



---

# 31<sup>st</sup> Annual Report

---

DISAMATIC C<sub>3</sub>



wheelabrator  
shaping industry

**DISA**  
shaping industry

# Bhadra Castalloys Private Limited



## Key Installations



DISA Flex 90 at Nelcast



DISAMATIC C3 at Steelcon



DISA Flex 70 HS at Mahindra & Mahindra

**BOARD OF DIRECTORS**

ROBERT E JOYCE JR - Chairman  
ANDREW CARMICHAEL  
DEEPA HINGORANI  
SANJAY ARTE  
SHYAMAL KUMAR SINHA  
VIRAJ NAIDU - Managing Director

**CHIEF FINANCIAL OFFICER  
COMPANY SECRETARY**

AMAR NATH MOHANTY  
ANKIT SURANA

**BANKERS**

KOTAK MAHINDRA BANK LTD  
HDFC 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](mailto: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 EXCHANGE**

BSE Ltd.  
Mumbai

**AUDITORS**

Deloitte Haskins & Sells  
Bangalore

**SOLICITORS**

Chander Kumar & Associates  
Bangalore

**INTERNAL AUDITORS**

M.K. Dandekar & Co.  
Chennai

**SECRETARIAL AUDITOR**

Vijayakrishna KT  
Bangalore

### NOTICE

NOTICE is hereby given that the Thirty-First Annual General Meeting of DISA India Limited will be held at Hotel Vivanta by Taj, Yeshwanthpur, Bangalore - 560022 at 11.00 Hrs on Friday, the August 12, 2016 to transact the following business:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2016, together with the Reports of the Board of Directors and the Auditors thereon.
2. To elect a Director in place of Mr. Andrew Thomas Carmichael (DIN: 03634151), who retires by rotation at this Annual General Meeting and being eligible, offers himself for reappointment.
3. To declare Dividend on Equity Shares.
4. To ratify the appointment of Statutory Auditors of the Company:  
To consider and if thought fit, to pass, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the resolution passed by the Members of the Company at the 30th Annual General Meeting held on August 06, 2015 and pursuant to provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), consent of the Members of the Company be and is hereby accorded for ratification of the appointment of Messrs. Deloitte Haskins & Sells, Chartered Accountants, (FRN 008072S), to hold office from the conclusion of Thirty-First Annual General Meeting until the conclusion of Thirty-Second Annual General Meeting of the Company subject to ratification of the appointment by the Members at every Annual General Meeting, as per provisions of the Companies Act, 2013 on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to service tax and re-imbursement of out of pocket expenses incurred by them in connection with the audit of Accounts of the Company."

#### SPECIAL BUSINESS:

5. Ratification of Cost Auditors' remuneration:  
To consider, and if thought fit, to pass, the following resolution as an Ordinary Resolution:  
"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof), Messrs. Rao, Murthy & Associates, Cost Accountants, Bangalore, appointed as Cost Auditors of the Company for conducting the cost audit of the accounts for the financial year ended March 31, 2016 be paid remuneration of Rs. 1,50,000/- (Rupees one lakh fifty thousand only) plus applicable service tax and reimbursement of out-of-pocket expenses, at actuals, be and is hereby ratified."
6. Appointment of Mr. Viraj Naidu (DIN: 01284452) as Managing Director of the Company:  
To consider and if thought fit, to pass, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force), the consent of the Shareholders be and is hereby accorded to the Re-appointment of, and remuneration payable to, Mr. Viraj Naidu, as the Managing Director of the Company for a period of three years with effect from April 01, 2016 to March 31, 2019 upon the terms and conditions recommended by Nomination and Remuneration Committee and approved by the Board and subject to Central Government approval, if required, on such terms and conditions as set out below:

#### 1. Basic Salary:

| With effect from | Basic Salary per month  |
|------------------|---|
| April 1, 2016    | Rs. 2,82,000/- (Rupees two lakhs eighty two thousand 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 NAIP will be applied taking into account Group performance, Company performance in terms of growth and margin expansion and personal objectives measured against agreed objectives for the year.

#### 3. House Rent Allowance:

Not exceeding 50% of basic salary. House rent allowance will be Rs. 1,41,000/- (Rupees one lakh forty one thousand 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. 1, 97,400/- (Rupees one lakh ninety seven thousand four hundred only) 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. 1,25,000/- (Rupees one thousand two hundred fifty only) per month.

#### Medi-claim Policy

Eligible to receive the Medi-claim Policy (premium paid by Company) covering self, spouse and dependent 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:**

The Company will contribute 12% of basic salary to the Provident Fund.

**10. Superannuation Fund:**

The Company will contribute 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 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 V of the Companies Act, 2013 and revised from time to time.

RESOLVED FURTHER 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 V of the Companies Act, 2013."

By Order of the Board of Directors

For DISA India Limited

Date: May 26, 2016  
Place: Bangalore

Ankit Surana  
Company Secretary  
ACS No. 37297

**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 August 4, 2016 to August 12, 2016 (both days inclusive).
3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
4. 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 dematerialize their holdings.
5. Members are requested to communicate the 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.
6. Subject to the provisions of Section 123 of the Companies Act, 2013, Dividend as recommended by the Board of Directors, if declared at the Annual General Meeting will be disbursed on or before August 29, 2016.
7. Under Section 205A of the Companies Act, 1956, (still applicable as the relevant new section 124 under the Companies Act, 2013 is yet to be notified), 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.
8. 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 (still applicable as the relevant new 125 section under the Companies Act, 2013 is yet to be notified), 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.
9. Investors are requested to utilize ECS facility to enable transfer of dividends directly to the bank account of eligible shareholders.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
11. Electronic copy of the Annual Report for 2015-16 is being sent to all the members whose email IDs are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members

who have not registered their email address, physical copies of the Annual Report for 2015-16 is being sent in the permitted mode.

12. Electronic copy of the Notice of the 31<sup>st</sup> Annual General Meeting of the Company inter alia indicating the process and manner of e-Voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copy of the Notice of the 31<sup>st</sup> Annual General Meeting of the Company inter alia indicating the process and manner of e-Voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
13. Members may also note that the Notice of the 31<sup>st</sup> Annual General Meeting and the Annual Report for 2015-16 will also be available on the Company's website [http://www.disagroup.com/us/sites/disa/content/about\\_us/disa\\_india\\_ltd.aspx](http://www.disagroup.com/us/sites/disa/content/about_us/disa_india_ltd.aspx) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Bangalore for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email ID: [investor.relations@noricangroup.com](mailto:investor.relations@noricangroup.com)
14. Voting Through Electronic Means:  
In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules framed thereunder, the Company is pleased to provide members facility to exercise their right to vote at the 31<sup>st</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited, (CDSL)

**The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on August 9, 2016 (9.00 a.m. IST) and ends on August 11, 2016 (5.00 p.m. IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of August 4, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any

company, then your existing password is to be used.

- (vii) If you are a first time user follow the steps given below:

| For Members holding shares in Demat Form and Physical Form |  |
|--|--|
| PAN  | Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)  |
|  | <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of o's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RAooooooo1 in the PAN field.</li> </ul> |
| Dividend Bank Details or Date of Birth (DOB)               | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.<br><ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>   |

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant DISA India Limited on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

#### Other instructions:

- (i) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
- (ii) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of August 04, 2016.
- (iii) The Board of Directors has appointed Mr. Vijayakrishna K T, Practising Company Secretary, (Membership No. FCS 1788) as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. Mr. Vijayakrishna K T has conveyed to the Company his willingness to act as such.
- (iv) The Scrutinizer shall within 48 hours of the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman or designated Director or KMP of the Company.
- (v) The Results shall be declared within 48 hours of the conclusion of

the AGM. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [http://www.disagroup.com/us/sites/disa/content/about\\_us/disa\\_india\\_ltd.aspx](http://www.disagroup.com/us/sites/disa/content/about_us/disa_india_ltd.aspx)

- (vi) And on the website of CDSL within 48 hours of passing of the Resolutions at the AGM of the Company and communicated to the Stock Exchanges, where the equity shares of the Company are listed.
- (vii) Further, members may note the following:
- a. Remote e-voting shall not be allowed beyond the said date and time.
  - b. The Company is providing facility to vote on a poll to the members present at the meeting.
  - c. The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
  - d. A person whose name is recorded in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting or voting in the General Meeting.
  - e. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal hours (10.00 am to 12.00 noon) on all working days, up to and including the date of the Annual General Meeting of the Company.

By Order of the Board of Directors

For DISA India Limited

Date: May 26, 2016  
Place: Bangalore

Ankit Surana  
Company Secretary  
ACS No. 37297

#### BRIEF RESUME AND OTHER INFORMATION IN RESPECT OF DIRECTORS SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING AS REQUIRED UNDER REGULATION 36 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS 2015) :

##### Item - 2

#### Appointment of Mr. Andrew Thomas Carmichael, retiring by rotation

##### i) Name: Andrew Thomas Carmichael

**Age : 53 years**

**Qualification:** Engineering degree from Loughborough University, England

**Expertise:** 25 years work experience in Wheelabrator Group in a variety of senior management roles. Extensive experience in the surface preparation industry.

#### Group Company Directorships/Positions:

| Name of the Company                      | Position         |
|--|------------------|
| DISA Machinery Ltd. (China),             | Director         |
| DISA Industries s.r.o. (Czech Republic), | Director         |
| Matrasur Composites,                     | Director General |

## Annual Report 2015-16

### Committee Memberships:

| Name of the Company | Committee                 | Status |
|---------------------|---------------------------|--------|
| DISA India Limited  | Audit Committee           | Member |
| DISA India Limited  | Risk Management Committee | Member |

Shareholding: NIL

Item - 6

i) Name: Mr. Viraj Naidu

Age : 48 years

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

**Expertise:** 25 years of experience in the fields as diverse as maintenance, sales & marketing, program management, project management and general management.

### Group Company Directorships/Positions:

| Name of the Company               | Position |
|-----------------------------------|----------|
| Disa Technologies Private Limited | Director |
| Bhadra Castalloys Private Limited | Director |

### Committee Memberships:

| Name of the Company | Committee                           | Status |
|---------------------|-------------------------------------|--------|
| DISA India Limited  | Stakeholders Relationship Committee | Member |
| DISA India Limited  | CSR Committee                       | Member |
| DISA India Limited  | Risk Management Committee           | Member |

This Statement may be regarded as a disclosure under Regulation 36 of The SEBI(Listing Obligation Disclosures Requirements) Regulations 2015.

### EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

#### Item No.5 – Ratification of remuneration payable to the Cost Auditors

In terms of Section 148 of the Companies Act, 2013 ('the Act') and the Rules made thereunder, the Company is required to maintain Cost Audit records and to have the same audited by a Cost Auditor. Further, Rule 14 of Companies (Audit and Auditors) Rules 2014, requires that the remuneration payable to the Cost Auditor shall be ratified by the shareholders.

Based on the recommendation of the Audit Committee, the Board of Directors at its meeting held on August 06, 2015, had appointed Messrs. Rao, Murthy & Associates as Cost Auditor, for conducting the

Cost Audit for the year 2015-16 on a remuneration of Rs. 1,50,000/- (Rupees one lakh fifty thousand only) plus applicable service tax and reimbursement of out of pocket expenses at actuals.

The Company has received a Certificate from the Cost Auditor confirming its independence and arm's length relationship with the Company and their willingness to act as Cost Auditor of the Company.

The Board recommends the proposed resolution for approval by the shareholders.

None of the Directors or Key Managerial Personnel is concerned or interested in the Resolution.

#### Item No.6 – Appointment of Mr. Viraj Naidu as Managing Director of the Company

Mr. Viraj Naidu is a Mechanical Engineering graduate from the Indian Institute of Technology and has over 25 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.

Mr. Naidu has been steering the Company's day to day operations in the capacity of Managing Director from February 6, 2007. The Company has steadily grown under the leadership of Mr. Viraj Naidu as Managing Director despite the adverse business scenario prevailing globally.

Based on the recommendation of the Nomination and Remuneration Committee, your Board of Directors have appointed Mr. Viraj Naidu as Managing Director for a further period of three years from April 1, 2016 subject to members approval.

Mr. Viraj Naidu, being an appointee is concerned or interested in the resolution set out at Item No. 6 of the Notice.

None of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the said resolution.

The Board recommends the proposed resolution for approval by the shareholders.

By Order of the Board of Directors

For DISA India Limited

Date: May 26, 2016  
Place: Bangalore

Ankit Surana  
Company Secretary  
ACS No. 37297



## BOARD'S REPORT

The Board of Directors has pleasure in presenting the 31st Annual Report and Audited statement of Accounts for the financial year ended March 31, 2016 together with the Independent Auditors' Report.

### FINANCIAL RESULTS

(Rs. in Lakhs)

| Description   | Year ended March 31, 2016 | 15 Months ended March 31, 2015 |
|---|---------------------------|--------------------------------|
| <b>Revenue from Operations</b>                      | <b>14,273</b>             | <b>18,377</b>                  |
| Profit before depreciation, tax & financial charges | 1,938                     | 3,252                          |
| Less: Depreciation                                  | 285                       | 391                            |
| Less: Interest                                      | 2                         | 35                             |
| Less: Provision for taxation (net of deferred tax)  | 591                       | 1,038                          |
| <b>PROFIT AFTER TAX</b>                             | <b>1,060</b>              | <b>1,788</b>                   |
| Add: Profit & Loss account Balance b/f              | 7,120                     | 5,378                          |
| <b>PROFIT AVAILABLE FOR APPROPRIATION</b>           | <b>8,180</b>              | <b>7,166</b>                   |
| <b>APPROPRIATION:</b>                               |                           |                                |
| Amount transferred to General Reserve               | -                         | -                              |
| Proposed Dividend & Tax thereon                     | 46                        | 46                             |
| Balance in Profit & Loss Account                    | 8,134                     | 7,120                          |
| Earnings per share                                  | 70.19                     | 118.41                         |
| Market price per share as at March 31- Rs           | 3,803                     | 5,013                          |

Note: Previous financial year was for a period of 15 months and therefore are not directly comparable with the current year numbers.

### PERFORMANCE OF THE COMPANY

The Company's performance for the year has been adversely impacted by the continued slowdown in its major end use industry segment like Automotive & Agriculture. Since its peak level in 2013, Sales & Margin have been hit due to economic slowdown and impact of lower volume. However, the Company is able to maintain its market shares in all major product lines despite the low overall market activity and the slump in capital equipment industry. The Company has been able to bring down the manufacturing cost and head counts through various cost reduction initiatives undertaken by the Company.

### DIVIDEND

The results of the Company for the year was adversely impacted by the continued recession and overall slowdown in the economy. However, considering the past records of the Company and future economic outlook, your Board of Directors recommends a Dividend of Rs. 2.50 (i.e 25%) per Equity Shares of Rs. 10/- each.

### RESERVE

The Company has not proposed to transfer any amount to the General Reserve.

### SHARE CAPITAL

The paid up Equity Share capital of the Company as on March 31, 2016 was Rs. 151.02 Lakhs. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity. As on March 31, 2016 none of the Directors holds Shares or convertible instruments of the Company.

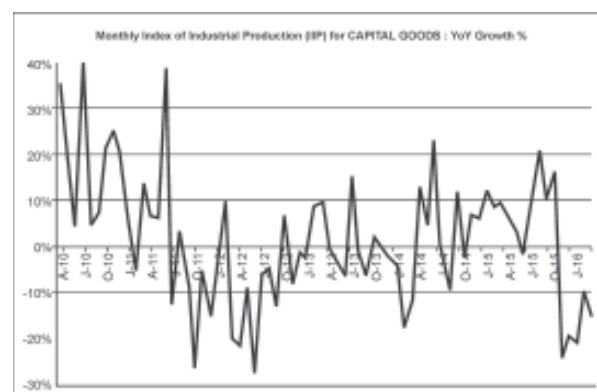
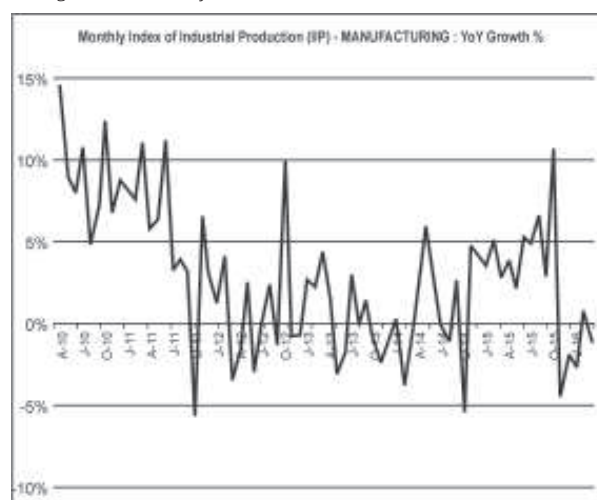
### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

#### ECONOMIC SCENARIO & OUTLOOK

Since 2011, the Indian Economy has been through the longest slowdown in the last few decades. The upswing in industry sentiments was evident with a new majority union government. Though the real growth revival is still not achieved during the year, there are some signs of improvement in business confidence reflected by strong order intake by the Company during Jan-Mar'2016 resulting in an increased order back log of Rs 8,066 lakhs as on March 31, 2016 as against Rs 6,783 lakhs as at the end of the previous year.

#### INDUSTRY OUTLOOK & OPPORTUNITIES

IIP Growth which is a direct reflection of our industry, has not been strong in the last few years.



Such marginal growth puts hindrances for capacity expansions of Capital Equipment Industry like DISA India Limited. The Passenger Vehicles (Cars & Utility Vehicles) market has shown some gradual growth but

slow. Commercial Vehicles (Buses & Trucks) market which collapsed from a peak of around 9.2 Lakhs/year in Y2011, to around less than 7.0 Lakhs/Year in Y2013, have now been picking up and approaching 8 lakhs/year volume.

The Tractors Market is still about 23% below the peak levels in Y2013 and expected to improve with a good monsoon expectation in the year 2016-17.

Your Company's key focus segment of Foundry Industry is heavily dependent on the Automotive & Agricultural Industry growth. The prolonged slowdown in these end segments, has led to high volume/margin stress on our customers. Company's continuing focus on New Products & New Markets has helped offset the drop in foundry segment to quite a great extent. Almost a third of the Company's turnover in the year under review is from the New Products introduced over the last few years. This broader product portfolio is expected to bring positive growth when the growth cycle starts.

### MARKET DEVELOPMENT

In pursuance of continued efforts to upgrade the foundry sector towards automation, the Company launched the new C3-150 DISAMATIC Machine with 150 moulds/hour speed foundry machine, to cater to the needs of many foundries in India. The launch of the VH Series Wheelabrator Shot Blast Machines also brings the most modern offering to company's customers.

In Y2015, your Company executed the prestigious Shot Blasting Project for JCB, Jaipur incorporating the latest technologies available globally with the distinct honor of being the largest Shot Blasting Solution made in India.

While the Company continues its marketing push through Exhibitions, Seminars & Symposiums, a Customers' Day has also been planned at Tumkur Plant, to showcase some of the Company's newest products.

### CORPORATE SOCIAL RESPONSIBILITY

Your Company is committed to discharging its Corporate Social Responsibility as a good corporate citizen.

The Directors are pleased to report that the Company has further enhanced its efforts to support the communities in which it operates. The Company has launched two programs "DISA Wheelabrator Scholarship" for less privileged students studying in grade nine through twelve as well as those seeking diplomas in engineering and "DISA Career Excellence" which involves contribution to a NGO, "Foundation for Excellence India Trust" providing scholarships to student in engineering colleges spread over the state of Karnataka and also neighboring states to a less privileged category of students.

DISA Wheelabrator Scholarship" program makes scholarship available to students in eight educational institutions in the plant neighborhood of Tumkur and Hosakote in Bangalore. During the year 289 scholarships were provided to students. In addition, the Company also invested in infrastructure development for the schools in order to provide drinking water, teaching aids and school sanitation. Under "DISA Career Excellence" program 59 students were provided with scholarships during the year. The Company has also conducted three sessions of career guidance program for tenth & twelve grade students through an NGO, Banjara Academy.

The Composition of CSR Committee, details of the amounts spent during the current financial year and the manner in which it was spent are given in Annexure "A".

### RISK MANAGEMENT

The Company has formulated a Risk Management Policy and a mechanism to inform the Board about risk assessment and mitigation procedure and also undertakes periodical review to ensure that Executive Management Controls risks by means of properly designed framework.

The Risk Management Committee is constituted with all the Directors on the Board as Members. Mr. Robert E Joyce is the Chairman of the Committee.

As an established practice, at each meeting of the Board, the Directors are updated on risks identification and steps taken to mitigate the same. Risk Management Policy is hosted on the Company's website on: [http://www.disagroup.com/PDF/DIL\\_Risk\\_Management\\_Policy.pdf](http://www.disagroup.com/PDF/DIL_Risk_Management_Policy.pdf)

### 'OPEN OFFER' BY PROMOTERS

During the year under review, Naciron A/S ("Acquirer") through persons acting in concert, DISA Holding AG ("PAC 1") and DISA Holding A/S ("PAC 2") acquired 425 shares (0.03% of total shares) in 'Open Offer' from public in the name of PAC 2 resulting in increase in the promoters holding to 75.03%. These 425 shares were sold by DISA Holding A/S on December 14, 2015 on the floor of Bombay Stock Exchange as per SEBI's approval bringing down the Promoters' Shareholding to 75% during the year.

### LISTING AGREEMENT

The Company has entered into new Listing Agreements with BSE Limited, in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has a Whistle Blower Policy for vigil mechanism which is available on website of the Company and there were no cases reported during last year. [http://www.disagroup.com/pdf/DIL\\_Whistle\\_Blower\\_Policy.pdf](http://www.disagroup.com/pdf/DIL_Whistle_Blower_Policy.pdf)

### DIRECTORS AND KMP

In terms of the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Andrew Thomas Carmichael, Director, retires by rotation at the forthcoming Annual General Meeting and being eligible offers for reappointment.

During the year, Mr. Mohan Subramanian, Chief Financial Officer of the Company retired from services w.e.f. September 05, 2015 and Mr. Amar Nath Mohanty was appointed as Chief Financial Officer of the Company w.e.f. November 05, 2015.

Policy on appointment and remuneration of Directors and KMP is available on website of the Company. [http://www.disagroup.com/PDF/DIL\\_Remuneration\\_Policy\\_of\\_DISA\\_India\\_Ltd.pdf](http://www.disagroup.com/PDF/DIL_Remuneration_Policy_of_DISA_India_Ltd.pdf)

### INDEPENDENT DIRECTORS

Declarations from all Independent Directors of the Company have been received under Section 149 (7) of the Act, 2013 confirming that