director the remuneration payable to him shall be as per the minimum salary prescribed in Schedule XIII of the Act and that he shall be entitled to all other benefits and perquisites as set out in the Explanatory statement annexed to this Notice as the minimum remuneration.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, matters, deeds and things and to take such steps as expedient or desirable to give effect to this Resolution".

**Noble Explochem Ltd.****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 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 Monday, September 25th, 2006 to Wednesday, September 27th, 2006 (both days inclusive).
4. The relative explanatory statement pursuant to Section 173 of the Companies Act, 1956 in respect of the business at item Nos. 4, 5 & 6 is annexed hereto.
5. 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, B-302, Sony Apartment, Opp. St. Jude's High School, Off Andheri Kurla Road, Jarimari, Sakinaka, Mumbai - 400 053.

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By order of the Board

Pranab Panigrahi
Company Secretary

Registered Office:

1261/A-11, Ramkrishna Nagar,
Wardha Nagar,
Nagpur 440 015

Date : June 29 2006

**NOBLE EXPLOCHEM LIMITED**

Registered Office: 1261/A-11, Ramkrishna Nagar, Wardha Nagar, Nagpur 440 015

ANNEXURE TO NOTICE**Explanatory Statement under Section 173(2) of the Companies Act, 1956****Item No. 4**

Shri Prashant Kothari was appointed as Additional Director of the Company by the Board of Directors on October 27, 2005. By virtue of Section 260 of the Companies Act, 1956, he holds office upto the date of the ensuing Annual General Meeting of the Company. Notice alongwith the necessary deposit has been received from a member of the company under Section 257 of the Companies Act, 1956 proposing the name of Shri Prashant Kothari for the office of Director.

The Board commends your approval to the said appointments.

Shri Prashant Kothari is interested in the said resolution as it relates to his own appointment.

Shri T. C. Kothari and Shri R. C. Kothari are interested in the said resolution being relatives of the Director.

Item No. 5

Shri Mahavir Dhanecha was appointed as Additional Director of the Company by the Board of Directors on June 29, 2006. By virtue of Section 260 of the Companies Act, 1956, he holds office upto the date of the ensuing Annual General Meeting of the Company. Notice along with the necessary deposit has been received from a member of the company under Section 257 of the Companies Act, 1956 proposing the name of Shri Mahavir Dhanecha for the office of Director.

The Board commends your approval to the said appointments.

None of the Directors except Shri Mahavir Dhanecha are interested in the said resolution as it relates to his own appointment.

Item No. 6

The Board of Directors of the Company (the "Board") at its meeting held on October 27, 2005 approved the appointment of Mr. Prashant Kothari as Wholetime Director of the Company for a period of five years with effect from October 27, 2005. The appointment of Mr. Prashant Kothari as Wholetime Director and the remuneration payable to him on his appointment is subject to the approval of the Members of the Company. The material terms of his appointment as referred to in the Resolution at Item No. 7 of the accompanying Notice are as follows :-

- (a) **SALARY:** Salary at the rate of Rs.1,00,000/- per month subject to the ceiling limit of Rs.1,50,000/- 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 Section 198 and 309 of the Companies Act, 1956.
- (c) **PERQUISITES :** In addition to the aforesaid salary and commission, the Whole time 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.

Noble Explochem Ltd.

- 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 Whole time Director, the Company has made no profits or its profits are inadequate, the Company shall pay to the Whole time 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 Whole time 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:
 - a) Contribution to 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.
 - b) Gratuity payable at a rate not exceeding half a month salary for each completed year of service.
 - c) Earned privilege leave at a rate of one month's leave for every eleven months of service. The Whole time Director shall be entitled to encash leave at the end of his tenure as Whole time Director.
 - d) Provision of cars and telephones at the residence of the Whole time Director shall not be treated as perquisites.

Other Terms :

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

The Board commends the approval by the members of the appointment of Whole time Director and payment of remuneration to him.

Shri Prashant Kothari is interested in the said resolution at item no. 6 of the accompanying notice as it relates to his own appointment. Shri T. C. Kothari and Shri R. C. Kothari being relative of Shri Prashant Kothari is also interested in the said resolution.

The directors commend the resolutions for approval of the members.

By order of the Board

Registered Office:

1261/A-11, Ramkrishna Nagar,
Wardha Nagar,
Nagpur 440015

Dated : June 29 2006

Pranab Panigrahi
Company Secretary

Noble Explochem Ltd.**NOBLE EXPLOCHEM LIMITED**

Regd. Office: 1261/A-11, Ramkrishna Nagar, Wardha Road, Nagpur 440 015

DIRECTORS' REPORT

To
The Members

The Directors present herewith the Twenty Fourth Annual Report together with the Statement of Accounts for the year ended March 31, 2006

FINANCIAL RESULTS :		(Rs. in lakhs)
PARTICULARS	2005 - 2006	2004 - 2005
Sales/Turnover	2922.82	1434.82
Gross (Loss)	187.98	(233.78)
Less : Provision for Depreciation	113.27	90.49
Interest and Finance Charges	311.36	175.68
Retrenchment Compensation	4.75	38.71
Profit/ (loss) before Tax	(241.40)	(538.66)
Less : Provision for Income tax	19.86	(59.53)
Add : Excess provision for taxation	124.07	
Net Profit/(Loss) for the year	(385.33)	(598.19)
Add : Balance brought forward from previous year	(731.92)	(133.73)
Profit/(loss) carried to Balance sheet	(1117.25)	(731.92)

DIVIDEND

In absences of profit, the directors do not recommend dividend for the year under report.

OPERATIONS:

The Company has developed Fuel Additives for diesel & fuel oil. The Company has now introduced Aloe vera juice in the Market. The Company has also entered into treasury and related activities. The Company was successful in commencing the commercial production of Miracle Explosives and as such a sum of Rs. 279.53 Lacs have been capitalized. The company was successful in obtaining an order of 2290 MT. valuing about Rupees 20 Crores from Indian Oil Corporation Ltd. for the supply of Cetane Improver.

DIRECTORS

Shri A. C. Bohra would retire by rotation at the ensuing Annual General Meeting of the Company and being eligible offers himself for re-appointment.

Shri Prashant Kothari and Shri Mahavir Dhanecha were appointed as Additional Directors of the Company by the Board of Directors on October 27, 2005 and on 29 June, 2006 respectively. 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 appointment.

Brief resume of the above Directors, nature of their experience in specific functional areas and names of the companies in whom they hold directorship and membership/ chairmanship of committees of the Board, as stipulated under clause 49 of the Listing Agreement with the stock Exchange are given in the section on Corporate Governance in the Annual Report.

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Shri Prashant Kothari has been appointed as Wholetime Director by the Board of Directors of the Company for a period of five years with effect from October 27, 2005. Necessary resolution has been proposed at the ensuing Annual General Meeting for approval of his appointment and payment of remuneration.

During the year Shri M. R. Chandurkar, Shri S. P. Maheshwari, Shri A. R. Gandhi, Shri S. M. Sarda resigned as directors of the company. Shri Anil Sharma who was appointed as additional director on October 27, 2005 resigned as director on May 25, 2006. Your directors place on record its appreciation of the valuable service and guidance given by them during the tenure of their directorship with the Company

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. (As given in annexure to Directors' Report)

LISTING:

The Equity Shares of the Company are listed on the Bombay Stock Exchange Limited (BSE). The company has paid the Annual Listing Fees for the year 2006-07.

During the year, company has issued 45,00,000 equity shares of Rs. 10/- each at premium of Rs 41.50 per share and 1,18,00,000 Convertible Warrants at Rs. 10/- each on premium of Rs 41.50 and were allotted to Promoters, individuals and Bodies corporate on a preferential basis.

Noble Explochem Ltd.



Utilisation of Proceeds of Issue of shares on Preferential basis.

The funds raised on preferential basis have been used for the objects of issue to the extent of Rs. 2455.00 Lacs and the balance amount of Rs. 470.00 Lacs has given as short term loan.

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 and CEO / CFO are attached hereto and form part of this report.

AUDITORS:

M/s. Haribhakti & Co., Chartered Accountants, the Auditors of the company hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

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

ACKNOWLEDGEMENTS:

The Board expresses its sincere gratitude to the shareholders, bankers and clients for their continued support. The Board also wholeheartedly acknowledges the dedicated efforts of all the staff and employees of the Company.



FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Place: Nagpur
Date : 29.06.2006

T C KOTHARI
CHAIRMAN AND MANAGING DIRECTOR