

TITANOR COMPONENTS LIMITED



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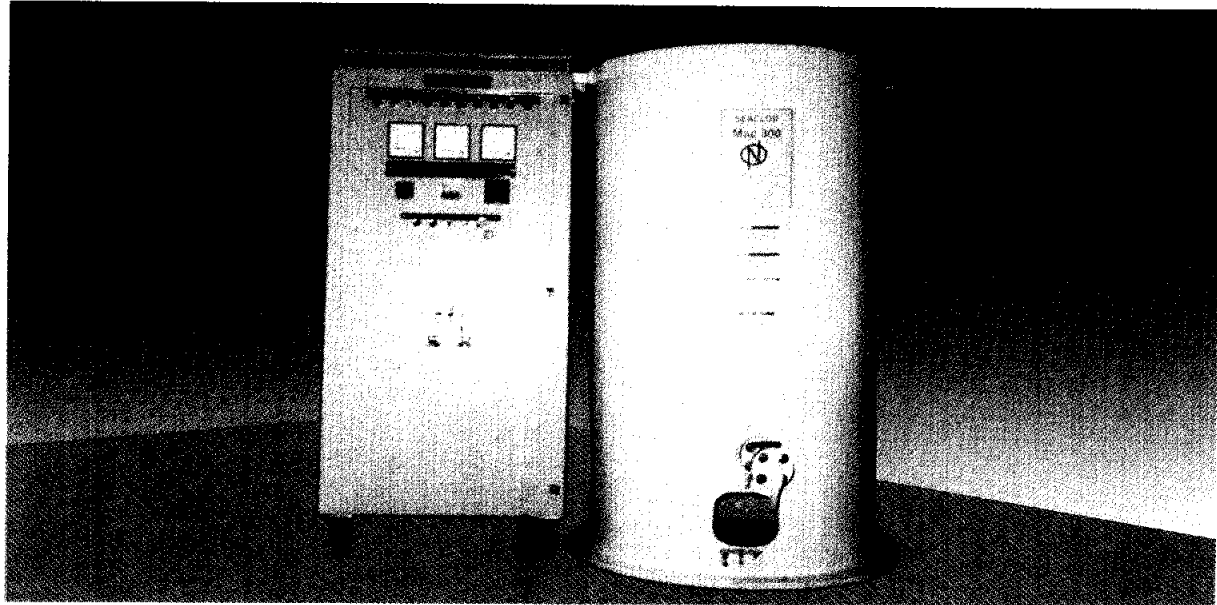
ANNUAL REPORT 2001 - 2002



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TITANOR COMPONENTS LTD., GOA, INDIA

SEACLOR *Mac*

ELECTROCHLORINATION SYSTEMS FOR WATER DISINFECTION



OUR NEW MODEL SEACLOR MAC 300



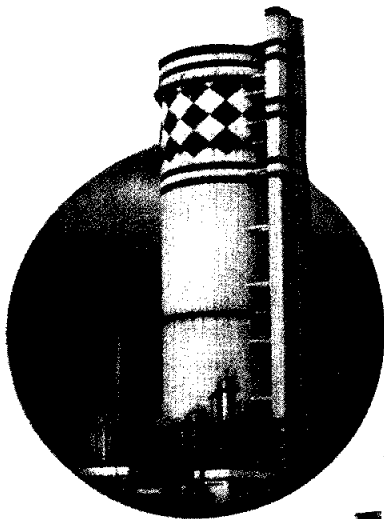
SEACLOR MAC 50 MODEL

Seaclor Mac - Purity of Water with Perfection



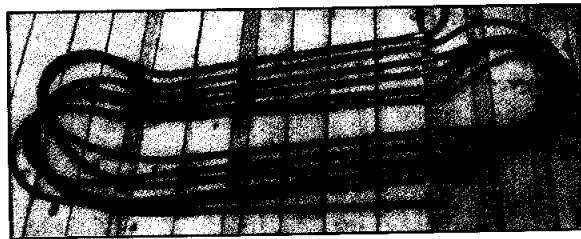
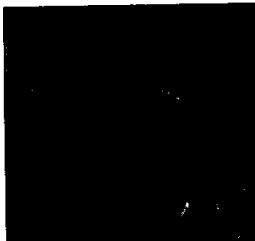
Durantes Vincent

TITANOR COMPONENTS Ltd.
GRUPPO DE NORA



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**BOARD OF DIRECTORS**

KAMALJIT SINGH	<i>Chairman</i>
FRANCO LADAVAS	
RENATO GAZZANIGA	
MAURO SAPONELLI	
PREMAL N. KAPADIA	
R. V. N. P. R. SARDESSAI	
S. C. JAIN	<i>Whole-time Director</i>
KRISHAN KHANNA	<i>Alternate to R. Gazanniga</i>

AUDIT COMMITTEE	PREMAL N. KAPADIA R. V. N. P. R. SARDESSAI S. C. JAIN
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COMPANY SECRETARY	BANU DANDONA
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REGISTERED OFFICE AND WORKS	PLOT NOS. 184, 185 & 189 KUNDAIM INDUSTRIAL ESTATE KUNDAIM, GOA – 403 115
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WEBSITE	www.titanor.com
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BANKERS	BANK OF BARODA STATE BANK OF INDIA
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SOLICITORS	DUA ASSOCIATES
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TITANOR COMPONENTS LIMITED

NOTICE

Notice is hereby given that the Thirteenth Annual General Meeting of TITANOR COMPONENTS LIMITED will be held on Monday, October 14, 2002 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 consider and adopt the Balance Sheet as at 31st March, 2002 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 appoint a Director in place of Mr. Kamaljit Singh who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Mauro Saponelli who retires by rotation and being eligible offers himself for re-appointment.
4. 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

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

"RESOLVED that Mr. P. N. Kapadia, who was appointed as an Additional Director with effect from August 19, 2002 by the Board of Directors at their meeting held on August 18, 2002 and who ceases to hold office at this Annual General Meeting pursuant to Section 260 of the Companies Act, 1956 and who is eligible for appointment and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 from a member proposing his candidature for the office of a Director, be and is hereby appointed as director of the Company liable to retire by rotation."

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

"RESOLVED that Mr. R. V. N. P. R. Sardesai, who was appointed as an Additional Director with effect from August 19, 2002 by the Board of Directors at their meeting held on August 18, 2002 and who ceases to hold office at this Annual General Meeting pursuant to Section 260 of the Companies Act, 1956 and who is eligible for appointment and in respect of whom

the company has received a notice under Section 257 of the Companies Act, 1956 from a member proposing his candidature for the office of a Director, be and is hereby appointed as director of the company liable to retire by rotation."

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

"RESOLVED that the present Articles of Association of the Company be altered pursuant to Section 31 of the Companies Act, 1956 in the following manner:

- I. The following clauses be inserted in the existing Article 2 of the Articles of Association of the Company alphabetically at appropriate places:

Beneficial Owner " 'Beneficial Owner' means the beneficial owner as defined in Clause(a) of Sub-Section (1) of Section 2 of the Depositories Act, 1996 and every person holding equity shares of the Company and whose name is entered as Beneficial Owner in the records of a depository shall be deemed to be a Member of the Company".

Depository Act " 'Depository Act' means the Depositories Act, 1996 and shall include any statutory modification(s) or re-enactment thereof for the time being in force."

Depository " 'Depository' shall mean a Depository as defined under Clause(e) of Sub-Section (1) of Section 2 of the Depositories Act, 1996".

Securities " 'Securities' means securities as defined in Clause (h) of Section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956) and includes hybrids".

- II. The existing Article 12 of the Articles of Association of the Company be re-numbered as Article 12(1) and following new clause be added:

Power of Company to purchase its own securities "(2) Notwithstanding the provision contained in Article 12(1), the Company may purchase its own shares or other specified securities out of
(i) its free reserves; or
(ii) the securities premium account; or

TITANOR COMPONENTS LIMITED



(iii) the proceeds of any shares or others specified securities.
Subject to provisions of Sections 77A, 77AA & 77B of the Act."

- III. The existing Article 23 of the Articles of Association of the Company be re-numbered as Article 23(1) and following new clause be added:

"(2) No certificate of any share or shares shall be issued where such share or shares are being held in an electronic and fungible form as per the provisions of the Depositories Act, 1996".

- IV. The existing Article 46 of the Articles of Association of the Company be re-numbered as Article 46(1) and following new clauses be added:

Beneficial Owner deemed as members "(2) Nothing contained in "Clause(1)" of Article 46 shall apply to transfer of Security effected by the transferor and the transferee both of whom are entered Beneficial Owners in the records of a Depository".

Securities in Fungible form "(3) In the case of transfer of shares or other marketable securities where the Company has not issued any certificates and where such shares or securities are being held in an electronic and fungible form, the provisions of the Depositories Act, 1996 together with its amendments, if any, shall apply."

Transfer of Depository Shares and Debentures "(4) The provisions contained in this Articles of Association with regard to transfer or transmission of shares, debentures or any other securities effected by the transferor and the transferee both of whom are entered as beneficial owners in the records of a depository, shall apply."

Rectification of Register on Transfer "(5) With regard to the rectification of Register on transfer, all the provisions of Section 111A of the Act, as may be in force from time to time shall also apply."

Allotment of Shares and Debentures Under Depository "(6) Notwithstanding anything contained in Sub-Section (1) of Section 113 of the Act or any modification(s) or re-enactment(s) thereof, where debentures or any other securities are dealt with in a

depository, the Company shall intimate the details thereof to the depository immediately on allotment of such shares, debentures or any other Securities as far as practicable."

Distinctive numbers not required Under Depository "(7) Provisions contained in this Articles of Association about recording distinctive numbers of shares or debentureholder respectively in the Register of Members or Register of Debentureholders of the Company shall not apply to the shares or debentures or any other securities which are held with a depository."

Register and Index of Beneficial Owner "(8) The Register and Index of Beneficial Owners maintained by a depository under Section 11 of the Depositories Act, 1996, shall also be deemed to be a Register and Index of Members and Register and Index of Debentureholders, as the case may be, for the purposes of this Articles of Association and the Act."

- V. The existing Article 58 of the Articles of Association of the Company be re-numbered as Article 58(1) and following new Clause be added:

Facility of Nomination "(2) Notwithstanding the provision contained in Article 58(1), every holder of shares, debentures or securities of the Company may, at any time, nominate, in the prescribed manner, a person, to whom his or her shares, debentures or securities shall vest in the event of his or her death. Where such shares, debentures or securities are held by more than one person, jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the shares, debentures or securities of the Company shall vest in the event of death of all the joint holders. Where nomination has been made as aforesaid, which confers on the nominee, the right to vest the shares, debentures or securities of the Company, the nominee shall,



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on the death of the shareholder or the holders of debentures or holder of the securities of the Company or on the death of joint holders, as the case may be, be entitled to all the rights in the shares, debentures or securities of the company or of the joint holders in relation to such shares, debentures or securities, to the exclusion of all other persons, until the nomination is varied or cancelled, the right of the nominee shall remain valid and effectual, notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise. Where the nominee is a minor, it shall be lawful for the holder of the shares, debentures or securities, to make nomination to appoint, in the prescribed manner, any person to become entitled to shares, debentures or securities of the Company, in the event of his or her death, during the minority of the nominee. A nominee may, upon the production of such evidence as may be required by the Board, elect either to be registered as holder of the shares, debentures or securities, as the case may be, or to make such transfer of the shares, debentures or securities, as the deceased shareholder or debentureholder or security holder could have made. All the provisions of Sections 109A and 109B of the Act shall apply."

- VI. Existing Article 99 of the Articles of Association of the Company be renumbered as Article 99(1) and the following new clause be added:

"(2) Notwithstanding anything contained herein in the Articles of Association of the Company, in the case of resolutions relating to such business as the Central Government may by notification declare to be conducted only by postal ballot, the Company shall get such resolution passed by means of a postal ballot or electronic mode in terms of Section 192A of the Companies Act, 1956, as amended, instead of transacting the business in General Meeting of the Company."

"RESOLVED FURTHER that the Board of Directors be and are hereby authorized to make such amendments in the Articles of Association as may also be consequential or necessary as a result of the amendments aforesaid in the Articles of Association as also to take other steps as may be necessary, desirable or proper to give effect to this resolution."

By Order of the Board

BANU DANDONA
Company Secretary

Date : August 18, 2002

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

NOTES:

- 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.
- 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.
- The relative Explanatory Statement as required by Section 173(2) of the Companies Act, 1956 is annexed hereto in respect of Item No. 5.
- The Register of Members and the Share Transfer Books of the Company will remain closed from 1st October, 2002 to 14th October, 2002 (both days inclusive).
- 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.
- Members/Proxies should bring the attendance slips duly filled-in for attending the meeting.
- The amount of unclaimed dividend for and upto Dividend for 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.

TITANOR COMPONENTS LIMITED



- h) In order to impart liquidity and convenience for trading, equity shares of the Company are listed at the following stock exchanges. The annual fees for 2002-2003 have been paid to all the stock exchanges where the shares are listed.

Mangalore Stock Exchange
4th Floor, Rambhavan Complex
Kodialbail
Mangalore – 575 003

The Stock Exchange, Mumbai
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor
Plot No. C/1, G Block
Bandra-Kurla Complex
Bandra (E), Mumbai – 400 051

The Delhi Stock Exchange Association Ltd.
DSE House
3/1 Asaf Ali Road
New Delhi – 110 002

ANNEXURE TO NOTICE :

Explanatory statement pursuant to Section 173 of the Companies Act, 1956.

Item No. 5

Mr. P. N. Kapadia was appointed as an Additional Director with effect from August 19, 2002 by the Board of Directors at their meeting held on August 18, 2002 and he holds office upto this Annual General Meeting. The Company has received a notice in writing under Section 257 of the Companies Act, 1956 alongwith a deposit of Rs. 500/- from a member proposing the candidature of Mr. P. N. Kapadia for the office of a Director. The Board recommends his appointment.

None of the Directors other than Mr. Kapadia are interested in the resolution.

Item No. 6

Mr. R. V. N. P. R. Sardessai was appointed as an Additional Director with effect from August 19, 2002 by the Board of Directors at their meeting held on August 18, 2002 and he holds office upto this Annual General Meeting. The Company has received a notice in writing under Section 257 of the Companies Act, 1956 alongwith a deposit of Rs. 500/- from a member proposing the

candidature of Mr. R. V. N. P. R. Sardessai for the office of a Director. The Board recommends his appointment.

None of the Directors other than Mr. Sardessai are interested in the resolution.

Item No. 7

1. In view of the Companies (Amendment) Act, 1999 and Companies (Amendment) Act, 2000 it has become necessary to amend the Articles of Association of the Company so that the Articles of Association are in consonance with the amended law.
2. **Proposed amendments of Article 2:** The proposed changes in Article 2 are for including therein new definitions which find place in the proposed amendments of other Articles and/or in the amended provisions of the Companies Act, 1956.
3. **The proposed amendment of Article 12:** This is consequential to the amendment of the Companies Act because now the Company is permitted to purchase its shares which was otherwise prohibited.
4. **The proposed amendment of Article 23:** It is required as the shares are also held in electronic and fungible form. The amended law permits a shareholder to nominate a person to whom his or her shares etc. shall vest in the even of his or her death. This provision will be beneficial to both shareholders as well as the Company in its operations.
5. **The proposed amendment of Article 46:** This is consequential to the shares being held in electronic and fungible form.
6. **The proposed amendment of Article 58:** This is consequential to the amendment of the Companies Act because now the Company is permitted to provide facility of nomination to the holders of shares, debentures or securities of the Company.
7. **The proposed amendment of Article 99:** This is consequential to the amendment in law which provides for resolutions to be passed by postal ballot or electronic mode for the business notified by the Central Government from time to time.

None of the Directors of the Company is interested in this Resolution.

By Order of the Board

Kundaim, Goa
August 18, 2002

BANU DANDONA
Company Secretary



TITANOR COMPONENTS LIMITED

DIRECTORS' REPORT

TO
THE MEMBERS

Your Directors have pleasure in presenting the 13th Annual Report together with the Audited Accounts of your Company for the year ended 31st March, 2002.

FINANCIAL RESULTS

(Rs. in Million)

	2001-2002	2000-2001
Sales & Other Income	107.52	109.36
Profit/(Loss) before Depreciation, Taxation and Amortisation	17.96	2.69
Amortisation	0.34	3.94
Provision for Depreciation	9.07	9.31
Provision for Taxation for earlier years	5.82	NIL
Profit/ (Loss) after Depreciation, Taxation and Amortisation	2.73	(10.56)
Deferred Taxation Asset for the year	0.19	-
Profit/Loss after Deferred Tax Asset created	2.92	(10.55)
Balance of Profit brought forward from Previous Year	(7.06)	2.00
Provision for Deferred tax liability for earlier years	(9.41)	-
Accumulated (Loss)/ Retained Earnings	(13.55)	(8.56)
Transfer from General Reserves	-	1.51
Balance of Profit/(Loss) carried forward to next year	(13.55)	(7.05)

DIVIDEND

With a view to conserve the resources and further consolidate the position of your company, the Board expresses its inability to recommend dividend.

OPERATIONS

The efforts made by your company to reduce cost and improve efficiency has yielded positive results and the Board is happy to inform you that your company has moved from red to black in the year under review and it shall be the constant endeavour of the management to strive for better performance.

As you are aware that the global economy has taken a dent this year on account of September 11 incident, the performance of your company was also affected.

DIRECTORS

In accordance with the Articles of Association of the Company, Mr. Kamaljit Singh & Mr. Mauro Saponelli will retire by rotation at the forthcoming Annual General Meeting and are eligible for re-appointment.

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 March 31, 2002 the applicable accounting standard have been followed along with proper explanation 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 and loss 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.

AUDIT COMMITTEE

An Audit Committee has been constituted in terms of Sec. 292A of the Companies Act, 1956 consisting of Mr. S. C. Jain, Mr. P. N. Kapadia and Mr. R. V. N. P. R. Sardesai. Mr. S. C. Jain was elected as the Chairman of the Committee.

AUDITORS

The Auditors M/s. Deloitte, Haskins & Sells, Chartered Accountants will retire at the conclusion of this Annual General Meeting and are eligible for re-appointment.