



# 28th Annual Report



wheelabrator  
shaping industry

**DISA**  
shaping industry

# Wheelabrator in India

"DISA" shot blast is now "Wheelabrator"

18 January 2013

Messrs  
DISA India Limited  
Kushal Garden Arcade, 5<sup>th</sup> Floor  
1A Peenya Industrial Area  
Peenya 2<sup>nd</sup> Phase  
Bangalore, 560 058  
India

Attn: Mr. Viraj Naidu, Managing Director

Dear Sirs:

As you know, Wheelabrator Technologies (UK) Limited and its affiliates in the Wheelabrator Group are the exclusive holders of the world-wide rights to the trademark "Wheelabrator"® and related technology for use in the wheel blast and air blast businesses. These rights have continued in direct line since the invention of the Wheelabrator machines in the 1930s. No other group has a legitimate right to use the Wheelabrator® name or trademark or claim that its wheel or air blast equipment is authentic Wheelabrator® equipment.

In September 2008, the companies of the DISA Group (the world's leading foundry equipment supplier) and the companies of the Wheelabrator Group (the largest provider of wheel and air surface preparation solutions) joined forces under the ownership of Norican Group ApS. As a result of the global merger, the Wheelabrator Group companies are represented in India exclusively by their sister company, DISA India Limited. This representation covers imported equipment and parts as well as equipment and parts produced in India. No other entity in India has the legitimate right to identify its equipment as authentic Wheelabrator® equipment or claim a current relationship with the Wheelabrator Group. A joint venture which existed between the Wheelabrator Group and an Indian company from the 1960s to the 1990s was dissolved some 15 years ago and the former Indian entity has no legal right use the Wheelabrator® name or claim that any of its products are authentic Wheelabrator® products.

As part of the exclusive relationship between DISA India Limited and the Wheelabrator Group, a wide range of the latest Wheelabrator® technology has been localized for production in India. The products produced in India by DISA India Limited include:


- MB-I-500S (Metal Belt Tumbler Machine);
- FL-I-3 (Wire Cleaning Machine);
- HB-I-10/12 and HB-I-12/16 (Y-Track Hanger Shot Blast Machines);
- DS-I-1 (Manipulator Type Shot Blast Machine);
- Blast room solutions;
- Saturn® Wheel for Heavy Duty Applications;
- ROTOJET® 5.3 Wheel for Cleaner Applications; and

Moreover, Wheelabrator Group and DISA India Limited continue to collaborate on bringing additional value-added Wheelabrator® products to the Indian market. DISA India Limited will inform the market as new products are made available to its customers.

Please feel free to share the contents of this letter with your customers and other interested parties.

Yours sincerely,  
Wheelabrator Technologies (UK) Limited

By:   
Name: Ian B. Bird  
Title: Director

By:   
Name: Andrew T. Carmichael  
Title: President / Wheel and Air Technology

wheelabrator  
shaping industry

Wheelabrator groups in Y2009, all Legacy DISA shot blast products and solutions, were rebranded under the Wheelabrator brand.

While this was done in Y2009 worldwide, in India we decided to wait for a while – and to first spread the merger news to all Indian customers. This was done through active PR coverage in industrial magazines and also focused customer symposiums.

This was an important activity, as the Wheelabrator group had a JV in India with another Indian company from the 1960s till the 1990s. However this JV is no longer existing since over 15 years and the erstwhile Indian JV partner does not have any access to the latest Wheelabrator technology. Please see the attached letter from the Wheelabrator Group on this. We now believe that the message of "DISA and Wheelabrator together" is now quite well established in India.

Hence, from Jan'2013, we are now formally rebranding our entire range of DISA shot blast products and solutions – in India – to our global surface preparation brand "Wheelabrator". The current DISA shot blasting solutions in India – namely, BB, SPH, VP, HPH, SPH, HPH, BPH, DTC, DT etc – will all continue to be available, now under our "Wheelabrator" brand. Needless to say, all our moulding solutions – i.e., moulding machines, mixers, sand plant and filters – will continue to be offered under the DISA brand.

Viraj Naidu, Managing Director,  
DISA India Limited

**BOARD OF DIRECTORS**

JAN JOHANSEN  
DEEPA HINGORANI  
SANJAY ARTE  
ROBERT E JOYCE JR (w.e.f 14.04.2012)  
ANDREW CARMICHAEL (w.e.f 14.04.2012)  
VIRAJ NAIDU Managing Director

**BANKERS**

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  
E-mail : irg@integratedindia.in

**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

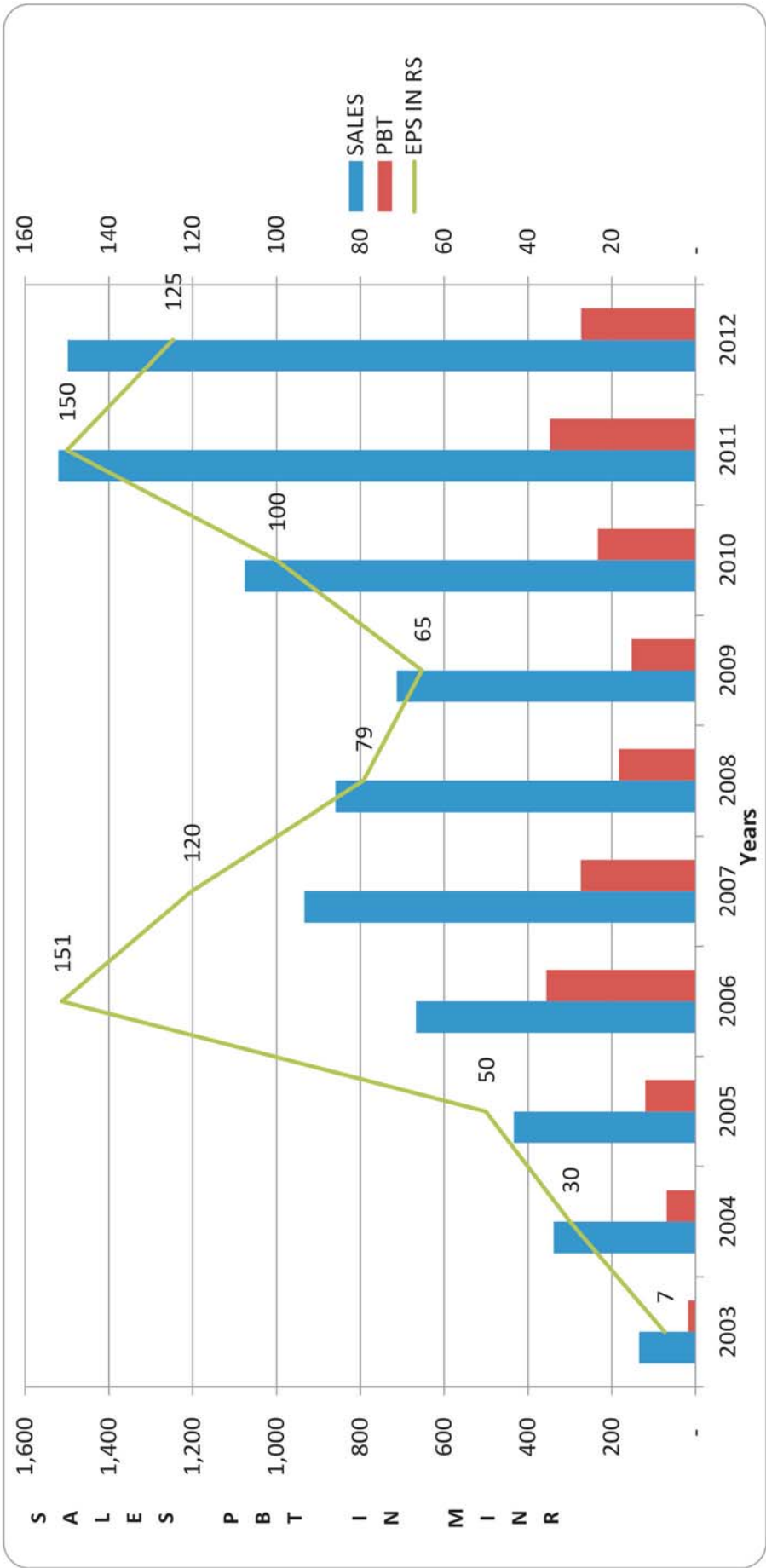
**AUDITORS**

M.K. Dandekar & Co.  
Chennai

**SOLICITORS**

Chander Kumar & Associates  
Bangalore

# PERFORMANCE AT A GLANCE



Years/ MINR	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Net Sales	1,499	1,521	1,076	713	859	934	667	433	338	134
PBT	272	347	233	153	183	274	356	120	69	17
EPS in RS	125	150	100	65	79	120	151	50	30	7
Dividend in %	25%	2000%	0	0	0	2000%	40%	440%	30%	18%

The EPS for 2006 would have been RS ~90 but for extraordinary income (of MINR 146) arising out of sale of property

## NOTICE

NOTICE is hereby given that the Twenty Eighth Annual General Meeting of DISA INDIA LIMITED will be held at 11.00 a.m. on Thursday, the 16th day of May 2013 at Hotel Vivanta by Taj, No 2275, Tumkur Road, Yeshwantpur, Bangalore 560 022 to transact the following business:

### ORDINARY BUSINESS:

- To receive, consider and adopt the Audited Balance Sheet as at 31st December 2012 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.
- To elect a Director in place of Ms. Deepa Hingorani, who retires by rotation and is eligible for reappointment.
- To elect a Director in place of Mr. Jan Johansen, who retires by rotation and is eligible for reappointment
- To declare Dividend.
- 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. Messrs M K Dandekar & Co., Chartered Accountants have expressed their intent not seek reappointment as Auditors for the year 2013 and it is proposed to appoint Messrs Deloitte, Haskins & Sells, Chartered Accountants Firm Regn. No. 008072S in place thereof.

### SPECIAL BUSINESS:

- 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 Schedule XIII, other applicable provisions, if any, of the Companies Act, 1956 or any amendment(s) or modification(s) thereof, Mr. Viraj Naidu be and is hereby reappointed as Managing Director of the Company with effect from 6th February, 2013 to 31st March 2016 on such remuneration as recommended by the Remuneration Committee and the Board of Directors and as set out below:

#### 1. BASIC SALARY:

With effect from	Salary per month
01.04.2013	Rs. 230,162/- (Rupees two lakhs thirty thousand one hundred and sixty two only) per month with such changes annually as may be decided upon.

#### 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.115,081/- (Rupees one lakh fifteen thousand eighty one only) per month.

#### 4. CONVEYANCE:

Chauffeur driven car will be 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 the Company has corporate membership. This general allowance will be Rs.161,113/- (Rupees one lakh sixty one thousand one hundred and thirteen only) per month.

#### 7. MEDICAL EXPENSES:

Medical expenses incurred in respect of the 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/- (Rupees one thousand two hundred and fifty only) per month.

#### Mediclaim Policy

Eligible to receive the mediclaim policy (premium paid by Company) covering self, spouse and dependant unmarried children less than 21 years of age as applicable to the senior management personnel of the Company.

#### 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. SITTING FEE :

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.

### 14. PROFIT GROWTH SHARING INCENTIVE SCHEME:

Mr. Viraj Naidu will also be eligible for the Profit Sharing Scheme (Incentive based compensation program to award employees a percentage of the Company's Profit) as applicable to all the Staff members of the Company.

### MINIMUM REMUNERATION

In the event of absence or inadequacy of profits in any Financial Year during the currency of tenure of his appointment, the entire applicable remuneration by way of Salary and perquisites mentioned above shall be paid as the 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 authorized 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."

7. 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 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956 and Article 129(2)(ii) of the Articles of Association, approval be and is hereby accorded for the payment to the non-whole time Directors of the Company, Commission to be divided in such proportion as the Directors may think fit at a rate not exceeding 1% of the net profits of the Company (or such other limits as may be prescribed by the concerned authorities of the Government of India) to be computed in the manner laid down in Section 198 of the Companies Act, 1956 commencing from the financial year 2012".

By Order of the Board of Directors

For DISA India Limited

Date: 28.02.2013  
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 09.05.2013 to 16.05.2013 (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 holdings.
4. Members are requested to communicate changes, if any, in their addresses to the Company's Registrar and Share Transfer Agents, Integrated Enterprises (India) Limited, 30, Ramana Residency, IV Cross, Sampige Road, Malleswaram, Bangalore-560 003.
5. Subject to the provisions of Section 205A of the Companies Act, 1956, Dividend as recommended by the Board of Directors, if approved at the Annual General Meeting, will be disbursed on or before 31st May, 2013.
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.
8. Investors are requested to utilize ECS facility to enable transfer of dividends directly to the bank account of eligible shareholders.

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

#### Item no. 6

Perhaps the shareholders will recapitulate that Mr Viraj Naidu was appointed as Managing Director of the Company at the 26th Annual General Meeting held on 6th May, 2011 for the period from 6th February, 2010 to 5th February, 2013. Based on the recommendations of the Remuneration Committee, the Board of Directors further appointed Mr.

Viraj Naidu as Managing Director with effect from 06.2.2013 to 31.03.2016, subject to the approval of the Shareholders.

Mr. Viraj Naidu is a Mechanical Engineering graduate from the Indian Institute of Technology and has over 22 years of experience in the fields as diverse as maintenance, sales & marketing, program management, project management and general management. He also has significant exposure to multi-national and multi-cultural environments.

It is very obvious that the Company has steadily grown from the time Mr. Viraj Naidu was entrusted with substantial powers of Management of the day to day affairs of the Company about 6 years ago.

Your Board has recognized the manner in which Mr. Viraj Naidu has steered the Company through difficult times and the manner in which he has built up an enviable team.

Considering all the above criteria and the need of the Company, based on the recommendations of the Remuneration Committee, your Board has re-appointed him as Managing Director with effect from 06.2.2013 to 31.03.2016 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. 7**

It may be recalled that at the 22nd Annual General Meeting held on 18th April 2007, as in the earlier period, the Shareholders had approved the payment of commission to non whole-time Directors at a rate not exceeding 1% of the net profits of the Company. Pursuant to the provisions of Section 309 of the Companies Act, 1956, for continuance of such payment, the said Resolution passed earlier requires renewal for a further period of five years commencing from the financial year 2012. Accordingly approval of the Shareholders is sought for the Special Resolution set out at Item no.7 of the Notice.

It may be noted that the proposed commission is in line with the industry norms of such companies as have the practice of extending the commission benefit for the humongous amount of responsibilities shouldered by the Directors including the deliberations and discussions in various meetings of the Committees/Board thereof. For information, thus far, none of the Nominee Directors of the Holding Company has accepted commission.

The Directors may be deemed to be concerned or interested in the Resolution to the extent of commission payable to them.

By Order of the Board  
For DISA India Ltd

Date: 28.02.2013  
Place: Bangalore

Viraj Naidu  
Managing Director

### INFORMATION REQUIRED TO BE FURNISHED UNDER LISTING AGREEMENT

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

1. **Name:** Ms. Deepa Hingorani  
**Age:** 42 years

**Qualification:**  
Masters in Finance & MBA from SIMI

**Expertise:**  
17 years of experience Finance & Business Management

**Other Directorships:**

- 1) Ramboll India Pvt Ltd
- 2) Satin Creditcare Network Ltd
- 3) Starco Lanka Pvt Ltd
- 4) Asia Power Pvt Ltd
- 5) Nilpeter India Pvt Ltd
- 6) Orana India Pvt Ltd
- 7) Rabai Power Ltd
- 8) Rabai Power Holding Ltd
- 9) DZ Card (Africa) Ltd, Tanzania

**Committee Memberships :**

Name of the Company	Committee	Status
DISA India Limited	Audit Committee	Chairman
DISA India Limited	Remuneration Committee	Member
DISA India Limited	Shareholders' Grievance and Investor Relations Committee	Member

2. **Name:** Mr. Jan Johansen  
**Age:** 63 years

**Qualification:**  
Bachelor of Engineering

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

**Other Directorships:**

- Group Companies-
- 1) DISA Industries A/S
  - 2) DISA Holding A/S
  - 3) DISA Holding II A/S

**Committee Memberships :**

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

3. **Name:** Mr. Viraj Naidu  
**Age:** 44 years

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

**Expertise:**  
22 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: 28.02.2013

Place: Bangalore

For DISA India Ltd

Viraj Naidu  
Managing Director

## DIRECTORS' REPORT

The Board of Directors have pleasure in presenting the 28th Annual Report and Audited statement of Accounts for the year ended 31st December, 2012 together with the Auditors' Report.

### FINANCIAL RESULTS

(Rs.in '000)

Description	2012	2011
Sales & Service	1,512,936	1,539,853
Profit before depreciation, tax & financial charges	305,070	369,671
Less: Depreciation	32,132	21,935
Less: Interest	442	525
Less: Provision for taxation (net of deferred tax)	84,119	120,553
PROFIT AFTER TAXATION	188,377	226,658
Add: Profit & Loss account Balance b/f	201,469	385,453
PROFIT AVAILABLE FOR APPROPRIATION	389,846	612,111
APPROPRIATION:		
Amount transferred to General Reserves	18,837	59,602
Proposed Dividend & Tax thereon	4,388	351,040
Balance in Profit & Loss Account	366,621	201,469

### DIVIDEND

In an overall low market in Y2012, your Company was still able to retain its top line – mainly due to the successful introduction of some major new products & markets, over the last few years. However, inflation took an impact on the bottom-line. While the high opening backlog for Y2013 gives a good sign of growth again – subject to the Indian Markets recovering in Y2013 - the Company has also initiated focus projects, for reducing costs & increasing efficiencies. Against this background, the Board of Directors, recommend a dividend of Rs.2.50/- per Equity Share of Rs.10.00/- each (i.e. 25%).

### PERFORMANCE OF THE COMPANY

After the sharp recovery of the Indian Industry since the last quarter Y2009, and subsequent acceleration in Y2010 & Y2011, the Company could clearly see the slowdown hitting again from End Y2011. The major customer segment – foundries – ran at a much lower capacity utilization levels throughout Y2012 and this still continues in Q1-2013. The slump across the entire Automotive sector – with severe drop in heavy trucks – is very significant. Capital Goods Industry – like your Company – normally drops sharply in such a market situation, mainly because the fresh capacity expansions slow down very suddenly. However, with the continued focus of the Norican Group (the parent entity of DISA & Wheelabrator Groups worldwide) on New Product Introductions through your local company, your Company could still hold our topline sales in Y2012. Actually, throughout the year the Company had sluggish pick up of ready equipment from the customers, which were pushed out finally in the last quarter. Y2012 Revenues thus ended at Rs. 152 Crores, against Rs.154 Crores of Y2011. Operating Profit declined from

Rs.32 Crores in Y2011 to Rs.27 Crores in Y2012 – mainly due to Inflation in Salaries & Expenses. Any major Material Cost Inflation was however avoided by product mix & control.

Success of the New Products / Markets focus is now evident in the fact that your Company had the Record Highest Order Intake of Rs.192 Crores in Y2012 - the previous highest was Rs.148 Crores in Y2011. Almost 1/3rd of the Order Intake is on account of New Products / Markets introduced in the last 4-5 years. This also led to the Record Highest Opening Order Backlog of Rs.105 Crores for Y2013 - up by nearly 60% on the previous year's opening backlog of Rs.66 Crores.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

DISA 030 (Vertical Moulding Machine) – launched in Feb 2011 and thereafter Match 2024 (Horizontal Matchplate Moulding Machine) – launched in Feb'2012, now add two popular products for your Company locally (as against the imports earlier). Additionally, the whole range of Shot & Air Blasting products that your Company has been introducing from the Wheelabrator Range of Global Products, also gives new market access, which compensates heavily against the slowdown in your Company's traditional foundry markets.

Continuing this journey, in Jan 2013, at IFEX Kolkata, your Company launched the New DISA 20FP Core Machine and also the Manipulator Type DS-1 Machine, which is the first such technology to be localised by any company in India.

With continuous introduction of such high end products, the Company remains confident of leading the Indian Market growth in the coming years.

With increasing focus of global competitors in India, your Company has further enhanced its marketing push with frequent Customer Symposiums and ongoing PR.

In January, 2013, the Company rebranded all the Legacy DISA Shot Blast Products & Solutions under the Global W&A Brand "Wheelabrator".

Management continues to focus on scaling up for further growth. In Jan 2013, your Company installed another two significant machines to further increase the machining capacity in the Tumkur Plant.

A further expansion of about 1100 sqm is also triggered in Tumkur Plant which will be operational by Sep/Oct 2013. The Company has also leased additional storage space near its Tumkur Plant and is currently planning on the longer term Capacity requirement for the coming 5-7 years. The own premises at Tumkur and Hosakote Land have very little expansion possibility left now and therefore, the Company is looking for new site as long term planning.

To counter inflationary pressures, Management has initiated a range of Focus Projects on Cost Reduction and Efficiency Improvement.

In March, 2012, the Company also went live on the New ERP System creating the platform necessary for the continuing scaling.

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:

S.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 LLC (Michigan USA)
7	DISA Industries A/S (Denmark)
8	DISA Industrie AG (Switzerland)
9	DISA Industries, Inc. (Illinois, USA)
10	DISA Industries s.r.o. (Czech Republic)
11	DISA Industrienlagen GmbH (Germany)
12	DISA K K (Japan)
13	DISA Limited (Hong Kong)
14	DISA Machinery Limited (China)
15	DISA Trading (Shanghai) Co Limited (China)
16	DISA Technologies Private Limited (India)
17	Surface Preparation (Gibraltar) Ltd
18	WGH Holding Corp. (BVI)
19	WG Global LLC (Delaware, USA)
20	Wheelabrator Group, Inc. (Delaware, USA)
21	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 OFT GmbH (Germany)
27	Wheelabrator Group NV (Belgium)
28	Wheelabrator Group SAS (France)
29	Matrasur Composites SAS (France)
30	Wheelabrator Group Limited (UK)
31	Wheelabrator Schlick Sp. z o.o. (Poland)
32	WG Plus de Mexico S de RL de CV (Mexico)
33	DISA Management Services ApS (Denmark)
34	WG Plus Servicios S de R, L 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.203.64 (Rs.160.34) Million in foreign exchange and expended Rs.464.42 (Rs.175.88) Million in foreign exchange during the year under review.

## INDUSTRIAL RELATIONS

During the period, the earlier wage agreement with the worker's union expired and a new agreement for a further period of three years, to be signed is under discussion.