

DE NORA INDIA LIMITED

(Formerly Titanor Components Limited)



ANNUAL REPORT 2009



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REGISTRAR & TRANSFER AGENT

Sharepro Services (India) Private Limited
13AB, Samhita Warehousing Complex,
2nd Floor, Near Sakinaka Telephone Exchange,
Andheri-Kurla Road,
Sakinaka, Andheri (E), Mumbai - 400 072

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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NOTICE

Notice is hereby given that the twentyfirst Annual General Meeting of DE NORA INDIA LIMITED will be held on 20th May, 2010 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, 2009 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. Premal N. Kapadia who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. M. A. Sundaram 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 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."
6. To consider and if thought fit to pass with or without modification(s) the following resolution as an ORDINARY RESOLUTION.

"RESOLVED THAT Mr. Luca Buonerba, who was appointed in casual vacancy in place of Mr. Fabio Esposito with effect from March 5, 2009 by the Board of Directors at their meeting held on March 5, 2009 and who ceases to hold office at this Annual General Meeting 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."

By Order of the Board

Place: Kundaim - Goa
Dated: March 12, 2010

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. 5 and 6.
- d) The Register of Members and the Share Transfer Books of the Company will remain closed from 28th April, 2010 to 30th April, 2010 (both days inclusive).
- 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
13AB, Samhita Warehousing Complex,
2nd Floor, Near Sakinaka Telephone Exchange,
Andheri-Kurla Road,
Sakinaka, Andheri (E),
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. 5387525 number of Company's shares (96.98%) have been dematerialized as on 31.12.2009.

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.**

INFORMATION TO BE FURNISHED UNDER THE LISTING AGREEMENT

i. Name : Mr. Premal N. Kapadia
Age : 60 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. Technimont ICB Pvt. Ltd.
2. Harshadray Private Ltd.
3. Farm Chemicals Pvt. Ltd.
4. Dryden Private Limited
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. Sortimat Protos Automation Pvt. Ltd.
13. Alkyl Amines Chemicals Ltd.
14. Thyssenkrupp Industries India Pvt. Ltd.
15. FirsteService India Pvt. Ltd.
16. Integrated Industrial Quality Management



Consultants Pvt. Ltd.
 17. Jain International Trade Organisation
 18. Sujata Enterprises
 19. Rata Iron Ore & Minerals Exports Pvt. Ltd.
 20. Sujata Resources Pvt. Ltd.
 21. PUMA Properties Limited
 22. Virman Real Estate Pvt. Ltd.
 23. Virneesh Properties Developers 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

II. Name :M.A. Sundaram
 Age :77 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 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

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 :Mr. Luca Buonerba
 Age :47 years
 Qualification :Asian International Executive Programme C/O. INSEAD Singapore in 1997 Master Degree in Mechanical Engineering C/O. Universita Di Boma LA SAPIENZA in 1988

Expertise :He is a motivated executive with several years of experience in management of medium private enterprises in Asia, North America and Europe. He has vast experience as Executive Officer and Managing Director of Asia operation. He has played important role in Merger & Acquisition,

formation of Joint Ventures and spin off of non core activities in China and Italy, start up of new company in USA and China, transfer of ownership, creation of holding company in Singapore, liquidation of Companies in China, Singapore & USA. He managed a Business Unit promoting non core products for the corporation doubling the turnover over a three year periods. He had several primary responsibilities of P/L and BS of Companies and of Business Unit profitability with direct reporting of personnel located worldwide or managing companies of about 100 employees. He has vast experience in Sales and Marketing in Asia, especially Japan, China, Singapore, Indonesia. Very deep knowledge of Chlorine industries and of surface finishing, electronic, water treatment; good knowledge of the following industries: Power and desalination, petrochemical, Fuel Cells Industry and mining industry. He was involved in Strategic Marketing and Business Development activities in the field of water treatment, both industrial and potable, disinfection and agriculture promoting innovative products and technologies; the role foresees a continuous contact with Venture Capital and R&D function for the screening of new technologies and the prioritization of promising projects, competitive analysis, Merger and Acquisition, Strategic thinking, Sales and marketing, J/V agreements, negotiation in multicultural environment, Joint Development Agreement, Toll Manufacturing Agreement.

Other Directorship/Committee Membership.

1. Permelec Electrode Ltd. (Japan)
2. De Nora Elettrodi Suzhou Co. Ltd. (PRC)
3. Uhdnora S.p.A. (Italy)
4. Severn Trent De Nora L.L.C. (USA)
5. Severn Trent De Nora S.r.l. (Italy)
6. Verdenora S.r.l. (Italy)
7. MedNora S.r.l. (Italy)

He is member of the Remuneration 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 5

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 49I(B) of the Listing Agreement entered into by the

**DE NORA INDIA LIMITED**

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 6

Mr. Luca Buonerba was appointed in casual vacancy caused by the resignation of Mr. Fabio Esposito w.e.f March 5, 2009. Mr. Luca Buonerba ceases to hold office as Director at the forthcoming Annual General Meeting of the Company since Mr. Fabio

Esposito would have retired by rotation at that Annual General Meeting. The Company has received a notice in writing under Sec. 257 of the Companies Act, 1956 along with a deposit of Rs.500/- from a member proposing the candidature of Mr. Luca Buonerba for the office of a Director. The Board recommends his appointment.

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

By Order of the Board of Directors

Place: Kundaim - Goa
Dated: March 12, 2010

DHARMESH M. KUVALEKAR
Company Secretary

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DIRECTORS' REPORT

TO
THE MEMBERS

Your Directors have pleasure in presenting the 21st Annual Report together with the Audited Accounts of your Company for the year ended 31st December, 2009.

FINANCIAL RESULTS

(RS. IN MILLION)

	2009	2008
Sales and other Income (Net of duties)	151.25	226.46
Profit/(Loss) before Depreciation & Taxation	19.06	37.44
Provision for Depreciation	(6.49)	(7.67)
Provision for Taxation for current/prior years	(1.36)	(10.19)
Deferred Taxation (Liability)/Asset for current/prior years	(9.83)	(1.08)
Net Profit after Tax	1.38	20.66
Balance of Profit brought forward	79.90	77.56
Transfer To General Reserves	-	2.06
Proposed Dividend	-	13.89
Tax on Dividend	-	2.37
Balance of Profit carried forward to next year	81.28	79.90

DIVIDEND

The Directors of the company recommend NIL dividend for the year ended 31st December, 2009 as against 25% dividend for the previous year 2008.

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

resulting in decrease in Electrochlorination business as compared to the previous year. In addition the distribution network of Electrochlorinators systems needs to be reinforced to cover all the opportunities and to respond to the challenges posed by the competitors.

OUTLOOK

The Company is looking forward to maintain its position of market leader in Membrane recoating activity and Cathodic Protection Systems. Company will continue to focus on increase of export of Lida® Anodes for cathodic protection system & improved sales of specialty Anodes. The company expects improvement in recoating cycle business of Chlor Alkali business in future.

DIRECTORS

Mr. Luca Buonerba was appointed in casual vacancy caused by resignation of Mr. Fabio Esposito w.e.f. March 5, 2009. The Board of Directors at its meeting held on March 5, 2009 appointed Mr. Luca Buonerba in casual vacancy caused by resignation of Mr. Fabio Esposito. Your Directors place on record their deep appreciation of the valuable services rendered by Mr. Fabio Esposito during his tenure as Director of the Company. Mr. Luca Buonerba will cease to hold office at the forthcoming Annual General Meeting and is eligible for appointment as the company has received a Notice under Section 257 of the Companies Act 1956 proposing his candidature for the office of Director.

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.

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 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.



DE NORA INDIA LIMITED

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, 2010 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, 2009 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 12, 2010

P. N. KAPADIA
CHAIRMAN



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, 2009.

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.	34	01.12.1989	29,99,137	58	Dy. GM Services & Business Development Wimco Ltd.
2.	Mr. G.H.M. Jambunath	Exec. V.P.- Fin. & Accts	B.Com., C.A.	21	24.09.1998	37,86,398	46	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 ongoing technical collaboration for Ion Exchange Membrane Electrolysers for Chlor-Alkali Industry, Electrochlorinators for Water Treatment and Cathodic Protection (Anti corrosion) Systems. These agreements are performed through Industrie De Nora

S.p.A. Your Company did not incur any expenditure on R&D during the year under review.

TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

The company has successfully commissioned manufacturing of Platinized Titanium Anodes for Surface finish application.

C. FOREIGN EXCHANGE EARNINGS & OUTGO

The information on foreign exchange earnings are detailed in **Note No. 20.10(a)** and foreign exchange outgo is detailed in **Note No. 20.10(b)** to the Accounts.

For and On behalf of the Board of Directors

Place: Kundaim, Goa
Dated: March 12, 2010

P. N. KAPADIA
CHAIRMAN