

**30<sup>th</sup>**

# **ANNUAL REPORT**

## **2011-2012**



# **NOBLE EXPLOCHEM LTD.**



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## BOARD OF DIRECTORS

- **Tikamchand. Kothari**  
Chairman and Executive Director

- **Rameshchand. Kothari**  
Managing Director

- **Mahavir Dhanecha**  
Director

- **Rajesh Joshi**  
Director

- **Shyam Sundar Sharma**  
Director

- **Vijay Kumar Jain**  
Director

### Auditors

Amar Bafna & Associates  
Chartered Accountants  
Mumbai

### Bankers

HDFC Bank  
State Bank of India  
Bank of India  
Shikshak Sahakari Bank Ltd

### Registered office

54/B, SHREE TOWER,  
SHANKAR NAGAR (EAST),  
W. H. C ROAD, NAGPUR 440010  
MAHARAHSTRA

### Works

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



## NOTICE

Notice is hereby given that the Thirtieth Annual General Meeting of the members of Noble Explochem Limited will be held at 54/B, Shree Towers, West High Court Road, Shankar Nagar, Nagpur 440010 on the Saturday the 29<sup>th</sup> September, 2012 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, 2012 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 Rajesh Joshi, who will retire by rotation in this Annual General meeting and being eligible for reappointment.
3. 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 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 the 28<sup>th</sup> September, 2012 to Saturday the 29<sup>th</sup> September, 2012 (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 Apartment, Opp. St. Jude's High School, Off Andheri Kurla Road, Jarimari, Sakinaka, Mumbai - 400 053.

By order of the Board

Place: Nagpur  
Date: 30<sup>th</sup> August 2012

**T. C. Kothari**  
Chairman and Executive Director

**Registered Office:**  
54/B, SHREE TOWER,  
SHANKAR NAGAR (EAST),  
WEST HIGH COURT ROAD, NAGPUR 440010  
MAHARASHTRA



**NOBLE EXPLOCHEM LIMITED**  
**54/B SHREE TOWERS, SHANKAR NAGAR (EAST),**  
**WEST HIGH COURT ROAD, NAGPUR - 440010**  
**DIRECTORS' REPORT**

To  
The Members

The Directors present herewith the Thirtieth Annual Report together with the Statement of Accounts for the year ended 31st March, 2012

(Rs. in lakhs)

<b>FINANCIAL RESULTS:</b>	<b>2011- 2012</b>	<b>2010- 2011</b>
<b>PARTICULARS</b>		
<b>Income:</b>		
Other Income	2.24	0.77
<b>Less: Expenses</b>	<b>99.19</b>	<b>1361.26</b>
<b>Gross Profit/(Loss) before depreciation/interest and Tax</b>	<b>(96.95)</b>	<b>(1343.01.)</b>
Less : Interest and Finance Charges	4.10	0.25
<b>Profit/(loss) before Tax</b>	<b>(101.05)</b>	<b>(1360.48)</b>
Add/Less: prior period adjustment	(0)	(1.00)
Less : Extra Ordinary Items	0	0
Less: Provision for Income tax /Def. Tax release	--	--
<b>Net Profit/(Loss) for the year</b>	<b>(101.05)</b>	<b>1361.48</b>
Add: Balance brought forward from previous year	(7174.54)	(5813.05)
<b>Profit/(loss) carried to Balance sheet</b>	<b>(7275.59)</b>	<b>(7174.54)</b>

#### **DIVIDEND**

In view of losses no dividend is proposed for the year under report.

#### **OPERATIONS:**

The production activity of the Company continues to remain suspended with the result there is total stagnation of the operation. The Company has made application to Board for Industrial and Financial Reconstruction (BIFR) for the declaration of company as Sick Industrial Industry. The Hon'ble Board had declared the Company as sick on 14th July, 2011 and appointed IDBI Bank as Operating Agency for the preparation and finalisation of Rehabilitation Scheme. The Scheme is under process.

The management of the Company had approached M/s DIL Limited Thane, for financial Assistance against the issue of Company's Equity Shares to be issued at par post capital reduction on a fully diluted basis.

#### **DIRECTORS**

During the year under review there was no change in the Board of Directors of the Company.

**Shri Rajesh Joshi, Director, retires by rotation at the General Body Meeting and being eligible offers himself for re-appointment. The Directors recommends re-appointment of Shri. Rajesh Joshi. Brief resume of the appointee Director is given in the section on Corporate Governance in the Annual Report.**



## 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, conservation of energy, technology absorption and foreign exchange earnings and outgo are nil as there were no operation during the year under review.

#### 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 2012-13.

### 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 Amar Bafna & Associates, Mumbai, were appointed as Statutory Auditors of the Company in the last Annual General Meeting of the Company. Their term end on the conclusion of this Annual General Meeting. The Board of Directors proposed to re-appoint the same auditors for the financial year 2012-13. The Company has received the consent letter from the Auditors in this behalf.

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: 30<sup>th</sup> August, 2012

**T C KOTHARI**

CHAIRMAN AND EXECUTIVE DIRECTOR



## ANNEXURE TO DIRECTORS' REPORT

### 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, 2012.

#### 1. CONSERVATION OF ENERGY

Following energy conservation measures initiated in the earlier years were continued but since there was no activity in the year under reference the expenditure and / or consumption is nil.

- i) Greater stress on improved maintenance of all equipments.
- ii) Systematic efforts at running services only during periods when they are actually required.

#### FORM A

Particular	Units	Current Year	Previous Year
<b>A. POWER &amp; FUEL CONSUMPTION</b>			
<b>1. Electricity</b>			
(a) Purchased	Units	NIL	NIL
Total Amount	(Rs. in Thousand)	NIL	NIL
Rate/unit	(Rupees)	NIL	NIL
(b) Own Generation			
<b>2. Furnace Oil</b>			
Quantity	(K. L)	NIL	NIL
Total amount	(Rs. in Thousand)	NIL	NIL
Average rate	(Rupees)		
<b>B. CONSUMPTION/TONNE OF PRODUCTION</b>			
Product - Industrial Explosives /			
Chemical	(Units)	NIL	NIL
Electricity Furnace Oil	(Litters)	NIL	NIL

#### 2. TECHNOLOGY ABSORPTION / ADOPTION & INNOVATION

Our plant is one of the world's most modern plant manufacturing Chemical for explosive and fuel related applications. There was no manufacturing activity during the year hence no new efforts were made aimed at absorbing technology and adopting it to Indian conditions. However the efforts made in earlier years continued to exist which includes the following :

- A. Training of local personnel to operate and maintain the plant more efficiently.
- B. Modifying compositions for manufacture of products to use cost effective raw materials.
- C. Development of indigenous spares.
- D. Focus on development of new products using indigenously available technology.
- E. Development and plantation of various horticulture plants / products with own know how.

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

- i. Foreign exchange earned NIL
- ii. Foreign exchange outgo NIL

FOR AND ON BEHALF OF THE BOARD OF  
DIRECTORS

Place: Nagpur

Date: 30<sup>th</sup> August, 2012

T C KOTHARI

CHAIRMAN AND EXECUTIVE DIRECTOR



## REPORT ON CORPORATE GOVERNANCE

(Pursuant to clause 49 of the Listing Agreement)

### 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.

#### I. BOARD OF DIRECTORS

##### A. Composition of Board

The present strength of Board of Directors of your Company is 6 directors. 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 T. C. Kothari	Chairman & Executive Director	3	YES	2	NIL	NIL
Shri R. C. Kothari	Managing Director	4	YES	1	NIL	NIL
Shri Mahavir Dhanecha	I & N.E.D	4	YES	NIL	NIL	NIL
Shri Vijay Kumar Jain	I & N.E.D	--	NO	2	NIL	NIL
Shri Shyam Sunder Sharma	I & N.E.D	4	YES	NIL	NIL	NIL
Shri Rajesh Joshi	I & N. E. D.	4	YES	NIL	NIL	NIL

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

N.E.D. Non-Executive Director

##### B. Non-executive Directors Compensation:

None of the Non- Executive directors is paid any remuneration other than sitting fees for attending Board and Committee Meetings.

None of the Non- Executive directors holds any shares in the Company.

##### C. Independent Directors

The independent directors are not related to promoters or management at the Board level. They review at every board meeting legal compliance report prepared by the Company.

##### D. Board procedure

Four Meetings of the Board of Directors were held during the Financial Year 2011-12 respectively on (1) 13-05-2011, (2) 31-08-2011, (3) 11-11-2011, and (4) 14-02-2012. The Company have a process to provide the information to the Board as required under Annexure I to clause 49, which was followed. All the directors have made necessary disclosures about the committee positions, they occupy in other companies.

##### 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:





### E. Code of Conduct:

The Board has laid down a code of conduct for Board members and Senior management personnel of the Company. The Board members and Senior management personnel have affirmed compliance with the said code of conduct.

### II. AUDIT COMMITTEE

The Audit committee as on date comprises of following Directors :

Shri Mahavir Dhanecha	- Chairman, Independent and Non-Executive Director,
Shri Rajesh Joshi	- Member, Independent and Non-Executive Director
Shri Shyam Sunder Sharma	- Member, Independent and Non-Executive Director
Shri R. C. Kothari	- Member, Managing Director

All the members of the Committee have the relevant experience in the field of finance, taxation and accounting.

The Audit Committee reviews all the issues that are required to be mandatory reviewed by it under Corporate Governance.

The powers and role of the Audit Committee over the matters specified under Clause 49 of the Listing Agreement as well as in Section 292A of the Companies Act, 1956, such as oversight of the Company's financial reporting process, recommending the appointment/ re-appointment of statutory auditors; reviewing with the management annual financial statements; quarterly financial statements and matters as covered under role of audit committee in Clause 49. The audit committee has powers inter alia, to investigate any activity within its terms of reference and to seek outside legal and professional advice.

Four meetings of the Committee were held during the financial year. The dates on which the said meetings were held are as follows:

(1) 13-05-2011, (2) 31-08-2011, (3) 11-11-2011, and (4) 14-02-2012.

The attendance of each member of the Audit Committee in the meeting is given below:

Name of the Director	No. of Meetings held	No. of Meetings attended
Shri Mahavir Dhanecha	4	4
Shri Rajesh Joshi	4	4
Shri Ramesh Kothari	4	4
Shri Shyam Sunder Sharma	4	4

### III. WHISTLE BLOWER POLICY

The Company has not framed any whistle blower policy. However, no person has been denied any access to the audit committee.

The Company has not adopted non- mandatory requirements of clause 49. However the particulars relating to the remuneration committee are given in this report.

### IV. SUBSIDIARY COMPANY

The Company has no subsidiary Company.

### V. DISCLOSURE

#### A. Related Party Transactions

The particulars of transactions between the Company and its related parties as per Accounting Standards is set out in notes to accounts in the Annual Report. However, these transactions are not likely to have any conflict with the Company's interest.

#### B. Risk Management

The Board of Directors have been informed from time to time the business risks faced by the Company and the steps taken by the management to face them.

**C. Proceeds from Initial Public Offerings (IPOs) / preferential issues**

The Company has not made any IPO during the year.

The Company has complied with the requirements of regulatory authorities on matters related to capital markets and no penalties/ strictures have been imposed against the Company during the last three years.

**D. REMUNERATION COMMITTEE**

The Remuneration Committee of the Board of Directors was re-constituted on various occasions due to resignation of existing directors and appointment of new directors in compliance of Clause 49 of the Listing agreement and the provisions of the Companies Act, 1956. The Remuneration committee as on date comprises of the following:

Shri Mahavir Dhanecha, (Chairman)

Shri R. C. Kothari

Shri Shyam Sunder Sharma

No meeting of the Committee was held during the financial year.

No remuneration was paid to the Directors of the Company during the year ended March 31, 2012

**Notice period of Executive Directors:**

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

Company does not pay the remuneration to Non- Executive Directors other than the sitting fees.

The Company does not have a scheme for grant of stock options.

**E. Management**

A separate report on Management Discussion and Analysis which forms part of the report is annexed.

**F. SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE**

Shareholders/ Investors' Grievance Committee comprises of Shri Mahavir Dhanecha, Shri T. C. Kothari and Shri R. C. Kothari. The Chairman of the Committee is Shri Mahavir Dhanecha.

The Committee looks into redressing of shareholders and investors complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividend etc. Shri Shri T. C. Kothari, Chairman and Executive Director is appointed as Compliance Officer.

The total number of complaints/requests received was 10 and all 10 have been replied to the satisfaction of shareholders during the year. No requests for transfer were pending for approval as on 31st March, 2012.

**G. GENERAL BODY MEETINGS**

Location and time for last three Annual General Meetings:

No postal ballots were used for voting at these meetings.

Year	Location	Date	Time	Special Resolution	Postal ballot
2008-09	54/B, Shree Tower, West High Court Road, Shankar Nagar, Nagpur - 440015	02/01/2010	3.00 p.m.	N. A.	N. A.
2009-10	54/B, Shree Tower, West High Court Road, Shankar Nagar, Nagpur - 440015	30/09/2010	3.00 p.m.	N. A.	N. A.
2010-11	54/B, Shree Tower, West High Court Road, Shankar Nagar, Nagpur - 440015	16/12/2011	3.00 p.m.	N. A.	N. A.