

NOBLE EXPLOCHEM LIMITED

**ANNUAL REPORT
2006-2007**



NOBLE EXPLOCHEM LIMITED

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

Notice is hereby given that the Twenty Fifth Annual General Meeting of the members of Noble Explochem Limited will be held at Vidarbha Industries Hall, Udyog Bhavan, Civil Lines, Nagpur - 440001 on Tuesday, March 25, 2008 at 3.00 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2007 and the Profit and Loss Account for the year ended on that date and the Directors' and Auditors' Reports thereon.
2. To appoint Director in place of Shri Shyam Sunder Sharma, who was appointed as a Director with effect from June 18, 2007 in the casual vacancy caused by the resignation of Shri A. W. Sapre as a Director of the Company and who is liable to retire by rotation at this Annual General Meeting pursuant to the provisions of Section 256 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director.
3. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

4. To consider and if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309 and other applicable provisions if any, of the Companies Act, 1956, read with Schedule XIII of the Companies Act, 1956, and as approved by the remuneration committee and as set out in the Explanatory statement, the appointment of Shri Tikamchand Kothari as Chairman and Whole Time Director of the Company for a period of three years with effect from January 01, 2007 be and is hereby 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 T. C. Kothari.

RESOLVED FURTHER THAT in the event of any loss or inadequacy of profits in any financial year of the Company during Shri T. C. Kothari's term of office as chairman and Whole Time 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".



5. To consider and if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309 and other applicable provision if any, of the Companies Act, 1956, read with Schedule XIII of the Companies Act, 1956, and as approved by the remuneration committee and as set out in the Explanatory statement, the appointment of Shri Ramesh Kothari as Managing Director of the Company for a period of three years with effect from January 01, 2007 be and is hereby 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 Ramesh Kothari.

RESOLVED FURTHER THAT in the event of any loss or inadequacy of profits in any financial year of the Company during Shri Ramesh Kothari's term of office as Managing 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".

6. To appoint Director in place of Shri Vilas Potdar, 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.
7. To appoint Director in place of Shri Vijay Jain, 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.

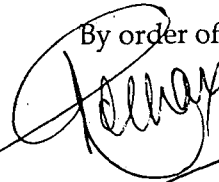
NOTES:

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, March 24, 2008 to Tuesday, March 25, 2008 (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, B-302, Sony Appartment, Opp. St. Jude's High School, Off Andheri Kurla Road, Jarimari, Sakinaka, Mumbai - 400 053.

By order of the Board



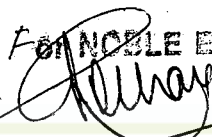
T. C. Kothari
Chairman and Wholetime Director

Registered Office:

1261/A-11, Ramkrishna Nagar,
Wardha Nagar,
Nagpur 440 015
Date: February 26, 2008

CERTIFIED TRUE COPY

For NOBLE EXPLOCHEM LTD.



(T.C. KOTHARI)

MANAGING DIRECTOR

Report



www.reportjunction.com

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. 2**

Shri Shyam Sunder Sharma was appointed as a Director with effect from June 18, 2007 in the casual vacancy caused by the resignation of Shri A. W. Sapre as a Director of the Company. By virtue of Section 256 of the Companies Act, 1956, Shri Shyam Sunder Sharma will hold office upto the date of this Annual General Meeting and is eligible for appointment. The Company has received a notice under Section 257 of the Companies Act, 1956 alongwith requisite deposit from a member of the Company proposing his candidature for the office of Director.

The Board commends your approval to the said appointment.

None of the Directors of the company except Shri Shyam Sunder Sharma is concerned or interested in the resolution for his appointment as Director of the Company.

Item No. 4

The Board of Directors of the Company (the "Board") at its meeting held on October 30, 2006 approved the appointment of Shri T. C. Kothari as Managing Director of the Company for a period of three years with effect from January 1, 2007 and subsequently at the Board meeting held on February 26, 2008 was redesignated as Chairman and Wholetime director. The appointment of Shri T. C. Kothari as Chairman and 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. 4 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.2,00,000/- 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 Section 198 and 309 of the Companies Act, 1956.
- c) **PERQUISITES:** In addition to the aforesaid salary and commission, the Chairman and Wholetime 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.

Where in any financial year during the currency of the tenure of the Chairman and Wholetime director, the Company has made no profits or its profits are inadequate, the Company shall pay to the Chairman and Wholetime director the above salary and perquisites except commission subject to the ceiling limits prescribed in Section II 1 (B) of Part II of Schedule XIII of the Companies Act, 1956.

d) The Chairman and Wholetime 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:

1. 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.
2. Gratuity payable at a rate not exceeding half a month salary for each completed year of service.
3. Earned privilege leave at a rate of one month's leave for every eleven months of service. The Chairman and Wholetime director shall be entitled to encash leave at the end of his tenure as Chairman and Wholetime director.
4. Provision of cars and telephones at the residence of the Chairman and Wholetime director shall not be treated as perquisites.

Other Terms:

The Chairman and Wholetime director shall be entitled to reimbursement of actual expenses on entertainment and traveling incurred in the course of the Company's business.

Either party shall be entitled to terminate the Appointment by giving the other party 180 days notice in writing without showing any cause.

Additional information required to be given alongwith a Notice calling General Meeting as per sub para (B) of para 1 of Section II of Part II of Schedule XIII of the Companies Act, 1956 is given hereunder:

I. General Information:



- (1) Nature of industry Manufacturers of Explosives, Chemicals and Horticulture
- (2) Date or expected date of commencement of commercial production The Company has been in the business for many years
- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus. Not Applicable

(4) Financial performance based on given indicators	2001-02	2002-03	2003-04	2004-05	2005-06
	(Rs. in lacs)				
Turnover	3282.01	3198.08	2518.02	1434.82	2922.82
Net profit (as computed under section 198)	300.36	53.22	(213.51)	(598.19)	(385.33)
Net profit/ (Loss) as per profit and loss account	300.36	53.22	(213.51)	(598.19)	(385.33)
Amount of Dividend paid	110.46	00	00	00	00
Rate of Dividend declared	7.5%	00	00	00	00
Earning before interest, depreciation & taxes	542.07	354.33	(156.52)	(233.78)	(187.98)
% of EBIDT to turnover	16.52%	11.08%	-6.22%	-16.29%	6.43%
(5) Export performance and net foreign exchange collaborations	2001-02	2002-03	2003-04	2004-05	2005-06
	NIL	11.16	173.78	NIL	33.97
(6) Foreign investments or collaborators, if any.	NIL				

II. Information about the appointee:

- (1) Background details
Name: Shri T. C. Kothari
Designation: Chairman and Whole Time Director
Father's name: Bhimraj Kothari
Nationality: Indian
Date of Birth: 01.11.1950
Qualifications: M. Com. C. A.
Experience: 20 years Experience in inmould Labels and Packaging and 5 years in explosive and chemicals
- (2) Past remuneration
The gross remuneration paid to him in the financial year 2006-2007 was Rs. 1.18 Lacs per month.
- (3) Recognition or awards
NIL
- (4) Job profile and his suitability
The Chairman and Wholetime director shall be responsible for the management of the whole of the affairs of the Company and to do all acts and things, which, in the ordinary course of business,

he considers necessary or proper or in the interest of the Company.

Considering the above and having regard to age, qualifications, ability and experience and looking to the business requirement the proposed remuneration is in the interest of the Company.

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|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|
| (5) Remuneration proposed | A gross remuneration of Rs. 14.24 Lacs per annum based on monetary value of perquisites plus yearly increments, including Performance Incentive. |
| (6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w. r. t. the country of his origin) | Compared to the remuneration with respect to the industry, size of the Company etc. the remuneration proposed to be paid to is very low. |
| (7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any. | The Chairman and Wholetime director is one of the Promoters of the Company and relative of Shri Ramesh Kothari, Managing Director. |

III. Other information:

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|------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|
| (1) Reasons of loss or inadequate profits | Due to shortage of Raw Material, in-adequate fund availability and workers' unrest. |
| (2) Steps taken or proposed to be taken for improvement | Management has taken steps to come over the present situation by arrangement of Finance and settlement of problems of the workers |
| (3) Expected increase in productivity and profits in measurable terms. | It is expected that, the company will make up all the accumulated losses and earns the profit by the end of March 2010 |

IV. Disclosures:

The remuneration package of Shri T. C. Kothari and other details such as remuneration, service contract, notice period etc. have been disclosed above and also in the Corporate Governance Report. The Company does not have any scheme for grant of stock options.

The Board commends your approval to the said appointment.

Shri T. C. Kothari is concerned or interested in the resolution for as it relates to his own appointment

Shri Ramesh Kothari being relative of Shri T. C. Kothari is also interested in the said resolution.



ITEM NO. 5

The Board of Directors of the Company (the "Board") at its meeting held on October 30, 2006 approved the appointment of Shri Ramesh Kothari as Managing Director of the Company for a period of three years with effect from January 1, 2007. The appointment of Shri Ramesh Kothari as Managing 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. 5 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.2,00,000/- 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 Section 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 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.

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 subject to the ceiling limits prescribed in Section II 1 (B) of Part II of Schedule XIII of the Companies Act, 1956.

- 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 :

- 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 Managing Director shall be entitled to encash leave at the end of his tenure as Managing Director.
- d) 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 traveling incurred in the course of the Company's business.

Either party shall be entitled to terminate the Appointment by giving the other party 180 days notice in writing without showing any cause.

Additional information required to be given alongwith a Notice calling General Meeting as per sub para (B) of para 1 of Section II of Part II of Schedule XIII of the Companies Act, 1956 is given hereunder:

I. General Information:

- (1) Nature of industry Manufacturers of Explosives, Chemicals and Horticulture
- (2) Date or expected date of commencement of commercial production The Company has been in the business for many years
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Rate of Dividend declared	7.5%	00	00	00	00
Earning before interest, depreciation & taxes	542.07	354.33	(156.52)	(233.78)	(187.98)
% of EBIDT to turnover	16.52%	11.08%	(6.22%)	(16.29%)	6.43%

