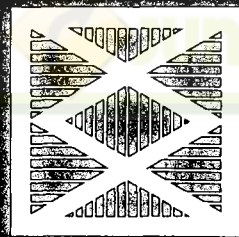


# TITANOR COMPONENTS LIMITED

Report

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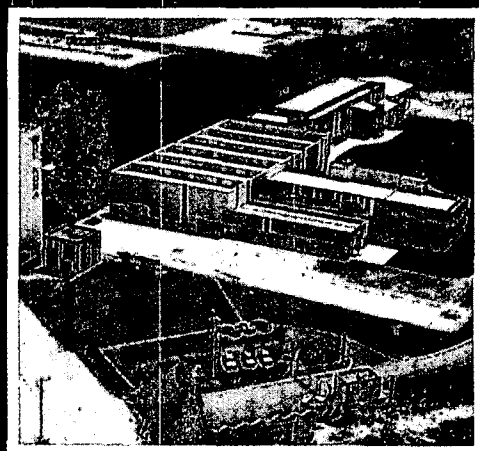
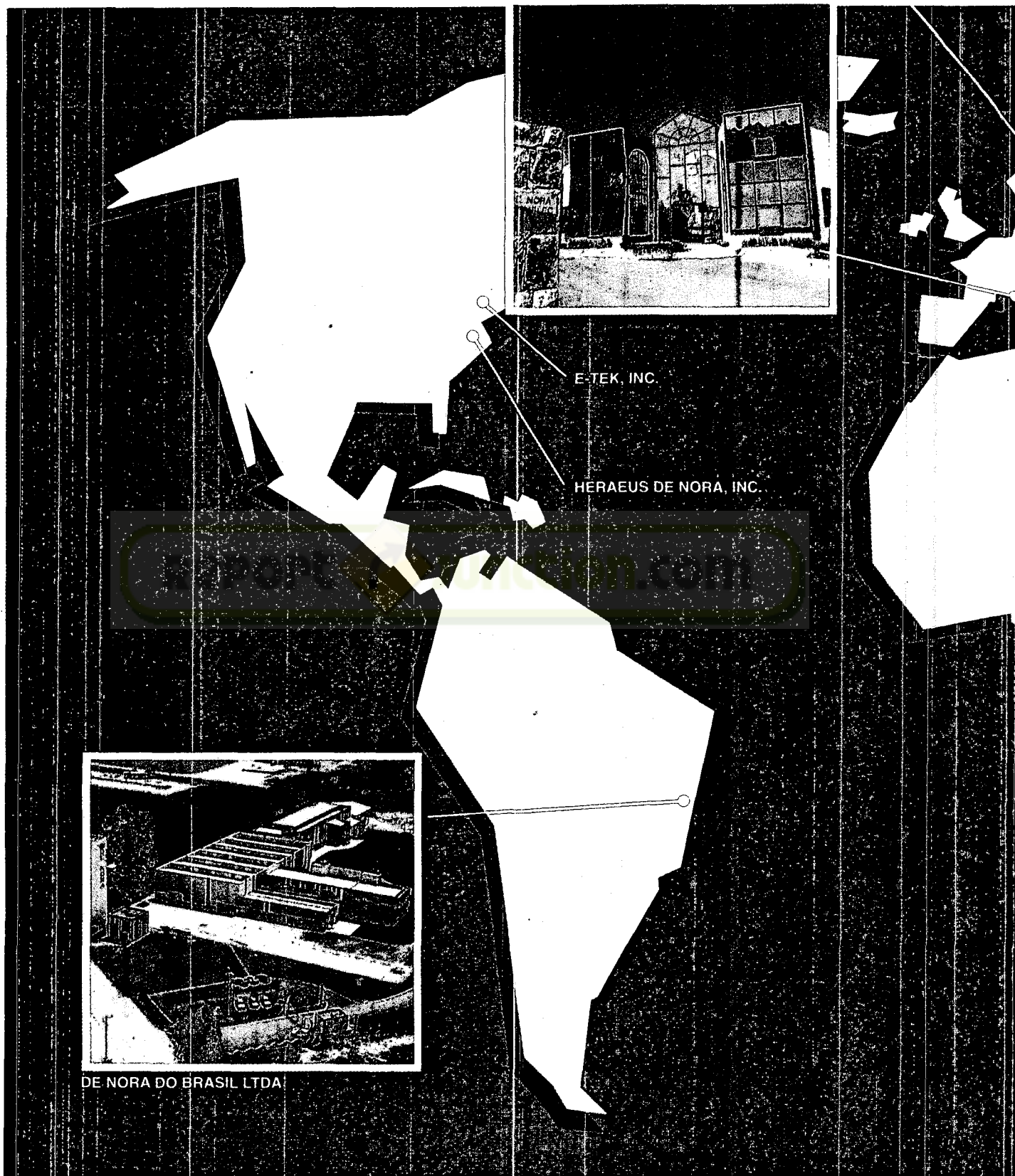


ANNUAL REPORT 1997-98

# **DE NORA S.p.A.** **SALE AND SERVICE ORGANIZATION**

DE NORA FRANCE S.A.R.L.

DE NORA DEUTSCHLAND  
G.m.b.H.



DE NORA DO BRASIL LTDA

## AMERICA

DE NORA DO BRASIL LTDA  
Av. Jerome Case, 1959  
CEP 18087-370 SOROCABA SP  
BRAZIL

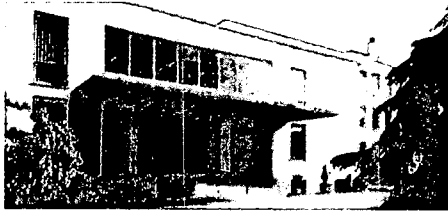
HERAEUS DE NORA, INC.  
2655 Route 22 West Union  
New Jersey 07083, U.S.A.

E-TEK, Inc.  
6 Mercer Road, Natick, MA 01760, U.S.A.

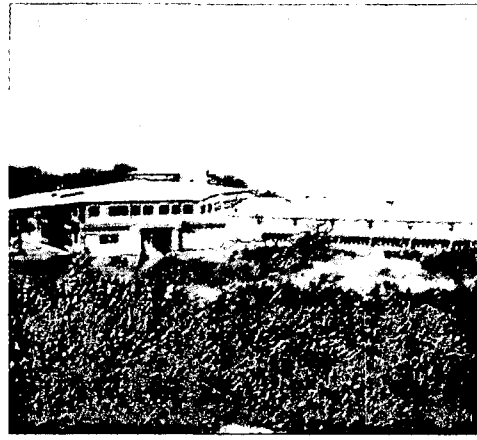
## EUROPE

DE NORA FRANCE S.A.R.L.  
15, Parc d'Activites de la Festre, Route de Grasse  
06530 SAINT CEZAIRE-SUR-SIAGNE, FRANCE  
DE NORA DEUTSCHLAND G.m.b.H.  
Gwinnerstrasse 27-33  
D-60388 Frankfurt am Main, GERMANY

DE NORA S.P.A. - ITALY  
DNP SERVICES S.P.A. ITALY



TITANOR COMPONENTS LTD., GOA, INDIA



PERMELEC ELECTRODE LTD.

JIANGYIN DE NORA TIAN  
LI ELECTROCHEMICAL  
TECHNOLOGY CO. LTD.



TITANOR SINGAPORE PTE. LTD.

DE NORAS.p.A  
Via Bistolfi, 35  
20134 Milano, ITALY  
DNP SERVICES S.p.A.  
Via Bistolfi, 35 20134 MILANO  
ITALY

ASIA  
TITANOR COMPONENTS LTD.  
Plot No. 184, 185 & 189  
Kundaim Industrial Estate  
Kundaim, 403 115 Goa, INDIA  
TITANOR SINGAPORE PTE. LTD.  
17, Tuas Street, SINGAPORE 638 454

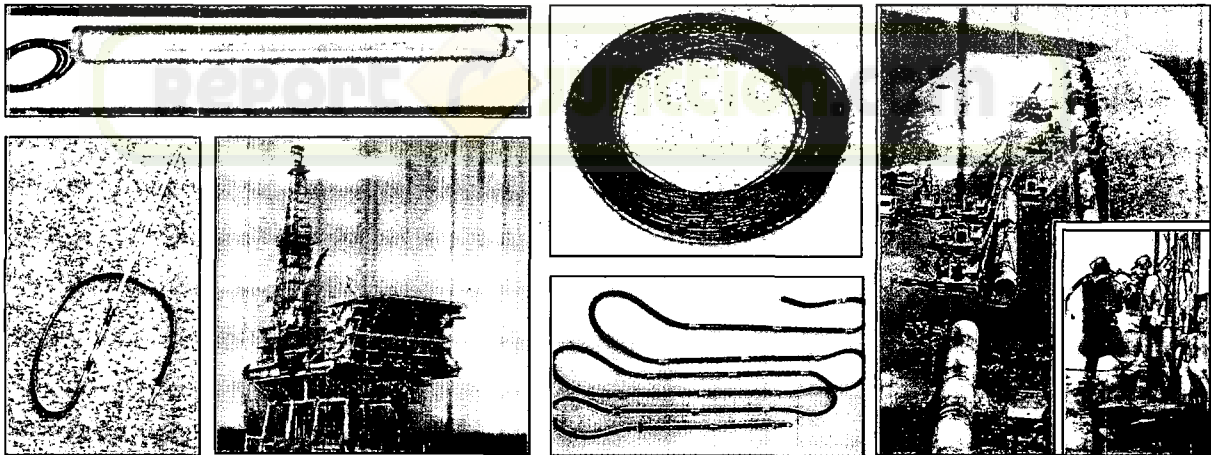
JIANGYIN DE NORATIAN LI  
ELECTROCHEMICAL TECHNOLOGY CO. LTD.  
Li Gang Town, Jiangyin City, Jiangsu Province, P.R.C.  
PERMELEC ELECTRODE LTD.  
2023-15 Endo - Fujisawa City -  
252 Kanagawa Pref, JAPAN

# DE NORA

The world leader in  
Impressed Current Cathodic Protection (ICCP)  
based on

**LIDA®**  
Anodes

Positive confirmation from owners of 14000 groundbed  
and numerous offshore installations worldwide cannot be wrong



## FEATURES

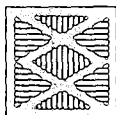
- Cost effective
- Light weight and easy to install
- Very low and uniform wear rate
- Anodes supplied with performance guarantee
- Excellent electronic conductor
- Dimensionally stable anodes
- Technically superior to conventional anode systems

## END USE

To prevent corrosion of underground steel structures such as cross country pipelines, plant piping networks, storage tank bottoms etc.

Also used for offshore jetties and oil platforms.

**LIDA®** is a registered trademark of  
ORONZIO DE NORA S.A.-Switzerland.



## BOARD OF DIRECTORS

GEORGE J. PHOCAS	<i>Chairman</i>
KAMALJIT SINGH	<i>Deputy Chairman</i>
FRANCESCO MAZZUCCHI	
FRANCO LADAVAS	
GIOVANNI SCAPINI	
KRISHAN KHANNA	
PREMAL KAPADIA	
GAUDENZIO FERRI	<i>Managing Director</i>
S. C. JAIN	<i>Whole-time Director</i>

### COMPANY SECRETARY

C. V. S. KRISHNAKUMAR

### AUDITORS

BHARAT S. RAUT & CO.

### REGISTERED OFFICE AND WORKS

PLOT NOS. 184, 185 & 189  
KUNDAIM INDUSTRIAL ESTATE  
KUNDAIM, GOA 403 115

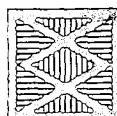
### BANKERS

BANK OF BARODA  
ABN-AMRO BANK N.V.

### SOLICITORS

DUA ASSOCIATES





## NOTICE

Notice is hereby given that the Ninth Annual General Meeting of TITANOR COMPONENTS LIMITED will be held on Monday, September 28, 1998 at 4.30 p.m. at the Registered Office of the Company at Plot Nos.184, 185 & 189, Kundaim Industrial Estate, Kundaim, Goa 403 115, to transact the following business :

### ORDINARY BUSINESS

1. To consider and adopt the Balance Sheet as at 31st March, 1998 and the Profit and Loss Account of the Company for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To declare a Dividend.
3. To appoint a Director in place of Mr. Krishan Khanna who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. P. N. Kapadia who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint a Director in place of Mr. George J. Phocas who retires by rotation and being eligible offers himself for re-appointment.
6. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

### NOTES :

- a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER.
- b) The proxy form duly completed and signed should be deposited at the Registered Office of the Company atleast 48 hours before the commencement of the meeting.
- c) The relative Explanatory Statement as required by Section 173(2) of the Companies Act, 1956 is annexed hereto in respect of item No.7.
- d) The Register of Members and the Share Transfer Books of the Company will remain closed from 16th September, 1998 to 28th September, 1998 (both days inclusive) for the purpose of payment of dividend for the financial year ended 31st March, 1998.
- e) The dividend when declared will be paid on or after 28th September, 1998 to those shareholders whose

### SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to Sections 198, 269, 309, 314 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the consent of the shareholders be and is hereby accorded to the reappointment of Mr.S.C.Jain as a Whole-time Director of the Company for a period of three years with effect from July 16, 1998 on the terms and conditions as per draft placed before this meeting and the Board of Directors are hereby authorised to revise, amend, alter or otherwise vary the terms and conditions of this appointment from time to time as they deem fit."

By Order of the Board

**C. V. S. KRISHNAKUMAR**  
Company Secretary

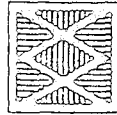
22nd July, 1998.

Registered Office :  
Plot Nos.184, 185 & 189,  
Kundaim Industrial Estate,  
Kundaim, Goa 403 115.

names appear in the Register of Members as on 28th September, 1998.

- f) Shareholders desiring any information as regards the accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.
- g) Members/Proxies should bring the attendance slips duly filled-in for attending the meeting.
- h) Pursuant to Section 205A of the Companies Act, 1956 all dividends upto the year ended 31st March, 1994 which remained unclaimed/unpaid have been transferred to the General Revenue Account of the Central Government. Any claim for payment of such unclaimed/unpaid Dividend should be made by an application in the prescribed form to the Registrar of Companies, Goa, at the address given below :

**The Registrar of Companies**  
Goa, Daman & Diu  
Daulat Building, Second Floor  
St. Inez, Panaji, Goa 403 001



## ANNEXURE TO THE NOTICE

Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956.

### ITEM NO. 7

The tenure of Mr. S. C. Jain, Whole-time Director of the Company expired on the 15th July 1998. In order to utilise the extensive experience of Mr. S.C.Jain the Board of Directors at their meeting held on 17th June 1998 have, subject to the Members' approval, reappointed him as the wholtime director of the Company for a period of 3 years w.e.f.16th July 1998 and nominated him as Occupier of the Factory. Mr. S. C. Jain is M.Tech in Chem. Engineering with more than 24 years of extensive experience in the area of chlor-alkali, electrochlorination & cathodic protection systems. He is working with the company for more than eight years in senior management level.

The terms of Reappointment are given below, the abstract of which was circulated under Section 302 of the Companies Act, 1956 :

#### 1. Duties

As a Whole-time Director of the Company, Mr. S. C. Jain shall have ultimate control over the affairs of the factory and be its Occupier. He shall also perform other duties and exercise such powers as have been or may from time to time be entrusted or conferred upon him by the Board.

#### 2. Salary

Rs. 50,200/- per month. Now, he is not eligible for separate House Rent Allowance, Entertainment Allowance, Sweeper Allowance and Driver Allowance which he was entitled in the previous year.

#### 3. Perquisites

In addition to the salary, Mr. S. C. Jain shall be entitled for following perquisites :

- i) Reimbursement of Expenditure incurred on Gas, Electricity, water and Furnishing shall be valued as per Income Tax Rules, 1962.

- ii) Medical Reimbursement and Leave Travel Concession for self and family, Personal Accident Insurance and Educational Allowance in accordance with the rules of the company and such perquisites being restricted to an amount equal to the annual salary.

#### 4. Other Payments and Provisions

##### i) Contribution to Provident Fund and Superannuation Fund

Contribution towards Provident Fund will be subject to a ceiling of 12% of the salary. Contribution to Superannuation Fund together with Provident Fund shall not exceed 27% of the salary as laid down in the Income-Tax Rules, 1962. Contribution to Provident Fund and Superannuation Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income-Tax Act.

##### ii) Gratuity

Gratuity as per rules of the company.

##### iii) Leave and Leave Encashment

In accordance with rules of the company.

##### iv) Car & Telephone

Use of Car and Telephone at the residence for the business of the company will not be treated as perquisite.

Your Directors recommend the Ordinary Resolution for your approval.

None of the Directors except Mr.S.C.Jain is interested or concerned in the resolution.

By Order of the Board

**C. V. S. KRISHNAKUMAR**  
Company Secretary

Kundaim, Goa  
22nd July, 1998.



## DIRECTORS' REPORT

TO  
THE MEMBERS

Your Directors have pleasure in presenting the 9th Annual Report together with the Audited Accounts of your Company for the year ended 31st March, 1998.

### FINANCIAL RESULTS

	(RS. IN MILLION)	
	1997-98	1996-97
Sales & Other Income	97.70	134.16
Profit before Depreciation, Taxation and Amortisation	18.13	25.77
Rampur Amortisation	3.60	3.60
Provision for Depreciation	6.32	8.74
Provision for Taxation	—	—
Profit after Depreciation, Taxation and Amortisation	8.21	13.43
Balance of Profit brought forward from Previous Year	33.03	28.93
Proposed Dividend	8.38	7.49
Transfer to General Reserves	0.41	1.09
Tax on Dividend	0.83	0.75
Balance of Profit carried forward to next year	31.62	33.03

### DIVIDEND

Your Directors are pleased to recommend a dividend of 15% for the year ended 31st March, 1998.

### OPERATIONS

During the year under review your company achieved a turnover of Rs. 97.70 million as against Rs. 134.16 million achieved during 1996-97. The downtrend in turnover in the year under review, was primarily due to the recession witnessed by the chloralkali industry.

Your company took effective steps for promoting its new products i.e. Electrochlorinators and Cathodic Protection Systems. The sales of these products have picked up considerably during the year under review.

### FUTURE OUTLOOK

The chloralkali industry continues to be in doldrums due to overcapacity. However, the new product lines are making inroads into the market. Your Directors are confident that these new products will contribute handsomely to our future growth.

### INCOME-TAX CLAIMS

As stated in Schedule 24 of the Accounts, your company has received demands under Income Tax Act amounting to Rs. 12.95 million pertaining to previous years of which the company has already paid Rs. 9.78 million under protest, whereas for the balance the company has either received or sought stay orders.

No provision for the aforesaid tax demands have been made since the company has been advised that these demands are based on erroneous application/interpretation of the Income Tax Act. Company's appeals are pending before the relevant authorities.

### FIXED DEPOSITS

There were 4 deposits amounting to 0.06 million which had matured but were not claimed by the depositors as on 31.3.98. All these deposits have since been claimed and paid as on the date of this report.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information in accordance with Section 217(1)(e) of the Companies Act, 1956 read with Rule 2 of Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are set out in Annexure 'A' forming part of this report.

### SUPPORT FROM FOREIGN COLLABORATOR

Your Directors wish to place on record their gratitude for the continued guidance and the co-operation received from Foreign Collaborator, M/s. Oronzio De Nora International B.V.

### AUDITORS

During the year under review M/s. Kapadia Parera Makhijani Girish, Chartered Accountants resigned and M/s. Bharat S Raut & Co., Chartered Accountants were appointed in place of the casual vacancy caused by the resignation.

M/s. Bharat S Raut & Co. retire at the conclusion of this annual general meeting and they are eligible for reappointment.

### QUALITY ASSURANCE

Adherence to Quality Standards has become the bone of contention in the days of emerging market scenario. Your Company has understood this vital need of the hour and towards this end your company is taking effective steps to obtain ISO 9002 Certification. The preliminary steps required are being followed and the company is confident of obtaining the certification during the current financial year.

### LISTING IN MANGALORE STOCK EXCHANGE

The Directors are pleased to inform you that your company has obtained listing of its equity shares in Mangalore Stock Exchange as Regional Stock Exchange in addition to the existing listing at The Stock Exchange, Mumbai, The Delhi Stock Exchange Association Limited and National Stock Exchange of India Limited.

### DIRECTORS

In accordance with the Articles of Association of the Company, Mr. Krishan Khanna, Mr. P. N. Kapadia and Mr. George J. Phocas will retire by rotation at the forthcoming Annual General Meeting and are eligible for reappointment.

On July 15, 1997 Mr. B. P. Vaidya resigned from the Board. The company records its appreciation for the valuable services rendered by Mr. B. P. Vaidya from the inception of the company.

During the year Mr. S.C. Jain, Whole-time Director, has been reappointed for a period of three years w.e.f. 16th July, 1998. The consent of the shareholders is sought for his reappointment as per the provisions of Schedule XIII of the Companies Act, 1956.

### PERSONNEL

The employer-employee relations throughout the year were very cordial. Information pursuant to Section 217(2A) of the Companies Act 1956, read with The Companies (Particulars of Employees) Rules, 1975, are set out in Annexure 'B' forming part of this report.

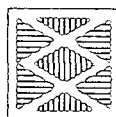
For and On behalf of the Board of Directors

KAMALJIT SINGH  
Deputy Chairman

GAUDENZIO FERRI  
Managing Director

Kundaim, Goa  
July 22, 1998





## ANNEXURE 'A' TO DIRECTORS' REPORT

INFORMATION IN ACCORDANCE WITH SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

### A. CONSERVATION OF ENERGY

Though the manufacturing operations involve consumption of energy, it is not of major significance. Awareness is generated among the workers for conservation of energy which is yielding good results.

### B. TECHNOLOGY ABSORPTION RESEARCH & DEVELOPMENT

The Company has technical collaboration with M/s. Oronzio De Nora International B.V., The Netherlands for Ion Exchange Membrane Electrolysers for Chlor-Alkali Industry, Water Electrolysers and

Electrochlorinators for Water treatment and with M/s. Oronzio De Nora S.A., Switzerland for Cathodic Protection (Anti corrosion) Systems. In view of this, the Company did not incur any expenditure on R&D during the year under review.

### TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

The Company maintains continuous interaction with foreign collaborators, which has benefited the Company by absorbing successfully state-of-the-art technology for the manufacture of anodes and cathodes for the membrane cell and technology for cell assembly over the last seven years and keeps the Company abreast of the latest technological innovations in this field.

### C. FOREIGN EXCHANGE EARNINGS & OUTGO

The information on foreign exchange earnings are detailed in Note 27 and foreign exchange outgo is detailed in Note 26(i) and 28 of the Accounts.

## ANNEXURE 'B' TO DIRECTORS' REPORT

PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 217(2A) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 1998

Sr. No.	Name	Designation	Qualification	Experience (Years)	Date of Commencement of Employment	Remuneration Received (Rs.)	Age (years)	Last Employment
1	Mr. Gaudenzio Ferri	Managing Director	Doctorate in Chemical Engg.	31	01.04.95	1446343	56	General Manager De Nora S.p.A.
2	Mr. A. Bahl	Sr. Ex. Vice President Operations	B.Sc., Engg. (Mech), MMS	28	01.04.90	658008	51	Dy. Gen. Manager-(Mfg.) K. G. Khosla Compressors Ltd.
3	Mr. S. C. Jain	Whole-time Director	M.Tech	24	01.12.89	574256	47	Dy. GM-Services & Business Development Wimco Ltd.
4	Mr. R. Renganathan*	Ex. Vice President - Finance	B.Com., ACA, ACS	16	01.05.90	404743	40	Manager-Finance & Admn. Immark Brands Pvt. Ltd.
5	Mr. M. S. Bhandarkar*	Sr.Gen.Manager (Tech)	B.E (Electrical)	29	01.12.89	1083017	58	Chief Manager (Mfg. Projects) Wimco Ltd.
6	Mr. David Francis	Gen. Manager-Marketing	B.Tech (Chem. Engg.)	17	01.12.89	494618	38	Manager-Technical Assistance Wimco Ltd.
7	Mr. N. Ahuja	Gen. Manager-HRD & Admn.	B.A (Eco), MBA (PM&IR)	22	01.12.89	489265	44	Personnel Manager Wimco Ltd.
8	Mr. Noel da Silva*	Company Secretary/Dy. Gen. Mgr-Legal	M.Sc., M.A., LLB., FCS	20	01.03.95	210657	46	Manager-Commercial Guala India Pvt. Ltd.
9	Mr. V. N. Srivastava*	Dy.General Manager-Finance & Accounts	B.Com., ACA	13	21.07.97	232280	37	Manager-Finance, Kalyani Lemmerz Ltd.
10	Mr. K. M. A. Rahim*	Dy.Gen.Manager-Cathodic Protection Systems	B.Sc., B.Ed (Physical Sc. & Maths)	25	01.06.95	274535	47	Manager-LIDA(R) Products, De Nora Permelec Pte. Ltd., Singapore
11	Mr. Bipul Singh	Senior Manager-Technical Services	B.E.(Chem)	9	01.06.92	315977	33	Sr. Process Engineer, Ballarpur Industries Ltd.
12	Mr. S. M. Prabhu	Senior Manager-Technical Services	B.E.(Electrical)	8	04.10.95	309418	31	Sr. Officer, NRC Limited

#### NOTES :

- Gross Remuneration includes wherever applicable Salary; Allowances; Actual expenses on rent for accommodation, Gas, Electricity and Water, Leave Travel Assistance, Contribution to Provident Fund & Superannuation Fund; Gratuity, Medical expenses and monetary value of other perquisites calculated in accordance with provisions of Income Tax Act, 1961 and rules made thereunder.
- None of the employees mentioned above is a relative of any Director of the Company.
- The nature of employment in all cases is contractual.
- \* Employed for a part of the financial year.