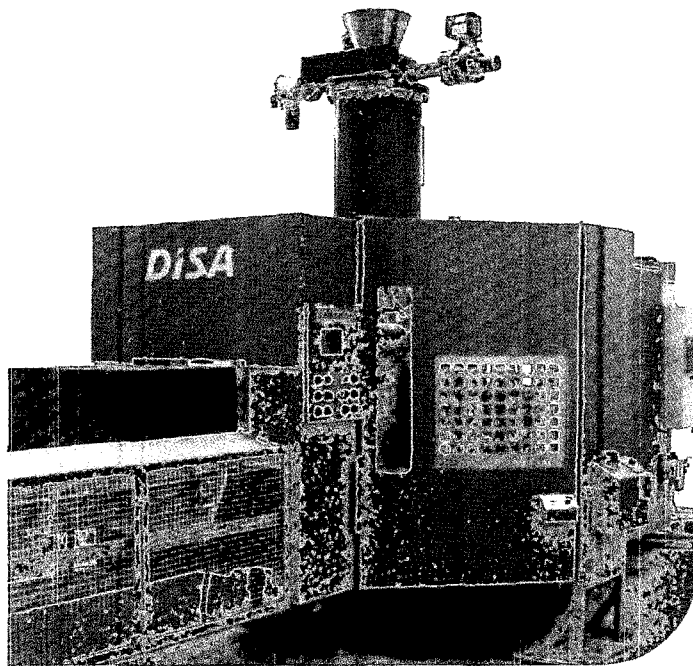


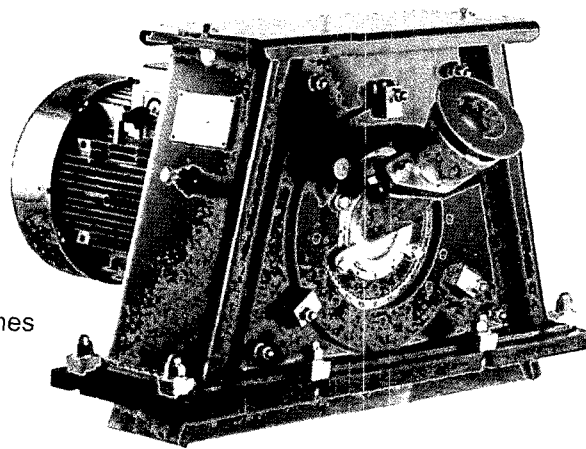


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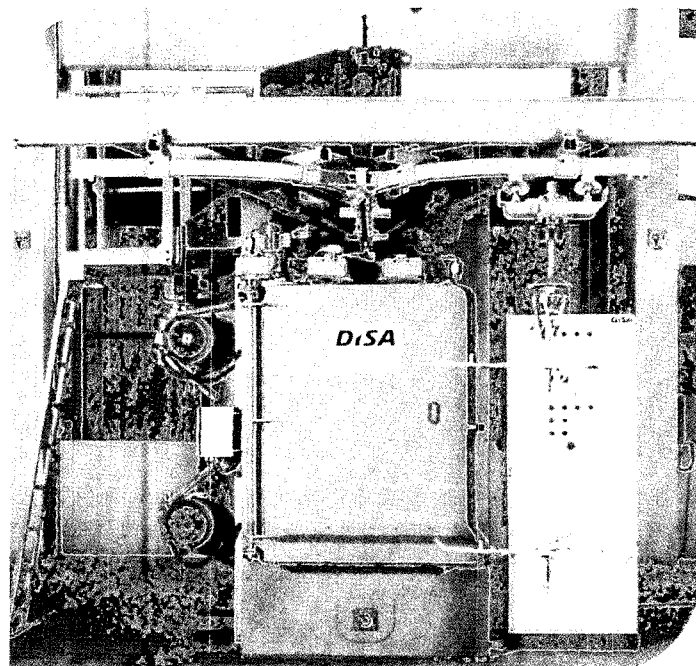
***DISA***  
shaping industry



DISA 030 – First “Made in India”  
vertical moulding machine  
displayed for the first time  
at IFEX 2011



Latest offering:  
Roto-jet wheel for  
the shot blast machines



HB-I overhead rail shot blast  
machine – launched in  
Aug 2010 in India

**BOARD OF DIRECTORS**

JAN JOHANSEN  
DEEPA HINGORANI  
SANJAY ARTE  
VIRAJ NAIDU

Managing Director

**BANKERS**

CANARA BANK  
STATE BANK OF INDIA  
HDFC BANK LTD.  
KOTAK MAHINDRA BANK LTD

**REGISTRARS**

Integrated Enterprises (India) Limited  
30, Ramana Residency,  
Ground Floor,  
IV Cross, Sampige Road,  
Malleswaram,  
Bangalore - 560 003.  
Ph: +91 80 23460815/816

**REGISTERED OFFICE**

5th Floor, Kushal Garden Arcade  
1A, Peenya Industrial Area,  
Peenya 2nd Phase  
Bangalore 560 058  
Ph: +91 80 4020 1400 to 04

**STOCK EXCHANGES**

Bombay Stock Exchange Ltd, Mumbai  
Phiroze Jeejeebhoy Towers  
Dalal Street  
MUMBAI - 400 001

National Securities Depository Limited  
Trade World, 4th Floor, Kamala Mills Compound  
Senapati Bapat Marg, Lower Parel  
MUMBAI - 400 013

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

## NOTICE

NOTICE is hereby given that the Twenty Sixth Annual General meeting of DISA INDIA LIMITED, will be held at 11.30 hrs on 6th May 2011 at The Atria Hotel, Bangalore – 560 001 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st December 2010 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 elect a Director in place of Mr Jan Johansen who retires by rotation and is eligible for reappointment.
3. 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:

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and read with Schedule XIII, other applicable provisions, if any, of the Companies Act, 1956 or any amendment or modification thereof, and subject to the approval of the Central Government, if required, Mr. Viraj Naidu be and is hereby reappointed as Managing Director of the Company with effect from 6th February 2010 to 5th February 2013 for a period of 3 (three) years on such remuneration as set out below:

The compensation given below, as approved by the Board, are as follows:

#### 1. SALARY :

Period of Remuneration	Basic Salary per month
Effective 06.02.2010 to 31.03.2011	Rs.1,76,400/- per month
Effective 01.04.2011	Rs. 1,86,700/- per month

2. **PERFORMANCE LINKED BONUS :** Eligible to receive a performance linked bonus every year. The standard terms of Key MIP will be applied. The system takes into account Group performance, Company performance in terms of Growth and margin expansion and personal objectives measured against agreed objectives for the year. As constituted currently, the amount could reach a maximum of 30% of the total pay.

3. **HOUSE RENT ALLOWANCE :** Not exceeding 50% of basic salary, house rent allowance will be Rs.93,350/- per month. (From 6.2.2010 to 31.03.2011 – Rs.88,200/- per month)

4. **CONVEYANCE :** Chauffeur driven car provided by the Company for the performance of official duties and personal use. All expenses towards this facility will be borne by the Company.

5. **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.

6. **OTHER ALLOWANCE :** A general allowance to cover all household expenses & insurance, using clubs in which Company has corporate membership, insurance premium towards mediclaim cover etc. This General allowance will be Rs.130,690 /- per month. (From 6.2.2010 to 31.03.2011 – Rs.86,750/- per month)

7. **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. This will be limited to Rs.1250/- per month.

8. **LEAVE AND LEAVE TRAVEL ASSISTANCE :** Leave will be as applicable to the senior Managers of the Company. Expenses for self and family (as defined above) of travel anywhere in India on leave will be paid/reimbursed once a year subject to a ceiling of one month's basic salary.

9. **PROVIDENT FUND :** Contribution of 12% of basic salary by the appointee with an equal amount of contribution by the Company.

10. **SUPERANNUATION FUND :** The Company contributes 15% of the basic salary to the Superannuation fund.

11. **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.

12. **REIMBURSEMENT OF BUSINESS EXPENSES :** Eligible for Reimbursement of all reasonable expenses on travel, entertainment etc., legitimately incurred in the course of duties.

13. **RETENTION:** In addition to the above, there will be a retention agreement signed with Mr. Viraj Naidu based on which he will be eligible to receive MINR 1.0 / per annum for three years from January 2010 to December 2012 (subject to applicable taxes), which will be accumulated and paid at the end of three years namely at the end of December 2012 provided Mr. Viraj Naidu continues to be in the service of Disa India Limited till the end of December 2012.

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.

### MINIMUM REMUNERATION

In the event of absence or inadequacy of profits in any financial year during the currency of tenure of 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 to the Companies Act, 1956.

FURTHER RESOLVED THAT the Board of Directors be and is hereby empowered to vary the terms and conditions of appointment of Mr Viraj Naidu as Managing Director subject to the limits prescribed under the Schedule XIII to the Companies Act, 1956."

- 5 To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT Article 129(3) of the Articles of Association of the Company be and is hereby altered by deleting the existing Article 129(3) and by substituting the following new Article 129(3) thereof:

129(3): The sitting fee payable to Director for attending meetings of Board or Committees thereof shall be decided by the Board from time to time in compliance with the prevailing provisions of the Act or guidelines thereof or any other regulations".

By Order of the Board of Directors

For DISA India Limited

Date: 25.02.2011

Place: Bangalore

Viraj Naidu

Managing Director

#### NOTES:

1. 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.
2. The Register of Members and the Share Transfer books of the Company will remain closed from 4th May 2011 to 6th May 2011 (both days inclusive).
3. 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, Integrated Enterprises ( India) Ltd (Formerly Alpha Systems Private Limited) 30, Ramana Residency, IV Cross, Sampige Road, Malleswaram, Bangalore-560 003.
5. 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.
6. 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 205C 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.

#### EXPLANATORY STATEMENTS UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956:

##### Item no. 4

Mr. Viraj Naidu was appointed as President & Whole-time Director for 3 years with effect from 6.2.2007 and was re-designated as Managing Director effective 1st Jan 2010. Mr. Naidu has been actively involved with the affairs of the Company from the beginning. He has been steering the Company through tough times and has now worked hard to ensure that the Company has achieved respectable business position.

Mr. Viraj Naidu is a Mechanical Engineering graduate from the Indian Institute of Technology and comes with 19 years of experience spanning several functional areas in Business Management.

Considering the background, his experience and the need of the Company, based on the recommendations of the Remuneration Committee, your Board has appointed him as Managing Director for 3 years with effect from 6.2.2010 to 5.2.2013 and recommends that the same be approved by the Members.

This may be deemed as abstract under Section 302 of the Companies Act, 1956 of the terms and conditions of appointment of Mr. Viraj Naidu as Managing Director.

Mr. Viraj Naidu may be deemed to be interested or concerned in the Resolution.

##### Item No.5

In order to bring the relevant Article in the Articles of Association of the Company in line with the prevailing provisions of the Companies Act, 1956, guidelines thereof and such other regulations, it is proposed to alter the Article 129(3) as exhibited in the Resolution.

The Board recommends the Resolution for your approval.

The Directors may be deemed to be concerned or interested in the resolution to the extent of sitting fees payable to them.

By Order of the Board

For DISA India Ltd

Date: 25.02.2011

Place: Bangalore

Viraj Naidu

Managing Director

## Annual Report 2010

### INFORMATION REQUIRED TO BE FURNISHED UNDER LISTING AGREEMENT

As per Listing Agreement, particulars of Directors who are proposed to be re-appointed are given below:

1. **Name:** Mr. Jan Johansen  
**Age:** 61 years

**Qualification:**  
Bachelor of Engineering

**Expertise:**  
38 years of Industrial /Business management

**Other Directorships:**

Group Companies -

- 1) DISA Holding A/S, Denmark
- 2) DISA Holding II A/S, Denmark
- 3) DISA Industries A/S, Denmark
- 4) DISA Industrieanlagen GmbH, Germany

**Committee Memberships :**

Name of the Company	Committee	Status
DISA India Limited	Remuneration Committee	Member
DISA India Limited	Audit Committee	Member

2. **Name:** Mr. Viraj Naidu  
**Age:** 42 years

**Qualification:**  
Mechanical Engineering graduate from Indian Institute of Technology

**Expertise:**  
19 years of Industrial /Business Management

**Other Directorships:**  
NIL

**Committee Memberships :**

Name of the Company	Committee	Status
DISA India Limited	Shareholders' grievance and Investor Relations Committee	Member

Date: 25.02.2011  
Place: Bangalore

For DISA India Ltd

Viraj Naidu  
Managing Director

## DIRECTORS' REPORT

The Board of Directors have pleasure in presenting the 26th Annual Report and Audited statement of Accounts for the year ended 31st December 2010 together with the Auditors' Report.

### FINANCIAL RESULTS

(Rs.in '000)

Description	2010	2009
Sales & Service	1,076,365	712,929
Profit before depreciation, tax & financial charges	251,294	175,205
Less: Depreciation	18,009	19,941
Less: Interest	332	2,416
Less: Provision for taxation (net of deferred tax)	81,923	54,225
PROFIT AFTER TAXATION	151,030	98,623
Add: Profit & Loss account Balance b/f	234,423	135,800
PROFIT AVAILABLE FOR APPROPRIATION	385,453	234,423
APPROPRIATION:		
Proposed Dividend & Tax thereon	NIL	NIL
Balance in Profit & Loss Account	385,453	234,423

### DIVIDEND

Your Board has carefully reviewed the payout policy of the Company and recalls kind attention of the shareholders to the Dividend record and the bonus debentures issued and allotted out of Shareholders' funds. The Directors after careful consideration have opined that uncertain business scenario with recent recession fresh in mind impacting the profitability is not to be overlooked. It has now been established that globally the best opportunity to invest surplus funds lies in India and accordingly, your Company recognizing this fact is exploring suitable opportunities towards this objective. Your Company sees multifold growth opportunities in the coming times:

1. Growth of Indian Foundries, which will require more automation/ upgrades that the Company currently provides
2. Growth of Wheelabrator range of machines into new market segments beyond foundries
3. Export of specific new products for which DISA India is now identified as Global supplier
4. Growing the filters business more strongly into new application segments
5. Strong opportunities for inorganic growth

These will provide major investment opportunities which will all lead to shareholder value enhancements. Accordingly, the Directors do not recommend Dividend for the year under report.

### PERFORMANCE OF THE COMPANY

The recovery of the Indian Industry was evident by the last quarter of

2009 and during the whole of 2010, the Company saw industrial confidence getting stronger.

A significant part of the Management effort was to ramp up resources, as demand returned very fast during the year. The success of these efforts was evident with the very sharp rise in the last two quarters performance.

Fresh Order Intake was boosted up during the year and your Company finished with the highest ever Annual Order Intake of Rs.122 Crores. The year end Order Backlog was at a very healthy level of Rs.66 Crores, with an equally strong enquiry book.

While overall topline grew 51%, PBDIT growth was at 43% only, mainly due to some of the lower margin orders accepted during the slowdown time. Your Company is now seeing cost inflation on major bought outs & also on salaries, as the demand for good talent is high.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

While the Global recovery is still sluggish, the Indian emergence from the slowdown of 2009 has been quite dramatic. India has now emerged as the World's 2nd Largest Foundry Producer and the trend seems to be further getting reinforced.

DISA's major markets – Indian Foundries – are currently facing a major demand boom, but against a background of severe crunch in availability of labour & power. This is now driving a clear move of upgrading towards High Productivity Automated High pressure Moulding Lines. Additionally, with the Global Merger of the Wheelabrator Group with the DISA Group in 2009, we now start focusing on Automotive & Steel Processing Industries for the whole range of Surface Preparation Equipment.

Your Company is well poised to capture a significant majority of these opportunities, as it covers the whole range of technologies within the DISA & Wheelabrator Groups.

The New DISAFLEX80, which was successfully commissioned during the year, has expanded the range in the Horizontal Flask Lines Category.

Your Company also developed & installed the Automatic Mould Handling (AMH) Systems in India, for the New range of Medium & Large DISAMATCH machines, which came from Denmark.

The Company also launched the First Made in India DISAMATIC Vertical Moulding Machine – DISA 030 – which was very well received in the IFEX in Feb'2011. Your Company has already received two orders for this DISA 030 machine and is hopeful of a good response from the Indian Foundries in the coming years.

The first machine (HB-I) from the Wheelabrator range was localised for the Indian Non-Foundry markets and has been well received for many of its novel features.

All these new product introductions & the continuing capacity upgrade / expansion trends by all Major Customers, lead to expect a good revenue growth for the Company in Year 2011.

To match this growth potential, your Company has already started

further investments - since mid 2010 - into expansion of our manufacturing equipment & facilities, at both the Tumkur & Hosakote Plants. During the year, the company increased its team strength significantly and are continuing to do so.

While the growth engine in India seems quite strong now, the high inflation and the Interest rate hikes have the potential to slow down this growth. The high inflation is also likely to hit margins, with major impact expected from steel price spikes.

The Company has adequate internal control systems as part of the Management Information System in place. Regular Audits are being conducted on all fronts by the Statutory and Internal Auditors.

### GROUP COMPANIES

Persons constituting Group coming within the definition of "Group" as defined in the Monopolies and Restrictive Trade Practices Act, 1969 include the following:

Sl. no	Name of the Company
1	Norican Holdings ApS (Denmark)
2	Norican Group ApS (Denmark)
3	DISA Holding A/S (Denmark)
4	DISA Holding II A/S (Denmark)
5	DISA Holding AG (Switzerland)
6	DISA Holding Acquisition LLC (Michigan USA)
7	DISA Industries A/S (Denmark)
8	DISA Industries AG (Switzerland)
9	DISA Industries, Inc. (Illinois, USA)
10	DISA Industries s.r.o. (Czech Republic)
11	DISA K K (Japan)
12	DISA Machinery Limited (China)
13	DISA Trading (Shanghai) Co Limited (China)
14	DISA Technologies Private Limited (India)
15	WGH Holding Corp. (BVI)
16	WG Global LLC (Delaware, USA)
17	Wheelabrator Group, Inc. (Delaware, USA)
18	Wheelabrator Group (Canada) Ltd, (Canada)
19	Castalloy, Inc. (Delaware, USA)
20	WGH UK Holdings Ltd. (UK)
21	WGH UK Limited (UK)
22	Wheelabrator Technologies (UK) Ltd (UK)
23	Wheelabrator Group SLU (Spain)
24	Wheelabrator Group Holding GmbH (Germany)
25	Wheelabrator Group GmbH (Germany)
26	Wheelabrator Group SAS (France)
27	Matrasur Composites SAS (France)
28	Wheelabrator Group Limited (UK)
29	WG Plus de Mexico S de RL de CV (Mexico)

### CORPORATE GOVERNANCE

In compliance with the listing agreement with the Stock Exchange, 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.
- The Directors are satisfied that the Company has enough resources to carry on business and therefore have finalized 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. 111.14 (Rs.30.48) Million in foreign exchange and expended Rs. 88.20 (Rs.63.45) 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.

## 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 -i(B) of the Companies Act, 1956 from Messrs. M. K. Dandekar & Co., Chartered Accountants, Chennai 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, 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

Date: 25.02.2011

Deepa Hingorani

Director

Viraj Naidu

Managing Director

## ANNEXURE TO DIRECTORS' REPORT (Year ending 31 Dec 2010)

### 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	Jagadish A Kulkarni 46 years	B.E. (Mech)	25/02/1991 (24)	Vice President - Sales & Marketing - FSB	2,937,875	Bemco Hydraulics Application Engineer
2	Joydip Ghosh 46 years	M.Tech, MBA	25/4/2007 (23)	Vice President - Filters Business & HK Operations	3,106,089	Timken Engineering & Research Pvt Ltd Program Manager
3	S.Mohan 53 years	B.Sc,ACA, AICWA	23/6/2004 (29)	Chief Financial Officer	3,884,027	Encore Software Limited Chief Financial Officer
4	Viraj Naidu 42 years	B. Tech (Hons)	22/1/2007 (19)	Managing Director	6,543,022	Tata Autocomp Systems Ltd Interiors & Plastic Division. Chief Operating Officer

- Notes :
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 is related to any of the other Directors of the Company.
  3. Conditions of employment are governed by individual terms and conditions of service.
  4. Perquisites include amounts evaluated as per Income Tax Rules in respect of certain items.

## REPORT ON CORPORATE GOVERNANCE

## 1. Company's Philosophy on Code of Governance

As a part of Norican 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 &amp; Size of the Board

As on date, the Board comprises of Four Directors including Three non-Executive Directors. The Directors have a mix of rich corporate experience and in-depth knowledge of the business.

Category	Names of Director	Number of Directors	Composition	Relationship with other Directors	No. of other Directorships	Memberships of other Board Committees
Non-Executive & Independent		2	50%			
	Deepa Hingorani			None	7	1
	Sanjay Arte			None	4	Nil
Non-Executive		1	25%			
	Jan Johansen			None	4	Nil
Executive Director		1	25%			
	Viraj Naidu			None	Nil	Nil
Total		4	100%			

## Number of Board Meetings held during the year along with the dates of the Meetings

Four Board Meetings were held during the year on the following dates:

26th Feb, 30th April, 23rd July and 28th Oct 2010

Attendance of each Director at the Board Meeting, Annual General Meeting (AGM) and the number of Companies and Committees where he/she is a 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
Jan Johansen	Director	4	Yes	Nil	Nil
Deepa Hingorani	Director	4	Yes	5	1
Sanjay Arte	Director	4	Yes	4	Nil
Viraj Naidu	Managing Director	4	Yes	Nil	Nil

Note : The Directors participate through video conferencing facility in case of inability to participate in person.

## 3. Audit Committee

The Audit Committee is responsible for over-viewing 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 Internal Auditors and Statutory Auditors attend the meetings of the Audit Committee, by invitation.

## Meetings and the attendance during the year

The Committee met four times during the year on the following dates: