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# DE NORA INDIA LIMITED

(Formerly Titanor Components Limited)

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ANNUAL REPORT 2013





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<b>COMPANY SECRETARY</b> JYOTI BANDODKAR	Nomination Form	
<b>REGISTRAR &amp; TRANSFER AGENT</b> Sharepro Services (India) Private Limited, 13AB, Samhita Warehousing Complex, 2 <sup>nd</sup> Floor, Near Sakinaka Telephone Exchange, Andheri-Kurla Road, Sakinaka, Andheri (E), Mumbai – 400 072	<b>REGISTERED OFFICE &amp; WORKS</b> PLOT NOS. 184,185 & 189 KUNDAIM INDUSTRIAL ESTATE KUNDAIM, GOA – 403 115 Tel.: 91-832-3981100 Fax.: 91-832-3981101 Email: denoraindia@denora.com Website: <a href="http://www.denoraindia.com">www.denoraindia.com</a>	
<b>BANKERS</b> BANK OF BARODA AXIS BANK LIMITED		





## NOTICE

Notice is hereby given that the twenty fifth Annual General Meeting of DE NORA INDIA LIMITED will be held on Wednesday, May 14, 2014 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, 2013, the Statement of Profit and Loss of the Company and the Cash Flow Statement 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. Premal Kapadia who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. M. A. Sundaram who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the management to fix their remuneration.

### SPECIAL BUSINESS

6. Appointment of Dr. Robert Scannell as a Director

To consider and, if thought fit, to pass with or without modification(s), if any, the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** Dr. Robert Scannell who was appointed by the Board of Directors as an Additional Director of the Company on February 12, 2014 and who holds office up to the date of this Annual General Meeting of the Company, in terms of Section 260 of the Companies Act, 1956 (“the Act”), but who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company.”

**“RESOLVED FURTHER THAT** Mr. Vinay Chopra, Director of the Company, be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.”

By Order of the Board of Directors

Place : Kundaim – Goa  
Dated : February 12, 2014

**JYOTI BANDODKAR**  
COMPANY SECRETARY

### 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 May 10, 2014 to May 14, 2014 (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 – 403 001, Goa
- h) Pursuant to the provisions of Sec. 205A(5) of the Companies Act, 1956, dividend for the financial year ended December 31, 2006 which remain unclaimed till June 12, 2014 will be transferred by the Company to the “Investors Education & Protection Fund” (IEPF) established by the Central Government. The due date for transfer to IEPF is July 11, 2014.

Unclaimed and unpaid dividend for the Financial Years 1997, 1998, 2003, 2004 and 2005 have already been transferred to “Investors Education And Protection Fund” on October 13, 2004, October 10, 2005, June 27, 2011, April 20, 2012 and May 17, 2013 respectively and no claims shall lie against the Company or the said Fund in respect of such dividend which remains unclaimed or unpaid for a period of 7 years from the date when they first became due.



## DE NORA INDIA LIMITED

CIN-L31200GA1993PLC001335

- 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**  
**13 AB, Samhita Warehousing Complex**  
**2<sup>nd</sup> Floor, Near Sakinaka Telephone Exchange**  
**Andheri-Kurla Road, Sakinaka, Andheri (East)**  
**Mumbai – 400 072**

- 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. 5161513 number of Company's shares (97.22%) have been dematerialized as on 31-12-2013.

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 NECS to all Shareholders. Shareholders holding shares in the physical form who wish to avail this facility, may authorize the Company with their NECS mandate in the prescribed form, attached with this Annual Report. The duly filled in NECS mandate should be lodged with the Registrar & Transfer Agents, on or before May 9, 2014. Shareholders holding shares in electronic form should inform the same to their respective Depository Participants immediately.
- m) Members are also requested to register and update their e-mail address with the Company in order to receive various documents through electronic mode.

### INFORMATION TO BE FURNISHED UNDER THE LISTING AGREEMENT

- I. Name : Mr. Premal Kapadia  
Age : 64 years  
Qualification : M.S. (Engineering) - USA  
Expertise : Mr. Kapadia is a Chemical Engineer with 39 years' experience in project execution, business development, general administration and overall corporate management. He has wide exposure in the project engineering activities comprising engineering, procurement, inspection, expediting, planning and scheduling, construction, etc. He has gathered experience in execution of projects in the fields of Oil and Gas Processing, Petrochemicals, Chemicals, Pharmaceuticals, Coal Washeries, Material Handling, Dyestuffs and Intermediates, Electrolytic Processes, Pulp and Paper, Food Stuffs.

### Other Directorship/Committee Membership:

1. Harshadray Private Limited, Mumbai
2. Dryden Private Limited, Mumbai
3. TUV India Private Limited, Mumbai
4. Harshadray Investment Private Limited, Mumbai
5. The West Coast Paper Mills Limited, Dandeli
6. Kaira Can Co. Limited, Mumbai
7. Silicon Interfaces Private Limited, Mumbai
8. Silicon Interfaces America Inc., U.S.A.
9. Protos Engineering Co. Private Limited, Mumbai
10. Sortimat Protos Automation Private Limited, Mumbai
11. Alkyl Amines Chemicals Limited, Mumbai
12. Thyssenkrupp Industries India Private Limited, Pune
13. FirstService (India) Private Limited, Mumbai
14. Intergrated Industrial Quality Management Consultants Private Limited, Mumbai
15. Rata Iron Ore & Minerals Exports Private Limited, Mumbai
16. Sujata Resources Private Limited, Mumbai
17. Jain International Trade Organization, Mumbai
18. Sujata Enterprises, Mumbai
19. Puma Properties Limited, Mumbai
20. Virman Real Estate Private Limited, Mumbai
21. Virneesh Properties Developers Private Limited, Mumbai
22. Suproha Properties Private Limited, Mumbai
23. Sujata Commodities Services DMCC, Dubai, U.A.E.
24. Sujata Commodities International Limited, Dubai, U.A.E.
25. Clarisity Solutions Private Limited, Mumbai

He is a member of the Remuneration Committee of the Board of De Nora India Limited, Chairman of the Share Transfer Committee of Kaira Can Co. Ltd., Member of the Audit Committee of Alkyl Amines Chemicals Ltd. and Member of Audit and Remuneration Committee of The West Coast Paper Mills Ltd.

Details of Shareholding : 57000 Shares

- II. Name : Mr. M. A. Sundaram  
Age : 81 years  
Qualification : IRAS (Retd.) Studied Modern Management Techniques in USA & Canada on a UN Fellowship. (1972-73)  
Expertise : He joined Indian Railways Accounts Service in 1957 and served for 20 years at various Railway Divisions. He was selected as Finance Director of Bongaigaon Refineries & Petrochemicals Ltd. (BRPL 1977-1981) by Public Enterprises Selection Board. Acted as Vice-President (Finance) Zuari



Industries 1981-1990 and Vice-President (Finance) Reliance Industries Ltd. from 1990-1992 where he was looking after Reliance Petrochemicals Ltd.'s Hazira Project. He was a Consultant to Deepak Fertilizer & Petrochemicals Corp. Ltd. He is associated with Goa Institute of Management and Goa University's Department of Management Studies as a Visiting Faculty.

Other Directorship/Committee Membership:

1. Goa Property and Financial Services Pvt. Ltd. He is a Chairman of the Audit, Remuneration & Shareholders' Grievance Committee of the Board of De Nora India Limited.

Details of Shareholding : NIL

III. Name : Dr. Robert Scannell  
Age : 54 years  
Qualification : Ph.D. in Electrochemistry

Expertise : He is the Managing Director of De Nora Deutschland GmbH and the Regional Chief Officer of De Nora for EMEA, including the operational section of De Nora Deutschland and Industrie De Nora S.p.A. Milano. He is a highly motivated executive with over 22 years Industrial Experience in the core businesses of the De Nora Group. He was previously the head of Global Technical Services within De Nora and held the position of head of Research & Development within Heraeus Elektrochemie GmbH and a research position within Siemens in Erlangen, Germany.

Other Directorship/Committee Membership:

1. De Nora Deutschland GmbH

He is a member of the Audit & Remuneration Committee of the Board of De Nora India Limited.

Details of Shareholding : NIL

## ANNEXURE TO THE NOTICE

The following Explanatory Statement, pursuant to Section 173 of the Companies Act, 1956 ("the Act"), sets out all material facts relating to the business mentioned at Item No. 6 of the accompanying Notice dated February 12, 2014:

### Item No. 6

The Board of Directors ('the Board') appointed Dr. Robert Scannell as an Additional Director of the Company on February 12, 2014, pursuant to Section 260 of the Act and Article 139 of the Articles of Association of the Company. Under Section 260 of the Act, Dr. Robert Scannell ceases to hold office at this Annual General Meeting but is eligible for appointment as a Director. Notice under Section 257 of the Act has been received from a Member signifying his intention to propose Dr. Scannell's appointment as a Director.

Brief Information of Dr. Scannell is given in the Information attached to the Notice.

The Board considers it desirable that the Company should continue to avail of the services of Dr. Robert Scannell and accordingly recommends the Resolution at Item No. 6 for approval by the Members.

Dr. Robert Scannell is not related to any other Director of the Company.

None of the Directors, the Manager, the Key Managerial Personnel and their relatives other than Dr. Robert Scannell, are interested in the resolution.

By Order of the Board of Directors

Place : Kundaim - Goa  
Dated : February 12, 2014

**JYOTI BANDODKAR**  
COMPANY SECRETARY



## DIRECTORS' REPORT

TO

THE MEMBERS OF DE NORA INDIA LIMITED

The Directors have pleasure in presenting the 25<sup>th</sup> Annual Report together with the Audited Accounts of your Company for the year ended 31st December, 2013.

### FINANCIAL RESULTS

(RS. IN MILLION)

	2013	2012
Sales & Other Income (Net of duties)	<b>373.87</b>	656.63
Profit/(Loss) before Depreciation & Taxation	<b>76.31</b>	198.61
Provision for Depreciation	<b>7.14</b>	(5.98)
Provision for Taxation for current/ prior years	<b>30.63</b>	(59.96)
Deferred Taxation (Liability)/Asset for current/prior years	<b>(9.21)</b>	0.40
Net Profit after Tax	<b>47.75</b>	133.07
Balance of Profit brought forward	<b>157.98</b>	81.40
Transfer To General Reserves	<b>5.06</b>	13.31
Proposed Dividend	<b>21.23</b>	37.16
Tax on Dividend	<b>3.60</b>	6.03
Balance of Profit carried forward to next year	<b>175.84</b>	157.98

### DIVIDEND

The Directors of the company recommend a Dividend of 40% of the paid-up capital for the year ended 31<sup>st</sup> December, 2013 absorbing an amount of Rs. 24.83 Million of distributable profits, inclusive of tax on dividend as against 70% dividend for the previous year 2012. The Directors feel the need to conserve the cash to efficiently maintain the operating cycle and for future growth prospects.

### OPERATIONS

The Company continues to remain the market leader in the Chlor Alkali and Cathodic Protection Systems business. The Company has consolidated its market share in the sales of Electrochlorinators during the year 2013.

### OUTLOOK

The Company is looking forward to maintain its position of market leader in Membrane Recoating Activity and Cathodic Protection Systems. The Directors are hopeful that ongoing efforts made in the field of Chlorate Cells fabrication would pave way for the future growth of the Company.

DNIL has successfully developed the new business of supplying of special electrodes for water treatment mainly for treating pharmaceutical waste water. DNIL was able to achieve the expected business in 2013 & looks forward to continue to develop this biz segment in 2014 as well. DNIL is also continuing to market new products of De Nora Next namely: Solar Mac NGO™ & Giselle.

### DIRECTORS

During the year Mr. Satish Chandra Jain, Managing Director of the Company retired from the post of Managing Director w.e.f. 15<sup>th</sup> July, 2013. Mr. Vinay Chopra was appointed as the Manager of the Company w.e.f. 16<sup>th</sup> July, 2013 in the 24<sup>th</sup> Annual General Meeting of the Company held on 8<sup>th</sup> May, 2013.

Mr. Angelo Ferrari and Mr. Giuseppe Cambareri stepped down as Directors of the Company w.e.f. 09<sup>th</sup> May, 2013. On account of cessation of Mr. Giuseppe Cambareri as Director of the Company, Mr. R. V. N. P. R. Sardessai, Alternate Director to Mr. Giuseppe Cambareri, also ceased to be a Director of the Company.

Mr. Ravi Menezes, Mr. R. V. N. P. R. Sardessai, Mr. Krishan Khanna and Mr. Vinay Chopra were appointed as Additional Directors of the Company w.e.f. 09<sup>th</sup> May, 2013 and were all regularized in the Extra-ordinary General Meeting of the Shareholders of the Company held on 2<sup>nd</sup> September, 2013.

Mr. Satish Chandra Jain was appointed as an Alternate Director to Mr. Luca Buonerba w.e.f. 31<sup>st</sup> July, 2013. He ceased to be a Director of the Company effective 3<sup>rd</sup> September, 2013 upon arrival of Mr. Luca Buonerba, Original Director to the state of Goa. He was again appointed as an Alternate Director to Mr. Luca Buonerba w.e.f. 4<sup>th</sup> September, 2013. He resigned as an Alternate Director to Mr. Luca Buonerba w.e.f. 30<sup>th</sup> December, 2013.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company Mr. Premal Kapadia and Mr. M. A. Sundaram, Directors of the Company, retire by rotation at the forthcoming Annual General Meeting and are eligible for reappointment.

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 Practicing 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 the Chief Executive Officer (CEO) cum Manager and the 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, 2014 in respect of the 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 9001:2008 for Quality Management System from JAS-ANZ on 07-08-2013 valid till 06-08-2016 for the production and trading of Titanium Anodes/Nickel Cathodes for Chlor-alkali Industry used for NaOH/KOH/Cl<sub>2</sub>, Chlorate Cells for production of Sodium Chlorate, Electro Chlorinators for On-site Hypo, Cathodic Protection Systems and Surface Finishing Products.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, the Directors confirm that:

- in the preparation of the annual accounts for the financial year ended December 31, 2013 the applicable accounting standards have been followed and that there are no material departures;
- they have, in the selection of the accounting policies, consulted the Statutory Auditors and have 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 profit of the Company for that period;

- they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting 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;
- they have prepared the annual accounts for the financial year on a going concern basis.

#### **AUDITORS**

The Statutory Auditors of the company M/s B S R & Co. LLP, Chartered Accountants will retire at the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment. The Company has received a 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. Accordingly, approval of the members to the appointment of M/s B S R & Co. LLP, Chartered Accountants as the Auditors of the Company is being sought at the ensuing Annual General Meeting.

#### **COST AUDITORS**

Pursuant to the provisions of Section 233B of the Companies Act, 1956 and with the prior approval of the Central Government, M/s K. C. Kohli & Co., Delhi, have been appointed as the Cost Auditors of the Company for auditing the Company's cost accounts relating to the company products for the financial year ended 31st December, 2013. The due date for filing the Cost Audit Report for the year ended 31st December, 2013 is 29<sup>th</sup> June, 2014 and the same will be filed with the Ministry of Corporate Affairs within the due date.

#### **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.

#### **FIXED DEPOSITS**

The Company has not invited or accepted any fixed deposits during the financial year and, as such, no amount of principal or interest was outstanding as of the Balance Sheet date.



**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.

**ACKNOWLEDGEMENT**

The Directors wish to convey their appreciation to all of the Company's employees for their enormous personal efforts

as well as their collective contribution to the Company's performance. The Directors would also like to thank the employee unions, shareholders, customers, dealers, suppliers, bankers, Regulatory & Government authorities, Stock Exchanges and all the other business associates for the continuous support given by them to the Company and their confidence in its management.

For and On behalf of the Board of Directors

Place : Kundaim, Goa  
Dated : February 12, 2014

**VINAY CHOPRA**  
DIRECTOR