

DE NORA INDIA LIMITED

(Formerly Titanor Components Limited)



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ANNUAL REPORT 2007

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AVANISH DWIVEDI

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 NOS. 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 Nineteenth Annual General Meeting of DE NORA INDIA LIMITED will be held on Wednesday, April 16, 2008 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, 2007 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 on Equity Shares.
3. To appoint a Director in place of Mr. Premal N. 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 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 above-mentioned 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."

By Order of the Board

Place : Panjim, Goa

Dated : February 29, 2008

AVANISH DWIVEDI

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 26th March, 2008 to 28th March, 2008 (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



DE NORA INDIA LIMITED

- 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. 5368562 number of Company's shares (96.64%) have been dematerialized as on 31-12-2007.

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, Bhubaneshwar, 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 28th March, 2008.

INFORMATION TO BE FURNISHED UNDER THE LISTING AGREEMENT

1. Name : Mr. Premal N. Kapadia
 Age : 58
 Qualification : M.S. (Engineering)-USA
 Expertise : Mr. Kapadia is a Chemical Engineer with 36 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. Tecnimont ICB Pvt. Ltd.
2. Harshadray Private Ltd.
3. Farm Chemicals Pvt. Ltd.
4. Dryden Private Ltd.
5. TUV India Pvt. Ltd.
6. Harshadray Investment Pvt. Ltd.
7. The West Coast Paper Mills Ltd.
8. Kaira Can Company Ltd.
9. Silicon Interfaces Pvt. Ltd.
10. Silicon Interfaces America Inc.
11. Protos Engineering Co. Pvt. Ltd.
12. Delimon Protos India Pvt. Ltd.
13. Sortimat Protos Automation Pvt. Ltd.
14. Alkyl Amines Chemicals Ltd.
15. Thyssenkrupp Industries India Pvt. Ltd.
16. FirstService India Pvt. Ltd.
17. Integrated Industrial Quality Management Consultants Pvt. Ltd.
18. Jain International Trade Organisation
19. Sujata Resources Pvt. Ltd.
20. Rata Iron Ore & Minerals Exports Pvt. Ltd.

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

Details of Shareholding : 57000 Shares

DE NORA INDIA LIMITED

II. Name : Mr. M. A. Sundaram
 Age : 75
 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 Consultant to Deepak Fertilizer & Petrochemicals Corp. Ltd. He is associated with Goa Institute of Management and The Dept. of Management Studies & Computer Science, Goa University as a Visiting Faculty. He is also Member of the Education Committee of the Goa Chamber of Commerce.

Other Directorship/Committee Membership:
 He is a Chairman of the Audit, Remuneration & Shareholders' Grievance Committee of the Board of De Nora India Limited.

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.

By Order of the Board of Directors

Place : Panjim, Goa
 Dated : February 29, 2008

AVANISH DWIVEDI
 Company Secretary



DE NORA INDIA LIMITED

DIRECTORS' REPORT

TO
THE MEMBERS

Your Directors have pleasure in presenting the 19th Annual Report together with the Audited Accounts of your Company for the year ended 31st December, 2007.

FINANCIAL RESULTS

	(Rs. in Million)	
	2007	2006
Sales & Other Income (Net of duties)	249.41	253.24
Profit/(Loss) before Depreciation & Taxation	70.33	86.73
Provision for Depreciation	(10.55)	(8.33)
Provision for Taxation for current/prior years	(13.05)	(35.41)
Deferred Taxation (Liability)/Asset for current/prior years	(4.83)	7.48
Net Profit after Tax	41.89	50.47
Balance of Profit brought forward	77.55	76.98
Transfer to General Reserves	4.19	5.05
Proposed Dividend	32.22	38.33
Tax on Dividend	5.48	6.51
Balance of Profit carried forward to next year	77.56	77.55

DIVIDEND

Your Directors recommend a Dividend of 58% of paid-up capital for the year ended 31st December, 2007 absorbing an amount of Rs. 37.70 Million of distributable profits, inclusive of tax on dividend as against 69% dividend for the previous year 2006.

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 Anode/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 Anode/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 after a dismal performance in the previous year.

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. During the year, the company has received one order of approx. Rs. 400 Million for fabrication of Chlorate Cells for West Coast Paper Mills from UDHE India, to be executed in the Year 2008. The Company has been able to breakthrough in the field of Surface Finishing by obtaining its first order for supply of Platinized Titanium Anodes. Your Directors are hopeful that successful execution of these projects would help us in procuring more orders in future.

DIRECTORS

In accordance with the Articles of Association of the Company, Mr. Premal N. Kapadia & Mr. M. A. Sundaram 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.

CHANGE OF NAME

The Directors are pleased to inform that your Company had changed its name from "Titanor Components Limited" to "De Nora India Limited", with effect from 27-06-2007 pursuant to the Resolution passed by the shareholders at the Extra Ordinary General Meeting of the Company and after obtaining requisite approvals.

CORPORATE GOVERNANCE

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

DE NORA INDIA LIMITED**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, 2008 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, 2007 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. Deloitte Haskins & Sells, 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.

ACKNOWLEDGEMENT

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 : Panjim, Goa
Dated : February 29, 2008

P. N. KAPADIA
Chairman



DE NORA INDIA LIMITED

ANNEXURE 'A' TO DIRECTORS' REPORT

Particulars of Employees pursuant to Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, forming part of the Directors' Report for the year ended 31st December, 2007.

Sr. No.	Name	Designation	Qualification	Experience (Years)	Date of Commencement of Employment	Remuneration (Rs.)	Age (Years)	Last Employment
1.	Mr. S. C. Jain	Managing Director	M. Tech.	33	01-12-1989	2,822,984	56	Dy. GM – Services & Business Development Wimco Ltd.
2.	Mr. G.H.M. Jambunath	Exec. V.P. - Fin. & Accts.	B.Com., C.A.	20	24-09-1998	2,540,200	44	Sr. Manager – Fin. & Accts. – Finolex Essex Industries Ltd.

NOTES:

1. Remuneration here has the meaning assigned to it in the *Explanation* to Section 198 of the Companies Act, 1956.
2. The above mentioned employee is not a relative of any Director of the Company.
3. The nature of employment is contractual.
4. The employee does not hold by himself or along with his dependants, two percent or more of the equity shares of the Company.

ANNEXURE 'B' 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. The Company is not covered under the list of industries required to furnish information in Form 'A'.

B. TECHNOLOGY ABSORPTION RESEARCH & DEVELOPMENT

Your 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 and with Electrometals Technologies Limited, Australia for EMEW® Electrowinning Cells. 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 adopted the technology of EMEW® Electrowinning Cells for recovery of metals by Electrolysis (Electrowinning) from their host solutions and is maintaining continuous interaction with its technology provider, Electrometals Technologies Limited, Australia. This helps in installation & commissioning of a better and customized EMEW® Plant at the customer's site.

The Company has installed in its laboratory an Atomic Absorption Spectrometre Varian Make to determine concentration of various metals in the solutions e.g. Cu, Ag, Au, Ni, Mg, Co, Cd, Al, Fe, Na, As, Ca. This would provide more accurate results in Lab Testing of solutions and in finding more applications for our EMEW® Electrowinning Cells.

C. FOREIGN EXCHANGE EARNINGS & OUTGO

The information on foreign exchange earnings are detailed in Note No. 29 and foreign exchange outgo is detailed in Note No. 30 to the Accounts.

For and On behalf of the Board of Directors

Place : Panjim, Goa
Dated : February 29, 2008

P. N. KAPADIA
Chairman

DE NORA INDIA LIMITED



MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

De Nora India Limited (DNIL) is engaged in the manufacture and coating of anode and cathode for electrolytic process for application in the chlor-alkali & chlorate plants, cathodic protection systems, Electrochlorinators and manufacture and marketing of EMEW® Electrowinning Cells Equipments. All these applications come under the field of Electrolytic Processes.

DNIL was set up with technical and financial collaboration of "Gruppo De Nora" of Italy, a world market leader in this segment. The company's core business lies in Chlor-alkali sector, which is highly cyclic in nature. So, the company expanded its market into high tech products such as cathodic protection systems, Electrochlorination systems and lately into Electrowinning Cells Equipments. In India, DNIL is a market leader in all these products.

Recoating of anode and cathode is a specialised process, formulation of which involves use of noble metals. These formulations and processes are Proprietary and because of its affiliation to "Gruppo De Nora", the company has the authority to use these formulations and processes, giving it the prominent market share in India. DNIL not only provides support to all Gruppo De Nora & Krupp Uhde customers in India but is also equipped to give technical support to other technology suppliers in the Chlor-alkali sector.

OPPORTUNITIES AND THREATS

The Goa factory is equipped with the state of the art facilities to meet the demands of the Chlor-alkali industry. 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 electrode for membrane cell electrolyzers in chlor-alkali plant, which is cyclic in nature because the life of the coating lasts for 6 to 8 years. The income from recoating business contributes a major share in company's total income and lesser demand for recoating business due to the cyclic nature 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 Anode/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 Anode/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 an increase in its Electrochlorination business after a dismal performance in the previous year. The Central Government is paying a lot of attention for providing safe & pure water and several water purification schemes are expected to come up in future. DNIL is all geared up to make use of these opportunities.

During the year, the company has received one order of approx. Rs. 400 Million for fabrication of Chlorate Cells for West Coast Paper Mills from UDHE India, to be executed in the Year 2008. The company has been able to breakthrough in the field of Surface Finishing by obtaining its first order for supply of Platinized Titanium Anodes. Your Directors are hopeful that successful execution of these projects would help us in procuring further orders in future.

PRODUCTWISE PERFORMANCE

The company has one segment of activity namely Products for Electrolytic Processes. Within the segment the company achieved turnover of Rs. 188,635,519 from its Coated Metal Anodes and Recoating activities. The Electrochlorination Systems business registered sales of Rs. 18,242,526 during the year. The Cathodic Protection Systems business registered improved sales of Rs. 21,320,156 as compared to last year and Electro Metal Winning recorded turnover of Rs. 2,547,846 during the year ended 31 December, 2007.

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. Your directors are hopeful that breakthroughs made in the field of Chlorate Cells fabrication and Surface Finishing would pave way for the future growth of the company.

RISKS & CONCERNS

Excessive dependency on Chlor-alkali business increases risks and the company is taking steps to minimize this risk by developing the market of its other products as well as introducing new products/technologies in the market. The Electrochlorination business is hampered by severe price competition due to entry of various small competitors having significant influence in their limited area of operation.