
DE NORA INDIA LIMITED

(Formerly Titanor Components Limited)



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ANNUAL REPORT 2008



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DHARMESH KUVALEKAR

REGISTRAR & TRANSFER AGENT

Sharepro Services (India) Private Limited
Satam Estate, 3rd Floor
Above Bank of Baroda
Cardinal Gracious Road, Chakala
Andheri (E), Mumbai - 400 099

BANKERS

BANK OF BARODA
AXIS BANK LTD.

REGISTERED OFFICE & WORKS

PLOT NO. 184, 185 & 189
KUNDAIM INDUSTRIAL ESTATE
KUNDAIM, GOA - 403 115
Tel.:91-832-3981100
Fax.:91-832-3981101
Email.: denoraindia@denora.com
Website: www.denoraindia.com

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DE NORA INDIA LIMITED**NOTICE**

Notice is hereby given that the twentieth Annual General Meeting of DE NORA INDIA LIMITED will be held on 20th May, 2009 at 11.00 a.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 receive, consider and adopt the Balance Sheet as at 31st December, 2008 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 dividend on Equity Shares.
3. To appoint a Director in place of Mr. Giuseppe Cambareri who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Angelo Ferrari who retires by rotation and being eligible offers himself for re-appointment.
5. 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.

SPECIAL BUSINESS

6. To consider and if thought fit, to pass with or without modification(s) the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT subsequent to the expression of opinion by the Central Government under Section 309(1) of the Companies Act, 1956 that Mr. R.V.N.P.R. Sardessai possesses the requisite qualification for the practice of his profession, approval of the Shareholders be and is hereby accorded for payment of Consultancy Fee to Mr. R.V.N.P.R. Sardessai, Non-Executive Director for the following services rendered by him as a Sales Tax Consultant:

1. Consultancy and Advising on Goa Sales Tax Act, Central Sales Tax Act, Entry Tax, Works Contract Tax and Service Tax. Interpretation and intimating any changes and amendments to abovementioned Acts.
2. Representing Company during assessments by the Department.

3. Preparation and filing of periodic returns for abovementioned indirect taxes.

4. Preparing written submissions for assessments.

5. Preparing appeal papers and representation of the facts appropriately in the hearings.

RESOLVED FURTHER THAT Mr. Sardessai will render the above services as and when required by the Company and he shall be paid on a case to case basis. The total payments for the same shall not exceed Rs.50,000/- per annum."

7. To consider and if thought fit to pass with or without modification(s) the following resolution as a SPECIAL RESOLUTION.

"RESOLVED THAT pursuant to sections 198, 269 and 309 read with schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, the consent of the shareholders be and is hereby accorded to the extension of tenure of Mr. S.C. Jain, as Managing Director for a period of 1 (one) year with effect from July 16, 2010 on the terms and conditions and remuneration as set out in the Explanatory statement attached to the notice convening this Annual General Meeting, with a liberty to the Board of Directors (deemed to include the Remuneration Committee of the Board) to revise, amend, alter or otherwise vary the terms and conditions of this appointment including remuneration so as to comply with the provisions specified in Section II 1 (B) of Part II, of Schedule XIII to the Companies Act, 1956, in case of no profit or inadequate profits as computed under Companies Act, 1956 or any amendments thereto as may be required from time to time, and as agreed by the Board of Directors and Mr. S.C. Jain.

RESOLVED FURTHER THAT the consent of the shareholders be and is hereby accorded for the ratification of remuneration paid to the Managing Director in the year 2008, as approved and recommended by the Remuneration Committee of the Board in its meeting held on 05.03.2009, and that the Board of Directors of the company be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By Order of the Board

Place: Kundaim - Goa
Dated: March 05, 2009

DHARMESH M. KUVALEKAR
Company Secretary



DE NORA INDIA LIMITED

NOTES:

- a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING 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 at least 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. 6.
- d) The Register of Members and the Share Transfer Books of the Company will remain closed from 28th April, 2009 to 30th April, 2009 (both days inclusive) for determining the names of Members eligible for dividend, if approved, in the Annual General Meeting. In case of shares held in electronic form, dividend will be paid on the basis of particulars of beneficial ownership furnished by the Depositories for this purpose.
- e) 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.
- f) Members/Proxies should bring the attendance slips duly filled-in for attending the meeting.
- g) The amount of unclaimed dividend for and upto the year ended March 31, 1994 which remained unpaid or unclaimed 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
Company Law Bhavan
EDC, Plot No.21, Patto
Panaji 403001, Goa
- h) Unclaimed and unpaid Dividend for the Financial Year 1996, 1997 and 1998 has already been transferred to "Investors Education And Protection Fund" on October 24, 2003, October 13, 2004 and October 10, 2005 respectively and no claims shall lie against the Company or the said Fund in respect of such Dividend which remain unclaimed or unpaid for a period of 7 years from the date when they first became due.
- i) Consequent upon the introduction of Section 109A of the Companies Act, 1956, Shareholders are entitled to make nomination in respect of shares held by them in

physical form. **Shareholders desirous of making nominations are requested to send their requests in Form 2B (enclosed) to our Registrar & Transfer Agent:**

**Sharepro Services (India) Private Limited,
Satam Estate, 3rd Floor,
Above Bank of Baroda,
Cardinal Gracious Road, Chakala,
Andheri (E), Mumbai 400 099**

- j) Members are requested to notify immediately any change in their addresses to the Registrar & Transfer Agents at the above address.
- k) As per SEBI's directive, w.e.f. June 26, 2000 all investors can offer delivery of Company's shares in dematerialized form only. 5377505 number of Company's shares (96.80%) have been dematerialized as on 31.12.2008.

Members are requested to take steps to dematerialize their shares held in physical form to have easy liquidity. **The Company's ISIN No. is INE244A01016.**

- l) The Company provides the facility of Electronic Clearing Service (ECS) to all shareholders, in the following cities:

Ahmedabad, Bangalore, Bhubaneswar, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Kolkata, Mumbai, Nagpur, New Delhi, Patna and Thiruvananthapuram.

Shareholders holding shares in the physical form who wish to avail ECS facility, may authorize the Company with their ECS mandate in the prescribed form, attached with this Annual Report. The duly filled in ECS Mandate should be lodged with Registrar & Transfer Agents, on or before April 30th 2009.

INFORMATION TO BE FURNISHED UNDER THE LISTING AGREEMENT

I Name : Mr. Giuseppe Cambareri
Age : 44 years.
Qualification: He graduated magna cum laude from University of Rome in 1988 and received legal education at the British Institute of International and Comparative Law in London and the International centre of Study of the European Community in Milan. Mr. Cambareri was admitted to the Milan Barristers Association in 1991 and as a Supreme Courts Attorney in 2004. He is a member of the International Bar Association and the London Court of International Arbitration.

Expertise : He is one of the three partners of Cannata, Pierallini e Associati, an independent law

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firm with offices in Rome and Milan. He presently sits on the Board of Directors of Italian, US and Asian companies in various fields of Industry. Mr. Cambareri has more than twenty years' experience in advising companies and individuals on corporate law and contracts. He represents large and medium sized corporations in Europe, North America and Asia in connection with M&A transactions, investment, shareholders agreements, joint ventures, corporate alliances and recognitions, securities and stock exchange regulations, competition law and merger control regulations. He advises clients on wide array of contracts and commercial matters including international sales, IP licenses, agency, distribution and product law.

Other Directorship/Committee Membership.

1. Nuvera Fuel Cells Europe S.r.l.

He is a member of Audit, Remuneration and Shareholders Grievance Committee of the Board.

Details of shareholding: NIL

II. Name : Mr. Angelo Ferrari
Age : 48 years
Qualification : Degree in Business Administration
 C/O "Luigi Bocconi" University in Milan.

Expertise : He has more than 22 years of extensive experience in the area of Finance function. He has been associated with the Parent company since last 20 years. He is presently the head of group internal auditing and special projects activity in Industrie De Nora S.p.A.

Other Directorship/Committee Membership

1. Oronzio De Nora International B.V.

2. De Nora Deutschland GmbH

3. De Nora Elettrodi (Suzhou) Co. Ltd.

4. De Nora do Brasil Ltda

5. Norfin do Brasil Ltda

6. Jetnor S.r.l.

He is a member of Audit Committee of Board.

Details of shareholding: NIL

ANNEXURE TO NOTICE:

Explanatory statement pursuant to Sec. 173(2) of the Companies Act, 1956.

Item 6

Mr. R.V.N.P.R. Sardesai is a qualified Sales Tax Advocate & Consultant. Anticipating that the Company may require professional advice and services from Mr. R.V.N.P.R. Sardesai, from time to time, in the field of Sales Tax, the Company had acquired the expression of opinion by the Central Government to permit payment of professional fees in accordance with Section 309(1) of the Companies Act, 1956. As per the provisions of the Clause 49 I(B) of the Listing Agreement entered into by the Company with National Stock Exchange all

fees/compensation, if any, paid to non-executive directors, including independent directors, shall be fixed by the Board of Directors and shall require previous approval of the shareholders in General Meeting. Hence, the Ordinary Resolution seeking shareholder's approval is proposed.

None of the Directors other than Mr. R.V.N.P.R. Sardesai are interested in the resolution.

Item 7

The present term of office of Mr. S.C. Jain as Managing Director will be expiring on July 15th, 2010. The Board of Directors at their Meeting held on March 5th, 2009, subject to the approval of the Shareholders, have extended the tenure of Mr. S.C. Jain as Managing Director for a further period of one year w.e.f. July 16th, 2010 as per the terms and conditions set out hereunder, determined by the Remuneration Committee of the Board of Directors.

The information to be disclosed as per Schedule XIII to the Companies Act, 1956 is as under:

I. GENERAL INFORMATION

1. The company is in the business of manufacture of products for Electrolytic processes.
2. Date of commencement of commercial production: 25.08.1993
3. Financial performance based on given indicators:

The comparative profit after tax of the company is as under:

Year ended	December 31, 2006 (Rs.)	December 31, 2007 (Rs.)	December 31, 2008 (Rs.)
Profit/(Loss) After Tax	50,469,270	41,890,421	17,340,000

4. Export performance: Rs 31,310,028
5. Foreign investments or Collaborators: The company has Financial and Technical Collaboration with Oronzio De Nora International B.V., The Netherlands which holds 51.29% equity in the Company. In addition it has technical collaboration with Oronzio De Nora S.A., Switzerland and M/s. Electrometals Technologies Limited, Australia.
6. The company has not defaulted in repayment of any of its debts (including public deposits) or debentures or interest payable thereon for a continuous period of 30 days in the preceding financial year before the date of appointment of such managerial person

II. INFORMATION ABOUT THE APPOINTEE

Mr. S.C. Jain is M. Tech. in Chemical Engineering from IIT Delhi. He has over 34 years of experience in



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industry and he has been with the Company since its inception. He was inducted in the Board as a Whole-time Director in July 1997 and since April 1999, with the end of tenure of Mr. Gaudenzio Ferri as Managing Director; Mr. Jain became independently responsible for the day to day management of the Company. He was appointed as the Managing Director of the Company w.e.f. July 16th, 2007 for a term of three years, expiring on July 15th, 2010.

As a Managing Director Mr. S.C. Jain was and will be responsible for the overall management of the company. He shall also be the Occupier of the Factory. With his long standing experience he is ideally suitable for managing the day to day operations of the Company and to take the Company's business to higher level.

The present remuneration package of Mr. Jain is as under:

A) Salary: Rs. 1, 00,000/- p.m.

B) Perquisites: In addition to the salary Mr. S.C. Jain shall be entitled to the following perquisites, namely rent-free furnished accommodation, medical reimbursement and such other payments in the nature of perquisites and allowances in accordance with the Rules of the company and any other performance related incentives as may be agreed / determined by the Board of Directors. The total value of perquisites together with salary shall be restricted upto 5% of the Net Profits computed in the manner laid down in section 198(1) of the Companies Act, 1956 in case of profits and Rs. 3,000,000/- per annum in case of no or inadequacy of profits as per Part II Section II 1(B) of Schedule XIII of the Companies Act, 1956.

C) 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 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.

ii) Gratuity: Gratuity as per rules of the company.

iii) Leave and Leave Encashment

a) Leave and Leave Encashment is allowed during the tenure of appointment in the company and leave encashment during the tenure shall be included in the computation of perquisites.

b) Leave Encashment at the end of the tenure will not be included in the computation of perquisites.

iv) Car & Telephone: The Company shall provide a car with driver for business use and telephone facility at his residence. The provision of car for the use on Company's business and telephone

facility at the residence will not be considered as perquisites. Personal long distance calls on telephone shall be billed by the company to Mr. S. C. Jain.

Proposed Remuneration Package to Mr. S C Jain is as under:

The Remuneration Committee of the Board has approved the continuance of the existing remuneration package to Mr. S C Jain.

Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:

The company in relation to its size and the industry is not comparable. The remuneration of the Managing Director cannot be compared with any other corporate in the industry. However, taking into consideration the size of the company, the profile of the appointee, and the responsibilities shouldered by him, the remuneration proposed to be paid is commensurate with the remuneration packages given to similar senior level appointees.

Mr. Jain is not related directly or indirectly with the company or with managerial personnel except in the manner described above.

III OTHER INFORMATION

1. Reasons of loss or inadequate profits:

The Mercury Cell Plants are gradually being converted into Membrane Cell Plants and at this stage the company doesn't get the business of Anode/Cathodes coating since these are inbuilt in the new Cells and the complete set of Cell Elements are imported by the customers. The company is not in the business of manufacturing Cell Elements and the recoating business in respect of these Anodes/Cathodes will come after 8 years. The Electrochlorination business is witnessing severe price competition due to entry of various small competitors having significant influence in their limited area of operation.

2. Steps taken or proposed to be taken for improvement:

Company will look into new opportunities like Chlorate Cells & fabrication of Titanium equipments, Electrochlorinators with improved models & introduction of Solar Mac® 7. and Platinised Titanium anodes which have been introduced in 2008.

3. Expected increase in productivity and profits in measurable terms.

Particulars	2009	2010	2011	2012	2013
Sales (Rs)	122,167,000	120,336,240	176,641,010	212,063,300	308,424,050
Profit after tax (Rs)	1,437,200	(5,983,560)	9,774,210	17,004,300	40,212,050

DE NORA INDIA LIMITED



IV. DISCLOSURES

1.The remuneration package of the Managing Director shall be as indicated above under the heading information about the appointee.

2.The relevant disclosures have been made in the Corporate Governance Report attached to the Annual Report.

None of the Directors other than Mr. S.C. Jain are interested in the resolution.

By Order of the Board of Directors

Place: Kundaim - Goa
Dated: March 05, 2009

DHARMESH M. KUVALEKAR
Company Secretary





DE NORA INDIA LIMITED

DIRECTORS' REPORT

TO
THE MEMBERS

Your Directors have pleasure in presenting the 20th Annual Report together with the Audited Accounts of your Company for the year ended 31st December, 2008.

FINANCIAL RESULTS

(RS. IN MILLION)

	2008	2007
Sales and other Income (Net of duties)	226.46	224.81
Profit/(Loss) before Depreciation & Taxation	37.44	70.33
Provision for Depreciation	(7.67)	(10.55)
Provision for Taxation for current/prior years	(10.19)	(13.05)
Deferred Taxation (Liability)/Asset for current/prior years	1.08	(4.83)
Net Profit after Tax	20.66	41.89
Balance of Profit brought forward	77.56	77.55
Transfer To General Reserves	2.06	4.19
Proposed Dividend	13.89	32.22
Tax on Dividend	2.37	5.48
Balance of Profit carried forward to next year	79.90	77.56

DIVIDEND

Your Directors recommend a Dividend of 25% of paid-up capital for the year ended 31st December, 2008 absorbing an amount of Rs.16.26 Million of distributable profits, inclusive of tax on dividend as against 58% dividend for the previous year 2007.

OPERATIONS

The Company continues to remain the market leader in the Chlor Alkali and Cathodic Protection Systems business. The main activity of the company is dependent on recoating of electrodes for membrane cell electrolyzers in chlor-alkali plant, which is cyclic in nature and was the main cause for reduced turnover during this year. The Mercury Cell Plants are gradually being converted into Membrane Cell Plants. Your Company does not get the business of Anodes/Cathodes coating at this conversion stage since these are inbuilt in the new Cells and the complete set of Cell Elements are imported by the customers. Your Company is not in the business of manufacturing Cell Elements and the recoating business in respect of these Anodes/Cathodes will come to us after 8 years. The

Electrochlorination business is witnessing severe price competition due to entry of various small competitors having significant influence in their limited area of operation. However, the company recorded some increase in its Electrochlorination business as compared to the previous year.

The company introduced selling of platinized titanium Anodes for application in the surface finish industry and recorded a turnover of Rs.2 million. Presently, the company is importing platinized titanium Anodes from De Nora Deutschland GmbH. In future, the company intends to manufacture them in India.

The company redesigned the Electrochlorinators and attained significant improvement in the efficiencies over the existing model. The company has also received a technological package for manufacturing platinized titanium Anodes for surface finishing application and the company intends to implement this in 2009. In view of downtrend in Indian economy the company is implementing cost cutting measures in all areas.

OUTLOOK

The Company is looking forward to maintain its position of market leader in Membrane recoating activity and Cathodic Protection Systems. Special efforts are being made to increase company's market share in the Electrochlorination business.

The company has started manufacturing Electrochlorinators with improved efficiencies. These would be marketed through AVENTURA and these have been branded as AVENTURA DE NORA. The Company has also started manufacturing Electrochlorinators based on solar energy. This will have one model SOLAR MAC[®] 7. The company intends to cater to remote villages water needs where there is no electricity or very poor availability of electricity. This unit is expected to disinfect the drinking water 36000 litres @ 1.5 ppm chlorine per day. This unit can meet the needs of drinking water for 6000 people per day. This unit generates 54 gms of chlorine per batch (8 Hrs).

DIRECTORS

In accordance with the Articles of Association of the Company, Mr. Giuseppe Cambareri & Mr. Angelo Ferrari will retire by rotation at the forthcoming Annual General Meeting and are eligible for re-appointment.

Brief resumes of Directors seeking re-appointment, the nature of their expertise in specific functional areas, names of companies in which they hold directorships and the memberships of committees of the board, their shareholdings, etc. are attached with the Notice of the Annual General Meeting of the Company.



CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the National Stock Exchange of India Ltd., Management Discussion and Analysis Report, Corporate Governance Report and Practising Company Secretary's Certificate regarding Compliance with the Code of Corporate Governance are made part of the Annual Report.

CEO/CFO CERTIFICATION

A certificate from Managing Director and Finance Head on the financial statements of the Company, as required under Clause 49 of the Listing Agreement with the National Stock Exchange was placed before the Board.

INFORMATION AS REQUIRED UNDER THE LISTING AGREEMENT

The shares of the company are presently listed at The National Stock Exchange of India Limited, Mumbai under the Stock Code **DENORA EQ** and the company has paid listing fee upto March 31, 2009 in respect of above stock exchange.

ISO CERTIFICATION

The Company has maintained its continued endeavor in terms of quality and maintenance of International Standards. The Company has got the prestigious certification for ISO 9001:2000 for Quality Management System from JAS-ANZ through Verification New Zealand Limited on 29/05/2007 valid till 29/05/2010 for all its products & applications covered under the field of Electrolytic Processes, produced at its manufacturing base at Goa.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

1. That in the preparation of the accounts for the financial year ended December 31, 2008 the applicable accounting standards have been followed along with proper explanations relating to material departures;
2. That such accounting policies have been selected and consistently applied and judgements and estimates made, that are reasonable and prudent so as to give a fair and true view of the state of affairs of the Company at the end of the financial year and of the profit of the

Company for the year under review;

3. That proper and sufficient care has been taken for the maintenance of adequate records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. That the accounts for the financial year have been prepared on a 'going concern' basis.

AUDITORS

The Auditors M/s.B S R and Associates, Chartered Accountants will retire at the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment. The Company has received letter from them to the effect that their appointment, if made, would be within the prescribed limits under Section 224 (1-B) of the Companies Act, 1956.

PERSONNEL

The information required under Section 217(2A) of the Companies Act, 1956, and the Rules framed there under is annexed hereto as Annexure 'A' and forms part of the 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 'B' forming part of this report.

ACKNOWLEDGMENT

Your Directors would like to express their sincere appreciation for the continued support and co-operation received from Bankers, Foreign Collaborators, Government Authorities and Shareholders. Your Directors wish to place on record their deep sense of appreciation for the devoted services of the Executives, Staff and Workers during the year under review.

For and On behalf of the Board of Directors

Place: Kundaim, Goa
Dated: March 05, 2009

P. N. KAPADIA
CHAIRMAN