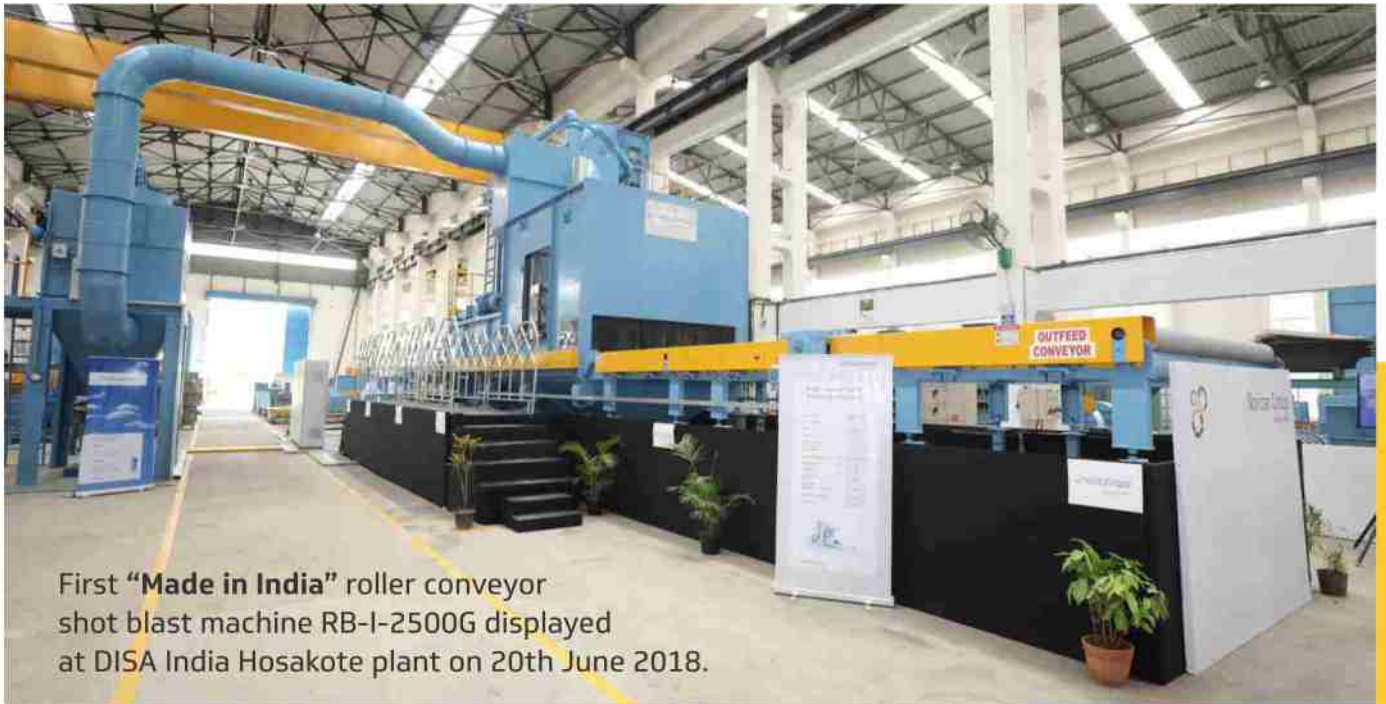


## 33<sup>rd</sup> Annual Report 2017 - 2018



DISA India Corporate Social Responsibility (CSR)  
- Norican Board visit to CSR site "Empress Girls High School, Tumkuru" in Nov. 2017



First "Made in India" roller conveyor  
shot blast machine RB-I-2500G displayed  
at DISA India Hosakote plant on 20th June 2018.



# DISA India CSR Initiative

## Scholarships



## Improving Infrastructure



## Career Guidance Programmes



We are **Norican**

DISA | Italtipresse | Gauss | StrikoWestofen | Wheelabrator

**BOARD OF DIRECTORS**

MR. ANDREW THOMAS CARMICHAEL - Chairman  
MS. DEEPA HINGORANI  
MR. SANJAY ARTE  
MR. SHYAMAL KUMAR SINHA  
MR. VIRAJ NAIDU  
MR. LOKESH SAXENA - Managing Director (From 21-06-2017)

**CHIEF FINANCIAL OFFICER  
COMPANY SECRETARY**

MR. AMAR NATH MOHANTY  
MR. G. PRASANNA BAIRY

**BANKERS**

KOTAK MAHINDRA BANK LTD.  
HDFC BANK LTD.

**REGISTRARS**

Integrated Registry Management Services Private 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**

Mr. Vijayakrishna KT  
Bangalore

### NOTICE

NOTICE is hereby given that the Thirty Third Annual General Meeting of DISA India Limited will be held at Hotel Taj, Yeshwanthpur, Bangalore - 560 022 at 11.00 Hrs on Thursday, the 9th day of August, 2018 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, 2018, together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Viraj Naidu (DIN: 01284452), who retires by rotation at this Annual General Meeting and being eligible, offers himself for reappointment.
3. To declare a Dividend of Rs. 2.50/- per Equity Share of Rs. 10/- each (25%) for the financial year ended March 31, 2018.
4. To appoint the 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 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] and based on the recommendation of the Audit Committee and of the Board of Directors, Messrs Deloitte Haskins & Sells, Chartered Accountants, (FRN 008072S), who have offered themselves for reappointment and have confirmed their eligibility to be appointed as Statutory Auditors, in terms of the provisions of Section 141 of the Act, and Rule 4 of the Rules, be and are hereby reappointed as Statutory Auditors of the Company for a second term of 5 (five) years starting from the Company's financial year 2018-19 to 2022-23 to hold office from the conclusion of this Annual General Meeting until the conclusion of Thirty-Eighth Annual General Meeting of the Company on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to applicable taxes and reimbursement of out of pocket expenses incurred by them in connection with the audit of Accounts of the Company."

#### SPECIAL BUSINESS:

5. Ratification of remuneration of Cost Auditors:

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 (Reg. No.000065), appointed as Cost Auditors of the Company for conducting the cost audit of the accounts and records for the financial year ended March 31, 2018 with a remuneration of Rs.1,50,000/- (Rupees One Lakh Fifty Thousand only) plus applicable taxes and reimbursement of out of pocket expenses, at actuals, as approved by the Board of Directors, be and is hereby ratified."

6. Commission payable to Independent Directors:

To consider and if thought fit, to pass, the following Resolution as

an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Regulation 17(6)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 197 of the Companies Act, 2013 and other applicable provisions, if any, read with Schedule V of the Companies Act, 2013 [including any statutory modification(s) or re-enactment(s) thereof], approval be and is hereby accorded for the payment of Commission to the Independent Directors of the Company in such proportion as the Board may think fit at a rate not exceeding 1% of the net profits of the Company to be computed in the manner laid down in Section 198 of the Companies Act, 2013 commencing from the financial year 2018-19."

By Order of the Board of Directors

For DISA India Limited

Date: June, 18, 2018  
Place: Bangalore

G Prasanna Bairy  
Company Secretary  
Membership No. : ACS 35584

#### 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 (48) hours before the meeting.

A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. If a person holding more than 10% of the total share capital of the Company is proposed to be appointed as a proxy for a member, such person shall not act as proxy for any other person or shareholder.

2. The Register of Members and the Share Transfer books of the Company will remain closed from August 2, 2018 to August 9, 2018 (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 Registry Management Services Private 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 September 8, 2018 to those members whose name appear on the

Register of Members as on August 1, 2018 and to the Beneficial Owners of Shares as on August 9, 2018 as per the details furnished by the depositories for this purpose.

7. As per Section 124 of the Companies Act, 2013, the amount of Dividend remaining unpaid or unclaimed within 30 days from the date of declaration shall be transferred to 'unpaid dividend account' of the Company. Amount transferred to 'unpaid dividend account', which remains unpaid or unclaimed for a period of seven years from the date of transfer, is required to be transferred to the Investor Education and Protection Fund of the Central Government. Similarly, all the Shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to the Investor Education and Protection Fund.
8. In view of the above, members who have not so far encashed the Dividend warrant(s) for any of the dividends declared earlier, are requested to make their claims to the Company immediately. Please note that as per Section 125 of the Companies Act, 2013, no claim shall lie against the Company, in respect of individual amounts which remain unclaimed or unpaid for a period of seven years from the date of payment and no payment shall be made in respect of any such claims by the Company. Any such claims shall be lodged with the Fund as above.
9. Shareholders are requested to utilize ECS facility to enable direct transfer of dividends to their bank accounts.
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 may submit their PAN details to the Company.
11. Annual Report for the financial year 2017-18 along with Notice of the 33rd Annual General Meeting of the Company inter alia indicating the process and manner of e-Voting along with Attendance Slip and Proxy Form will be sent through electronic mode to 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.

Physical copy of the Annual Report along with the aforesaid documents will be sent by the permitted mode to those members whose email IDs are not registered with the Company/Depository Participants.

Members may also note that the aforesaid documents may also be downloaded from the Company's website under the Investor Relations Section at <https://www.disagroup.com/en-in>.

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 (10.00 am to 12.00 noon) on all working days (except Saturdays) up to the date of the Annual General Meeting. Even after registering for e-communication, members are entitled to receive such communication in physical form free of cost, upon making a request for the same. For any communication, the shareholders may also send requests to the Company's investor relations email ID: [investor.relations@noricangroup.com](mailto:investor.relations@noricangroup.com).

Members seeking clarifications on the Annual Report are requested to send in return queries to the Company at least one week before the date of the Meeting. This would enable the Company to compile

the information and provide replies at the meeting.

#### 12. Voting Through Electronic Means:

In compliance with the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (LODR) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote at the 33rd 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 6, 2018 (9.00 AM IST) and ends on August 8, 2018 (5.00 PM 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 1, 2018 may cast their votes 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/Members.
- (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 RA00000001 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. <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 and password in the new password field. Kindly note that this password is to be also used by the demat account 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 relevant to 'DISA India Limited' on which you choose to vote.

(xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same, the option "YES/NO" is available 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.

(xiv) After selecting the resolution, if 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 changed login password, then enter the User ID and the image verification code and click on 'Forgot Password' and 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. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. 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 Custodians 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) 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 1, 2018.

(ii) 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.

(iii) 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.

(iv) 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 at <https://www.disagroup.com/en-in/investor-relations/downloads> and on the website of CDSL e-Voting within 48 hours of passing of the Resolutions at the AGM of the Company and communicated to the Stock Exchange, where the equity shares of the Company are listed.

(v) 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 (except Saturdays), up to and including the date of the Annual General Meeting of the Company.

13. BRIEF RESUME AND OTHER INFORMATION IN RESPECT OF DIRECTORS SEEKING RE-APPOINTMENT AT THE ANNUAL

GENERAL MEETING AS REQUIRED UNDER REGULATION 36 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

#### Agenda Item - 2

Appointment of Mr. Viraj Naidu, retiring by rotation:

**Name: Viraj Naidu**

**Age : 49 years**

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

**Expertise:** 27 years work experience in the fields as diverse as maintenance, sales & marketing, program management, project management and general management, formerly Managing Director of Disa India Ltd.

**Group Company Directorships/Positions:** None

**Committee Memberships:** None

**Shareholding:** NIL

By Order of the Board of Directors

For DISA India Limited

Date: June, 18, 2018  
Place: Bangalore

G Prasanna Bairy  
Company Secretary  
Membership No. : ACS 35584

#### 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 the 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 May 25, 2017, had re-appointed Messrs. Rao, Murthy & Associates as Cost Auditors, for conducting the Cost Audit for the financial year 2017-18 on a remuneration of Rs. 1,50,000/- (Rupees One Lakh Fifty Thousand only) plus applicable taxes and reimbursement of out of pocket expenses at actuals.

The Company has received a Certificate from the Cost Auditors confirming their independence and arm's length relationship with the Company and their willingness to act as Cost Auditors 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 financially or otherwise in this Resolution.

##### Item No. 6 – Revision in the Commission payable to Independent Directors.

Ms. Deepa Hingorani and Mr. Shyamal Kumar Sinha, Independent

Directors are being paid a Commission of Rs. 3,00,000 (Rupees Three Lakhs) each per annum. Mr. Sanjay Arte, Independent Director, had waived of commission from the Company up to the Financial Year 2017-18.

The above Commission is being paid since 2013. The Nomination and Remuneration Committee and the Board of Directors in their Meetings held on February 8, 2018 have reviewed the amount of commission paid to the Independent Directors and recommended to revise the same to Rs. 4,00,000 (Rupees Four Lakhs) per annum subject to approval of the shareholders. Further, the Company has decided to pay the Commission of Rs. 4,00,000 (Rupees Four Lakhs) to Mr. Sanjay Arte, Independent Director from the financial year 2018-19.

As per second proviso to Sub-Section (1) of Section 197, remuneration payable to Non-Executive Directors is limited to 1% of profits of the Company which would be Rs. 2.6 Million based on current year's profit. The increased Commission as proposed by the Company is well within the limits.

As per Regulation 17(6)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all the compensation paid to Non-Executive Directors, including the Independent Directors shall be approved by the Shareholders. The Board recommends the proposed Resolution for approval by the shareholders.

Ms. Deepa Hingorani, Mr. Sanjay Arte and Mr. Shyamal Kumar Sinha, Independent Directors, being the recipients of above Commission are 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, financially or otherwise, in the said Resolution.

By Order of the Board of Directors

For DISA India Limited

Date: June, 18, 2018  
Place: Bangalore

G Prasanna Bairy  
Company Secretary  
Membership No. : ACS 35584

## BOARD'S REPORT

The Board of Directors has pleasure in presenting the 33rd Annual Report and Audited Financial Statements for the financial year ended 31st March 2018 together with the Independent Auditors' Report.

### FINANCIAL RESULTS

Your company achieved an all-time high net Revenue from Operations of Rs. 1,958.6 Million during the financial year 2017-18 with a growth of 24.4% over previous year. Profit after tax for the year also improved significantly by 46.1% to Rs. 163.4 Million. Summarized financial results for the year are given below.

(Rs. in Million)

Description	2017-18	2016-17
<b>Revenue from Operations (net)</b>	<b>1,958.6</b>	<b>1,574.9</b>
Profit before depreciation, tax & finance cost	273.4	199.8
Less: Depreciation	19.1	20.0
Less: Finance Cost	1.3	1.4
Less: Tax Expenses (net of deferred tax)	90.7	67.3
<b>Profit After Tax</b>	<b>162.3</b>	<b>111.1</b>
Add: Other Comprehensive Income	1.1	2.9
Total Comprehensive Income for the year, net of tax	163.4	114.0
Add: Balance in Profit & Loss account brought forward from previous year	910.0	817.7
Profit Available for Appropriation	1,073.4	931.7
Appropriations:		
Utilized for Buyback of equity shares	-	17.1
Final Dividend (proposed) incl. tax thereon	4.4	4.6
Balance in Profit & Loss Account	1,069.0	910.0
Earnings Per Share (Rs)	111.61	74.52*
Market price per share as at March 31 (Rs)	6,000.2	4,999.5

\*Weighted average, post Buy Back of Shares.

The Company and its subsidiary have adopted Indian Accounting Standards (Ind AS) for the first time with effect from April 01, 2017 pursuant to the notification of the Companies (Indian Accounting Standard), Rules 2015 issued by the Ministry of Corporate Affairs. Date of transition to Ind AS is April 01, 2016. Previous year figures have been recast to be Ind AS compliant.

### PERFORMANCE OF THE COMPANY

Overall performance of your Company for the financial year 2017-18 under review improved significantly with 24.4% growth in net revenue from operations and 46.1% growth in profit after tax as compared to the previous financial year 2016-17 driven by an all-time high orders inflow during the financial year, cost reduction initiatives undertaken in bringing down the manufacturing and other costs, maintaining head count and improvement in productivity. Your Company has been able to maintain its market share in all its major product lines and expect the trend to continue going ahead.

### CHANGE IN THE NATURE OF BUSINESS

There has been no change in the nature of business of the Company during the financial year.

### DIVIDEND

Considering the past records of the Company and keeping in view the

future positive outlook, your Board of Directors recommends a final Dividend of Rs. 2.50/- (i.e., 25%) per Equity Share of Rs.10/- each, for the year amounting to Rs.4.4 Million including taxes on dividend.

### RESERVE

The Company has not proposed to transfer any amount to the general reserve.

### SHARE CAPITAL

The Authorised Equity Share Capital of your Company is Rs. 50 Million. The Issued, Subscribed and Paid-up Equity Share Capital of your Company as on 31st March 2018 stood at Rs.14.54 Million.

During the year under review, the Company has not issued any Shares with differential voting rights nor granted Stock Options or Sweat Equity. The Company has also not bought back any of its shares during the year under review. As on March 31, 2018, none of the Directors hold Shares or convertible instruments of the Company.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

#### ECONOMIC SCENARIO AND OUTLOOK

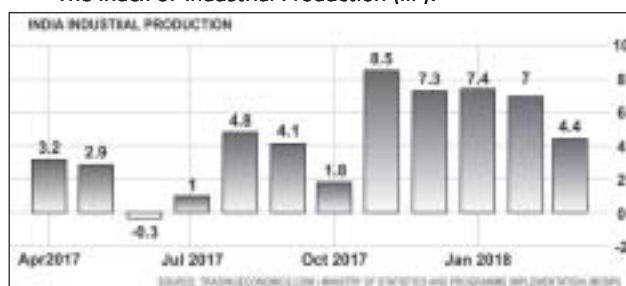
The Indian economy is in a recovery phase, and your Company is witnessing positive developments over the last few quarters. The GDP growth is back after a short aberration due to the implementation of GST. India has jumped to 100th rank in 'Ease of Doing Business Index', FDI inflows are impressive, so overall it looks to be a positive scenario. The outlook for the financial year 2018-19 looks positive with expectation of further strengthening of reforms. Considering the growth potential and downside risks, overall GDP growth forecast for the financial year 2018-19 is between 7% to 7.5 %. GST stabilization and overall moderate growth expected in world economy will add momentum. However, rise in crude oil prices and further increase likely in FY 2018 -19 are likely to see a negative impact.

#### INDUSTRY OUTLOOK AND OPPORTUNITIES

IIP and PMI have historically been good indicators for business sentiments in capital goods order intake.

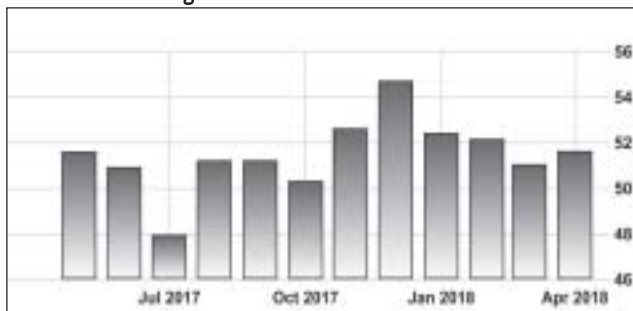
The reported trends in Automotive, Railways, Infrastructure, Energy will help our industry to grow in future. As your Company enters FY 2018-19, it is already witnessing high utilization of the existing foundries. The customer demands are going up, and so is the challenge on the foundries to produce more from the existing assets and invest in new capacities. This phenomenon has given a positive trend for the industry. Commercial Vehicles scrapping policy and Euro VI implementation from March 2020 will be of interest to manufacturers like us to gear up and meet the challenges for the future. With strong impetus on developing industrial corridors and smart cities, the government aims to ensure holistic development of the nation. The corridors would further assist in integrating, monitoring and developing a conducive environment for the industrial development and will promote advance practices in manufacturing.

#### • The Index of Industrial Production (IIP):





• **Manufacturing PMI :**



**MARKET DEVELOPMENT**

DISA has been actively participating with the industry over decades, not only bringing in new technologies, but also transferring it to India. Your Company's two world class facilities in southern India are a testimony to this commitment. Your Company has been meeting most of the customers' needs through products manufactured in India. As your Company works closely with its valued customers, it believes that innovation, speed and aftersales service for spares and equipments are the three most important parts of overall offerings. Your Company continuously strives to improve upon each one of them through strong knowledge base in India and the global organization. Following are some of the highlights:

- With global and local knowhow on High Pressure Molding machines, and the global experience in green and brown field foundries, your Company offers completely customized solutions to automate and to mechanize the current set-ups. This helps the customers to improve the overall productivity and lower the "cost per casting" in the foundry industry.
- To meet the need and demand for genuine spare and wear parts, DISA aftermarket has started a unique partnership initiative "Parts Partnership Program" with customers. This is a simple way to understand the customer requirements well in advance and plan for availability at the right time.
- DISA Services team works closely with maintenance team of the Company's customers to improve the overall reliability of the operation, by addressing repetitive issues on unplanned downtime through a root cause analysis program.

**CORPORATE SOCIAL RESPONSIBILITY**

Your Company is committed to comply with 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 community circles in which it operates. The Company's CSR program titled "DISA Wheelabrator Scholarship" has helped in providing financial assistance to less privileged students up to standard twelve as well to students seeking diplomas in Engineering.

"DISA Wheelabrator Scholarship" program has made scholarship available to students in eight educational institutions in the plant neighborhood of Tumkur and Hosakote in Bangalore. During the financial year, scholarships were provided to 181 needy students. In addition, your Company also invested in infrastructure development for the schools to provide drinking water, teaching aids and School sanitation. Your Company has also extended scholarships to 59 meritorious Engineering students through an NGO 'Foundation for Excellence India Trust'.

The Company's policy on Corporate Social Responsibility is available on the website of the Company at <https://www.disagroup.com/en-in/investor-relations/policies>.

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

**RISK MANAGEMENT**

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

All the insurable assets of the Company have been adequately insured and all the insurable risks have been insured.

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 at <https://www.disagroup.com/en-in/investor-relations/policies>.

**VIGIL MECHANISM / WHISTLE BLOWER POLICY**

Your Company has a Whistle Blower Policy for vigil mechanism which is available on website of the Company at <https://www.disagroup.com/en-in/investor-relations/policies/> and there were no cases reported during last year.

**DIRECTORS AND KMP**

During the financial year, Mr. Lokesh Saxena was appointed as the Managing Director of the Company for a period of three (3) years with effect from June 21, 2017. Mr. Viraj Naidu stepped down as Managing Director of the Company with effect from May 25, 2017 in view of his relocation to a global position within the group. However, he continued as a Non-Executive Director of the Company.

Mr. Robert E Joyce Jr. stepped down as the Chairman and Director of the Company with effect from June 21, 2017 due to his other commitments and Mr. Andrew Thomas Carmichael was appointed as the Chairman of the Company with effect from June 21, 2017.

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

The Remuneration Policy of the Company for appointment and remuneration of the Directors, Key Managerial Personnel and Senior Executives of the Company and other related information have been provided in the Corporate Governance Report which forms part of this report.

Policy on appointment and remuneration of Directors and KMP is available on the website of the Company at <https://www.disagroup.com/en-in/investor-relations/policies/>.

**INDEPENDENT DIRECTORS**

Declarations from all the Independent Directors of the Company have been received under Section 149(7) of the Companies Act, 2013 confirming that they meet the criteria of independence as provided in Sub-Section 6 of Section 149 of the said Act and as per the Listing Regulations.

Details on terms of appointment of Independent Directors and the familiarization program have been displayed on website of the Company at <https://www.disagroup.com/en-in/investor-relations/policies/>.

### MEETINGS OF THE BOARD OF DIRECTORS

During the year, five (5) Meetings of the Board of Directors were held, as required under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 (the Listing Regulations). The details of the Meetings are furnished in the Corporate Governance Report.

The Meetings of the Board are held at regular intervals with a time gap of not more than 120 days between two consecutive Meetings. The Agenda of the Meetings were circulated to Directors in advance. Minutes of the Meetings of the Board of Directors were circulated amongst the Directors for their perusal.

### BOARD EVALUATION

Pursuant to the requirements of the Companies Act, 2013 and Listing Regulations, the Board of Directors has carried out an annual evaluation of its own performance, its Committees and of individual Directors.

Further, the Independent Directors, at their exclusive Meeting held during the year reviewed the performance of the Board, its Chairman and Non-Executive Directors and other items as stipulated under the Listing Regulations. Nomination and Remuneration Committee has reviewed the performance of the Independent Directors.

### DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement: -

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that year;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the annual accounts on a going concern basis; and
- (e) the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.
- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### INTERNAL FINANCIAL CONTROL

Your Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. Internal Controls in the Company have been designed to further the interest of all its stakeholders by providing an environment which is facilitative to conduct its operations and to take care of, inter alia, financial and operational risks with emphasis on integrity and ethics as a part of work culture.

The scope and authority of the Internal Audit (IA) is defined every year by the Audit Committee. To maintain its objectivity and independence,

the Internal Auditors report to Chairman of the Audit Committee and the Board. The Internal Auditors monitor and evaluate the efficacy and adequacy of internal control system in the Company and its compliance with accounting procedures, financial reporting and policies at all locations of the Company. Based on the report of internal audit, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Any significant audit observations and corrective actions thereon are presented to the Audit Committee and the Board. No major internal control weakness was identified during the year. The Company also has a well-functioning Whistle Blower Policy in place.

### DEPOSITS

Your Company has neither accepted nor renewed any Deposits from the public within the meaning of Companies Act, 2013 as such, no amount of principal or interest was outstanding on the date of the Balance Sheet and also on the date of this Report.

### SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

Your Company has a Wholly Owned Subsidiary "Bhadra Castalloy Private Limited". During the financial year, the Subsidiary's name was changed by removing "S" from "CASTALLOYS" to "CASTALLOY" in order to align with the CASTALLOY business of the Norican Group, (being the ultimate Parent Company).

The performance of Subsidiary during the financial year 2017-18, being the second year of operation has been quite satisfactory. The audited financial results of the Wholly Owned Subsidiary for the financial year ended March 31, 2018 are consolidated with the financial results of Company for the financial year. The net sales and the Profit after tax of the Subsidiary Company were Rs.98.9 Million and Rs.4.2 Million respectively.

Consolidated net Revenue from Operations of the Company crossed Rs. 2,000 Million during the year.

Statement relating to subsidiary company in Form AOC-1 is part of this report.

Your Company did not have any Joint Venture or Associate Company as at the end of the financial year.

### RELATED PARTY TRANSACTIONS

All related party transactions that were entered during the financial year were in the ordinary course of business and on an arm's length basis. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All the related party transactions were placed before the Audit Committee as well as the Board for approval. Prior omnibus approval of the Audit Committee was obtained on a yearly basis for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval on quarterly basis. The details of all related party transactions are disclosed in the Sl. No.40 of the Notes forming part of the Financial Statements.

None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties in Form AOC-2 is part of this report.