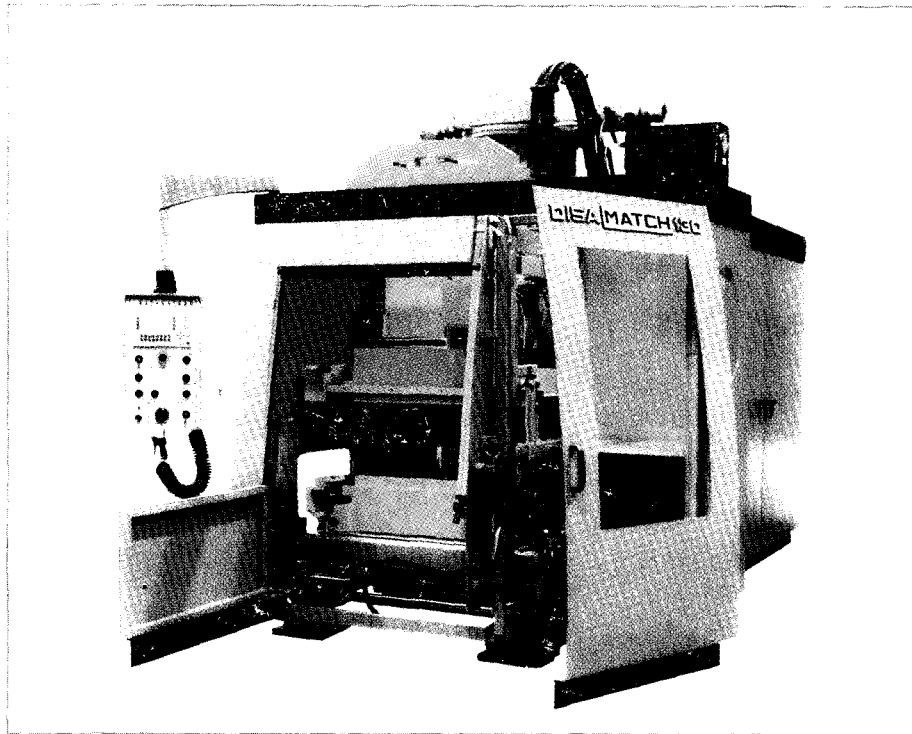


DISA

DISA INDIA LIMITED

21st ANNUAL REPORT 2005



DISA MATCH HORIZONTAL FLASKLESS MOULDING MACHINE

BOARD OF DIRECTORS

KENT ARENTOFT - w.e.f. 02-03-06

Chairman

V.A. DATAR - upto 21-06-05

H. BRÜNGGER - upto 11-08-05

JAN JOHANSEN

V.M. BHAT

HANS OLE MADSEN - upto 21-06-05

PRADEEP MALLICK

LARS CHRISTENSEN w.e.f. 03.03.05

R.N. CHAWHAN - upto 02-03-06

VILAS KARNIK - upto 19-10-05

DINAKAR A - w.e.f. 20-10-05

KSIIDC Nominee

Vice-Chairman & Managing Director

Managing Director

BANKERS

CANARA BANK

THE ING VYSYA BANK LIMITED

STATE BANK OF INDIA

BANK OF MAHARASHTRA

THE BANK OF NOVA SCOTIA

HDFC BANK LTD.

REGISTRARS

Alpha Systems Pvt. Ltd.

30, Ramana Residency,

Ground Floor,

IV Cross, Sampige Road,

Malleswaram,

Bangalore - 560 003.

REGISTERED OFFICE

Plot No. 98 & 99,

Export Promotion Industrial Park,

Whitefield, Bangalore - 560 066

Telephone: 080-28413301

Branches Telephone

PUNE : 020 - 26132503

DELHI : 011 - 26411123

KOLKATTA : 033 - 22805570

STOCK EXCHANGES

The Bangalore Stock Exchange Ltd.

51, Stock Exchange Tower

1st Cross, J.C. Road

BANGALORE - 560 027

National Securities Depository Limited

Trade World, 4th Floor, Kamala Mills Compound

Senapati Bapat Marg, Lower Parel

MUMBAI - 400 013

The Stock Exchange, Mumbai

Phiroze Jeejeebhoy Towers

Dalal Street

MUMBAI - 400 001

Central Depository Services (India) Limited

Phiroze Jeejeebhoy Towers

28th Floor, Dalal Street

MUMBAI - 400 023

AUDITORS

M.K. Dandekar & Co.

Chennai

SOLICITORS

Chander Kumar & Associates

Bangalore

WORKS

Foundry Machinery Division,

28-32, Satyamangala Indl. Area,

Tumkur - 572 104.

Clean Air Division,

50, KIADB Industrial Area,

Hosakote - 562 114.

DISA INDIA LIMITED

NOTICE

NOTICE is hereby given that the **Twenty First Annual General Meeting** of DISA INDIA LIMITED will be held at **11.30 hrs on Tuesday, the 2nd May 2006 at the Registered Office of the Company situated at Plot No. 98 & 99, Export Promotion Industrial park, Whitefield, Bangalore – 560 066** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st December 2005 and the Profit and Loss Account for the year ended on that date, together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare Dividend.
3. To elect a Director in place of Mr. Jan Johansen, who retires by rotation and is eligible for reappointment.
4. To appoint Auditors of the Company 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 as an Ordinary Resolution:

"RESOLVED THAT pursuant to, and in accordance with, the provisions of Sections 198, 269, 309, 310, 311, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, or any re-enactment or modification(s) thereof, approval of the members be and is hereby accorded to the appointment of, and the remuneration payable to, Mr. Dinakar A, as Managing Director of the Company with effect from 20.10.2005 for a period of five years and that the terms and conditions be as mentioned below:

Tenure: 5 years with effect from October 20, 2005.

1. Basic Salary : Rs.1,30,000/- per month

PERQUISITES:

The following perquisites shall not be included in the computation of the ceiling on remuneration:

1. **PERFORMANCE LINKED BONUS** : Eligible to receive a performance linked bonus every year. The standard DISA Bonus system will be applied. The system takes into account Group performance, Company performance and personal performance measured against agreed objectives for the year. As constituted currently, the amount could reach a maximum of five months basic salary.
2. **HOUSE RENT ALLOWANCE** : Not exceeding 50% of basic salary. Starting house rent allowance will be Rs.65,000/- per month.
3. **CONVEYANCE** : Chauffeur driven car provided by the Company for the performance of duties. All expenses towards this facility will be borne by the Company.
4. **TELEPHONE** : A residential telephone, Laptop Computer and one Internet Service connection will be provided by the Company at its cost to facilitate the performance of duties.
5. **SPECIAL ALLOWANCE** : A general allowance to cover gas, electricity, water, routine furnishing and decoration, household insurance, minor maintenance and similar expenses at residence and expenses when using clubs in which Company has corporate membership. Normally this allowance is not expected to exceed one month's basic salary in one year. However, as a special case, the special allowance will be Rs.13,750/- per month.

6. **MEDICAL EXPENSES** : Medical expenses incurred in respect of self, spouse and two dependent unmarried children less than 21 years of age will be reimbursed to the extent that they do not receive such assistance from any other source. Premium for accident and mediclaim cover, taken by the Company is also included in this benefit. The normal limit for this benefit is one month's basic salary in one year. As a special case the benefit will be limited to a maximum of Rs.165,000/- per year.
7. **LEAVE AND LEAVE TRAVEL ASSISTANCE** : One month's leave for every eleven months of completed service. Expenses for self and family (as defined above) of travel anywhere in India on leave will be reimbursed once a year subject to a ceiling of one month's basic salary.
8. **PROVIDENT FUND** : Contribution of 12% of basic salary by the appointee with an equal amount of contribution by the Company.
9. **SUPERANNUATION FUND** : The Company contributes 15% of the basic salary to the Superannuation fund
10. **GRATUITY** : After a continuous service of five years, eligible to receive gratuity at the rate of half a month's basic salary per year of service, limited to a maximum of 30 years. Payment of gratuity is as per rules and regulations of the Company applicable to Senior Managers.
11. **REIMBURSEMENT OF BUSINESS EXPENSES** : Reimbursement of all reasonable expenses on travel, entertainment etc., legitimately incurred in the course of duties. He will not be paid any sitting fees for attending meetings of the Board of Directors or Committees thereof nor shall he be liable to retire by rotation.

The appointment as aforesaid may be terminated by either party giving to the other, six calendar months notice in writing.

MINIMUM REMUNERATION:

In the event of absence or inadequacy of profits in any financial year during the currency of tenure of the appointment, the entire applicable remuneration by way of salary and perquisites mentioned above shall be paid as minimum remuneration, subject to the provisions under Schedule XIII of the Companies Act, 1956."

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

"Resolved that in terms of provisions of the Companies Act 1956, the Articles of Association be and are hereby altered in the following manner :

(a) By deleting the following under Article 2

"GFDH" means GEORG FISCHER DISA HOLDING AG a Company incorporated under the Laws of Switzerland and shall include its subsidiaries, successors and any body corporate with which it may merge or amalgamate.

"KSIIDC" means, Karnataka State Industrial Investment & Development Corporation Ltd., Bangalore, a Government of Karanataka Corporation incorporated under the laws of India and shall include its successors and any body corporate with which it may merge or amalgamate"

(b) By deleting Articles 123(b) and 123 (c)"

By Order of the Board of Directors

DISA India Limited

Place: Bangalore
Date: 27th March 2006

Dinakar A
Managing Director

NOTES:

1. An Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, pertaining to special business contained in the Notice is annexed.
2. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and such proxy need not be a member.** Proxies, in order to be effective, must be received by the Company not less than forty-eight hours before the meeting.
3. The Register of Members and the Share Transfer books of the Company will remain closed from 22nd April 2006 to 2nd May 2006 (both days inclusive).

The shares of the Company are now traded compulsorily in dematerialized form as per the directions of the Stock Exchange. Accordingly, members who have not opted for dematerialization of shares are once again reminded to take steps to demat their shares.

4. Members are requested to communicate the changes, if any, in their addresses to the Company's Registrar and Share Transfer Agents, Alpha Systems Pvt.Ltd. 30, Ramana Residency, IV Cross, Sampige Road, Malleswaram, Bangalore-560 003.
5. Subject to the provisions of Section 206A of the Companies Act, 1956, dividend as recommended by the Board of Directors, if declared at the Annual General Meeting, will be disbursed on or before 30th May 2006.
6. Under Section 205A of the Companies Act, 1956, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of payment is required to be transferred to the Investor Education and Protection Fund of the Central Government.
7. In view of the above, members who have not encashed the Dividend Warrant(s) so far for any of the dividends declared earlier, are requested to make their claims to the Company immediately. Please note that as per Section 205-C of the Companies Act, 1956, no claim shall lie against the Company or the said Fund, in respect of individual amounts which remain unclaimed or unpaid for a period of seven years from the date of payment, and no payment shall be made in respect of any such claims.

By order of the Board,

Place: Bangalore
Date: 27th March 2006

Dinakar A
Managing Director

INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT:

As required under the Listing Agreement the particulars of Director who is proposed to be re-appointed are given below:

1. Name : Mr. Jan Johansen
Age : 57 Yrs
Qualifications : Bachelor's degree in Engineering
Expertise: 36 Yrs
Other Directorships : Five
Membership in Committees : Member of Remuneration Committee, DISA India Limited

Attendance record of Director seeking re-appointment (1-1-2005 to 31-12-2005)

Name of the Director	No. of Meetings held	No. of Meetings attended
Mr. Jan Johansen	Five	Four

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 5

Mr Vilas Karnik who served your Company as Vice Chairman & Managing Director opted for an early retirement from the said office as also the office of Director with effect from 19th October 2005.

The Remuneration Committee of your Company considered various factors and recommended to the Board, the appointment of Mr. Dinakar A as Director and also as Managing Director for a period of five years, with effect from 20.10.2005 on certain terms and conditions.

Based on the recommendations of the Remuneration Committee, the Board of Directors of the Company at their meeting held on October 19, 2005 inducted Mr Dinakar A as Director and further appointed him as Managing Director of the Company for a period of 5 years from 20.10.2005 to 19.10.2010 subject to your approval in the Annual General Meeting. The Board of Directors have fixed the terms and conditions of appointment with remuneration as exhibited in the resolution.

Mr. Dinakar A, aged 43 years, is a Graduate in Mechanical Engineering from Mysore University and has over 20 years of experience in Engineering Industry and has acquired indepth knowledge and experience in the Indian industrial scenario. His last assignment was as Head of Coated Abrasives in Grindwell Norton Ltd, part of Saint Gobain.

The remuneration, payable to Mr. Dinakar A, will be within the ceiling specified under Schedule XIII of the Companies Act, 1956.

In terms of Section 302 of the Companies Act, 1956, an abstract of the terms of appointment was circulated within the prescribed time limits.

None of the Directors, except Mr.Dinakar A, is concerned or interested in the aforementioned appointment.

Item No.6

In view of change in shareholding and dis-investment by KSIIDC, the Articles are recommended to be amended to delete the provisions relating to the rights of shareholders namely Georg Fischer Disa Holding AG and KSIIDC. Georg Fischer Disa Holding AG has changed its name to DISA Holding AG and KSIIDC has already dis-invested 90% of their holdings. In view of this, the right to nominate Directors on the Board by KSIIDC stands cancelled. Your Directors recommend the resolution for your approval.

None of the Directors is concerned or interested in the aforementioned resolution.

By order of the Board

Place: Bangalore
Date: 27th March 2006

Dinakar A
Managing Director

DISA INDIA LIMITED**DIRECTORS' REPORT**

The Board of Directors are pleased to present the 21st Annual Report and Audited statement of Accounts for the year ended 31st December 2005 together with the Auditors' Report.

FINANCIAL RESULTS

(Rs.in '000)

Description	2005	2004
Sales & Service	433,353	338,411
Profit before depreciation, tax & financial charges	132,508	80,234
Less: Depreciation	12,070	10,411
Less: Interest	771	919
Less: Provision for taxation (net of deferred tax)	44,045	23,680
PROFIT AFTER TAXATION	75,622	45,224
Add: Profit & Loss account Balance brought forward	8,887	3,786
PROFIT AVAILABLE FOR APPROPRIATION	84,509	49,010
APPROPRIATION:		
Proposed Dividend & Tax thereon	75,812	5,123
Transfer to General Reserve	8,697	35,000
Balance in Profit & Loss Account carried forward	Nil	8,887

DIVIDEND

Your Board is pleased to recommend a Dividend of 440% including a special Dividend of 400%.

PERFORMANCE OF THE COMPANY

Your Company achieved a turnover of Rs.433.3 million as against Rs.338.4 Million in the previous year. The Profit after Tax for the year under review is Rs.75.6 Million compared to Rs.45.2 Million for the previous year.

Aided by favourable economic conditions and through several initiatives both in the market place and in plant operations, your Company has exceeded the previous years' performance both in sales and profits.

The Board places these results before you with a sense of satisfaction and cautious optimism for the future. Your management has taken several actions to strengthen its position in the market place to be able to tide over the fluctuations of economic cycles.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Indian economy is expected to show robust growth during current Fiscal with an estimated 8% GDP growth. With emphasis on infrastructure, the capital goods industry will see a significant increase in demand and that is good news for the foundry business. India is fast emerging as a global hub for auto component (including castings) sourcing and many of the customers in the Auto sector are in the process of upgrading their manufacturing capabilities for higher productivity and automation and this trend augurs well for your Company.

With the expected thrust in economic reforms and opening up of the economy, the medium term outlook for the Indian economy continues to be good and your Company expects to benefit from these favourable conditions. The progress

in the current year until now has also been as per plan with indications of strong performance from many of the end-user industries like auto component manufacturers and castings for the general engineering industry. With support from the Group Company, your Company continues to upgrade the products for better productivity and reliability.

As part of the move to align with the Group's global strategy, your Company has also redrawn its plans and priorities with the objective of consolidating its presence in the foundry business. A number of initiatives in Operations are being implemented to reduce order turn around time and improve customer service. During the year, special emphasis will be given to the Spare Parts business segment to capitalize on the huge opportunity in the market place given the large installation base of the machines. Besides the above, best practices in areas like Supply Chain and Human Resource Management are also being implemented to further strengthen your Company. With competition expected to intensify, these actions are essential to maintain the growth and ensure continued customer satisfaction.

However, the Directors also expect International competition to get active in the Indian market and expand their activities. Your Company is taking suitable steps to counter this challenge, strengthen customer relationships and retain its leadership position in the Indian foundry market.

The Company has in place necessary internal controls to serve as an early warning system as part of its Management Information System. The internal controls are periodically strengthened by regular audits carried out by the internal and external auditors.

CORPORATE GOVERNANCE :

In compliance with the requirements of Stock Exchanges, your Board has adhered to the Corporate Governance Code. All the requisite Committees are functioning in line with the guidelines and on operational need basis.

As reported earlier, a reputed firm of independent Chartered Accountants has been carrying out the responsibilities of Internal Auditors and periodically they have been reporting their findings of systems, procedures and management practices. A separate note on Corporate Governance is included in this Report.

DIRECTORS' RESPONSIBILITY STATEMENT:

Your Directors confirm as follows:

- The Statement of Accounts has been prepared in conformity with appropriate Accounting Standards.
- Accounting policies have been selected and consistently applied so as to give a true and fair view of the financial statements. Change in Accounting Policy and its impact on financial statements are disclosed separately as required under relevant Accounting Standards.
- Internal controls are in place to provide reasonable assurance and reliability of the accounting records and to safeguard the assets of the Company and also to detect fraud and other irregularities, if any.

A reputed independent accounting firm acts as Internal Auditors of your Company and they conduct regular audits.

- (d) The Directors are satisfied that the Company has enough resources to carry on business and therefore have finalised the accounts as a going concern.

CONSERVATION OF ENERGY

Your Company gives high priority for conservation of energy through better supervision and training of employees to economize the usage of electricity.

RESEARCH AND DEVELOPMENT, TECHNOLOGY, ABSORPTION, ADAPTATION & INNOVATION:

Your Company has been continuously seeking and adapting new technology from principals in order to develop skills locally and meet specific needs of Indian and global customers.

Personnel at all levels are routinely sent to Principals' factories and design offices abroad for training and updating their skills.

FOREIGN EXCHANGE EARNINGS AND OUTFLOW:

The Company earned Rs. 36.4 million in foreign exchange and expended Rs.50.6 million in foreign exchange during the year under review.

INDUSTRIAL RELATIONS:

Industrial relations have been cordial and constructive, which have helped your Company to achieve production targets.

PERSONNEL:

Particulars of employees as required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of employees) Rules 1975 are given in the Annexure forming part of the Report.

DIRECTORS:

In terms of the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Jan Johansen retires by rotation at the forthcoming Annual General Meeting and is eligible for reappointment.

During the year under review, Mr. Vilas Karnik, Vice chairman & Managing Director opted for early retirement after serving the Company for 20 years. Mr. Dinakar A, a senior Engineering professional with 20 years of industrial and management

experience was appointed after complying with the statutory requirements, as Managing Director with effect from 20.10.2005 for a period of 5 years. The Board recommends his appointment and the terms thereof for your approval at the Annual General Meeting. Furthermore, Mr. V. A. Datar, former Chairman did not offer for reappointment at the last Annual General Meeting itself, which the members may recapitulate. Mr. H. Brungger, Mr. Hans Ole Madsen and Mr. R. N. Chawhan stepped down from the Board. Your Board places on record its appreciation for the yeomen services rendered by all the outgoing Directors.

Mr. Kent Arentoft was appointed as Director by your Board on 2nd March 2006 in the vacancy created by the cessation of office of Director by Mr. V. A. Datar. Mr. Lars Christensen stepped down from the office of Chairman and the Board designated Mr. Kent Arentoft as Chairman effective 2nd March 2006.

AUDITORS

The Auditors Messrs. M. K. Dandekar & Co., Chartered Accountants, Chennai, retire at the ensuing Annual General Meeting. The Company has received a certificate under Section 224 -1(B) of the Companies Act, 1956 from Messrs. M. K. Dandekar & Co., that their appointment would be within the limits specified therein.

Your Directors recommend their appointment.

ACKNOWLEDGEMENT

The Directors place on record their appreciation for valuable contribution made by employees at all levels, active support and encouragement received from Government of India, Government of Karnataka, KSIIDC, Company's Bankers, Customers, Principals and Business Associates.

Your Directors also recognize the continued support extended by all the Shareholders and gratefully acknowledge with a firm belief that the support and trust will continue in the future also.

For and on behalf of the Board of Directors

Place: Bangalore	V.M. Bhat	Dinakar A
Date: 27th March 2006	Director	Managing Director

ANNEXURE TO DIRECTORS' REPORT

STATEMENT PURSUANT TO SECTION 217(2A) OF THE COMPANIES ACT, 1956

SL. No.	Name & Age	Qualification	Date of commencement of employment (Exp. in years)	Designation/ Nature of duties	Gross Remuneration Rs.	Particulars of last employment held before joining the Company
1	Mr. Vilas Karnik* 58 years	B. Tech (Hons)	01.02.1986 (34)	Vice Chairman & Managing Director	4,181,434	Vulcan Laval Ltd. Pune Product Manager
2	Mr. Dinakar A* 43 years	B.E (Mech.)	29.08.2005 (20)	Managing Director	927,317	Grindwell Norton Ltd. General Manager & Business Head (Coated & Non Woven Abrasives)

Note : 1. Gross remuneration as above includes basic salary, contribution towards Provident Fund, Superannuation, Insurance premium, Bonus, House Rent Allowance & monetary value of perquisites.

2. None of the above employees are related to any of the other Directors of the Company.

3. Conditions of employment are governed by individual terms and conditions of service.

* Employed for part of the year

DISA INDIA LIMITED

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Code of Governance:

Disa India Limited has been adhering to all the aspects of Corporate Governance even before Clause 49 of the Listing Agreement with the Stock Exchange became applicable to this Company. As a part of Disa Group worldwide, the Company follows good practices of transparency and disclosure in its reporting. The Company is firmly committed to Corporate Governance and to meet the expectations of its stakeholders in matters related to trusteeship, integrity, ethical and legal standards.

2. Board of Directors:

Composition & Size of the Board

As on date, the Board comprises six Directors including five non-Executive Directors. The Directors have a mix of rich Corporate experience and indepth knowledge of the business.

Category	Names of Director	Number of Directors	Composition	Relationship with other Directors	No. of other Directorships	Membership of other Board Committees
Non-Executive & Independent						
	V.M. Bhat	2	33%	None	Nil	Nil
	Pradeep Mallick			None	Ten	Eight
Non-Executive						
	Jan Johansen	3	50%	None	Five	Nil
	Lars Christensen			None	Six	Nil
	Kent Arentoft**			None	Nil	Nil
Executive Director						
	Dinakar A	1	17%	None	One	Nil
	Total	6	100%			

** Mr. Kent Arentoft was appointed as Director at the Board Meeting held on 2nd March 2006.

No. of Board Meetings held during the year along with the dates of the Meetings

Five Board Meetings were held during the year. The dates on which the said meetings were held are as follows:

3rd March 2005, 21st April 2005, 21st June 2005, 11th August 2005 and 19th October 2005.

Attendance of each Director at the Board Meetings and last Annual General Meeting (AGM) and the number of Companies and Committees where he is Director / Member:

Name of Director	Category of Directorship	No. of Board Meetings attended	Whether Attended last AGM	No. of Directorships in other Companies incorporated in India	No. of Committee membership Members/Chairman in other companies in India
V.A. Datar*	Chairman	2	Yes	2	2
V.M. Bhat	Director	5	Yes	Nil	Nil
Pradeep Mallick	Director	3	No	11	7
R N Chawhan	Director	4	No	8	Nil
Hermann Brungger**	Director	Nil	No	Nil	Nil
Jan Johansen	Director	4	Yes	Nil	Nil
Hans Ole Madsen*	Director	1	No	16	Nil
Lars Christensen	Director	5	Yes	NA	Nil
Vilas Karnik***	Vice Chairman & Managing Director	4	Yes	Nil	Nil
Dinakar A****	Managing Director	1	No	1	Nil

* Mr. V A Datar & Mr. Hans Ole Madsen ceased to be Director w.e.f. 21.6.2005.

** Mr. Hermann Brungger ceased to be Director w.e.f. 11-08-2005.

*** Mr. Vilas Karnik VC & MD opted for early retirement w.e.f. 19.10.05.

**** Mr. Dinakar A joined the Board w.e.f. 20.10.05 and has been appointed as Managing Director.

3. Audit Committee

The Audit Committee is responsible for overview of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible; recommending the appointment and removal of the statutory and internal auditors, fixation of audit fees, the approval for payment for any other services and reviewing with the management the annual financial statements before submission to the Board.

The Audit Committee comprises of Mr. Pradeep Mallick, Chairman, Mr. V.A. Datar and Mr. V.M. Bhat all of whom are Independent Directors. Mr. Datar ceased to be a member during the year. Mr. Lars Christensen was inducted as a member. The terms of reference of this Committee include matters covered under Clause 49 of the Listing Agreement as also those under the Companies Act, 1956.

The Internal Auditors and Statutory Auditors attend the meetings by invitation.

Meetings and the attendance during the year

The Committee met three (3) times during the year. The attendance of each member of the Committee is stated below:

Name of Director	No. of Meetings attended
Pradeep Mallick	3
V.A. Datar	2
V.M. Bhat	3
Lars Christensen	1

4. Remuneration Committee

The Company has set up a Remuneration Committee firstly to determine and review the remuneration and bonus of the Executive/Managing Director(s) and secondly to review policy issues relating to remuneration and bonuses of Senior Managers.

Meetings and the attendance during the year

The Committee met two (2) times during the year. The attendance of each member of the Committee is stated below:

Name of Director	No. of Meetings attended
V.A. Datar	2
Pradeep Mallick	2
V.M. Bhat	2
Hermann Brüngger	Nil
Jan Johansen	1
Hans Ole Madsen	1

5. Shareholders' Grievances and Investor Relations Committee :

The Board has constituted a Shareholders Grievance and Investor Relations Committee to approve share transfers, transmissions, transposition of name, issue of split/duplicate certificates to ratify confirmations made to the demat requests received by the Company and to review the status report on redressal of shareholders' complaints received by the Company/ share transfer agents. The Committee comprises of Mr. V.M. Bhat and Mr. Vilas Karnik and met twelve times during the year. Mr. Dinakar A was inducted as member in place of Mr. Vilas Karnik when Mr. Karnik ceased to be member w.e.f. 20th October 2005.

Name of Director	No. of Meetings attended
Vilas Karnik	10
Dinakar A	2
V.M. Bhat	12

There were six complaints received and resolved during the year ended 31st December 2005. There was no pending share transfer as on the same date.

6. Remuneration paid to Directors

The details of remuneration paid to the Directors during the year 2005 are given below:

a) Executive Directors**(in Rs.)**

Directors	Salary	Performance Bonus	Perquisites	Sitting Fees	Total
Mr. Vilas Karnik	20,26,845	11,86,246	9,68,343	0	41,81,434
Mr. Dinakar A	9,27,097		220	0	9,27,317
Total	29,53,942	11,86,246	9,68,563	Nil	51,08,751

Mr Dinakar A was appointed as Managing Director in place of Mr. Vilas Karnik, w.e.f. 20.10.05

DISA INDIA LIMITED**b) Non-Executive Directors**

(in Rs.)

Name	Sitting fees	Commission for the year 2004
V.A. Datar	60,000	144,400
V.M. Bhat	100,000	144,400
Pradeep Mallick	80,000	144,400
R N Chawhan	40,000	144,400
Hermann Brüngger	-	-
Jan Johansen	50,000	-
Hans Ole Madsen	20,000	144,400
Lars Christensen	60,000	-

Name, designation & address of Compliance Officer

Mr. D.A. Biradar

Vice President – IT, Costing Systems & Legal Affairs

DISA INDIA LIMITED

98 & 99, EPIP

Whitefield

BANGALORE-560 066

E-Mail: da.biradar@disagroup.com

Phone: 91-80-28413301 to 04

Fax : 91-80-28413315

The Company has fulfilled all the compliance requirements under the listing agreements as regards the Investor Grievance Committee.

7. General Body Meetings

Location and time of the last three Annual General Meetings

Year	Date	Venue	Time
2002-03	25-09-2003	Registered Office of the Company	1030 Hrs
2003	21-04-2004	Registered Office of the Company	1030 Hrs
2004	21-06-2005	Registered Office of the Company	1100 Hrs

There were no Special Resolutions which were required to be put through postal ballot. The Company has proposed one currently, under Section 293(1)(a) read with Section 192 A of the Companies Act, 1956.

8. Disclosures

Transactions with the related parties are disclosed in Schedule 18 to the Accounts in the Annual Report.

The Register of Contracts containing the transactions in which Directors are interested, is placed before the Board as and when required.

During the last three years, there were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets.

9. Means of Communication

The Quarterly & Half Yearly results are published in national and local dailies such as Economic Times/ Financial Express (in English) and Sanjevani (in Kannada) and also are displayed on SEBI website, and hence are not individually sent to the shareholders.

10. General Information to Shareholders**AGM : Date: 2nd May 2006, Tuesday**

Time: 1130 Hrs

Venue: Registered Office at No.98 & 99, EPIP, Whitefield, Bangalore-560 066

Financial year : January to December 2005

Date of Book Closure: 22nd April 06 to 2nd May 2006

Payment of Dividends – Before end May 2006

Listing on Stock Exchanges: Mumbai & Bangalore. Stock code is 500068 in the Mumbai Stock Exchange.