

DISA India Limited

37th Annual Report – 2021-22



Managing Director's Message



Dear Shareholder,

It is with immense pride and pleasure that I present the Annual Report 2021-22 to you. Pride, as we achieved the best ever results for DIL, both on revenues and profits, since we started India operations in 1984, and pleasure, as we have done it in the most unpredictable times of our professional life. This speaks volumes of the confidence shown by our customers & other stakeholders. It's imperative to mention, that the outcome for the year is a result of unmatched support and guidance received from our Board of Directors from time to time.

Your company embarked upon an important journey in 2021 on improving sustainability. In December 2021, DIL along with the Norican group signed its commitment letter to the **Science-Based Targets Initiative (SBTi)** – making it the first among its peers to do so. We committed to reducing greenhouse gas (GHG) emissions and to help limit global warming.

Last two years have been testing times for all companies, and your company is no exception to it. However, your company has successfully implemented actions, which has helped not only to navigate the current crisis, but also prepare herself for the future.

Your company has undertaken the following important actions during the year:

- **Plant Expansion:** Major expansion undertaken at Tumkur plant to enhance efficiency, synergise people capabilities for DIL operations, and initiated consolidation of the operations in Tumkur location
- **Norican Digital:** Started and implemented the digital offerings for key customers thus affecting their overall efficiencies and costs
- **Distribution Network:** Continued the creation of distribution network for aftermarket business by adding new distributor locations, thus establishing presence across major Norican installations near – Delhi/ NCR, Ludhiana, Pune, Kolhapur, Ahmedabad, Rajkot, Jamshedpur, Coimbatore & Bengaluru
- **Exports:** Ventured into new market of Qatar in Middle East by creating DISA Foundry in collaboration with a key customer at Doha, and continued to sell equipment across key markets of USA, Turkey, Australia through global Norican
- **Organization:** Reinforced the organisation with key people and made it lean & pro-active which improved productivity

Like earlier years, your company stands committed to the cause of education through its CSR program. The scholarship initiative at National Institute of Advanced Manufacturing Technology (NIAMT), Ranchi for B. Tech students continues to recognise bright young minds. At the same time, the scholarships to the deprived and meritorious students continue to get the patronage across government schools, near our manufacturing operations, benefitting many young students.

At the start of the new fiscal, your company has seen severe challenges across supply chain, commodity prices, overall inflationary trends and cautious investment decisions due to uncertainties created by the ongoing war in Europe. This is in addition to the largely subdued demand from automotive business and retail consumption in India. However, infrastructure investments continued to hold good specially railways, road construction, airports, waterways, defence and energy sectors to name a few.

The measures undertaken in the last few years has increased the agility and adaptability of your company. This has enabled it to deal with the ever-changing environment. We have been in constant deliberation with our group organisations to come up with actions and result that have a global perspective. The second half of the fiscal year looked challenging due to a reduced demand, and the overall flow of order in the India market. Our focus in the OEM business is to make inroads in newer markets beyond India, while the focus in aftermarket is to present newer models, to support production efficiencies and obtain higher share of business. Even in these tough times, we continued to enjoy the most significant share in foundry business, due to our "Complete Foundry" approach to the market, which is unmatched in the industry. Finally, our aim is to make our customers more efficient than ever before, and to help them produce castings at the lowest cost per kilogram.

DIL team takes this opportunity to thank our customers, suppliers, and other stakeholders for showing strong faith in our approach towards business. It strengthens our resolve to embark on a more successful journey in the coming years. Our resolute employees should not go unsung in this message as they are the ones who make things happen for all of us. A special thanks to the Norican Group Management team, for their undeterred support and guidance in this journey, we truly stay indebted.

We commit ourselves to enhance the shareholder's value as always.

Lokesh Saxena
Managing Director

Board of Directors

Ms. Deepa Hingorani, Chairperson
 Mr. Anders Wilhjelm
 Ms. Ulla P. Tonnesen
 Mr. Bhagya Chandra Rao- Independent Director
 Mr. Michael Declan Guerin
 Mr. Lokesh Saxena – Managing Director

Chief Financial Officer

Mr. Amar Nath Mohanty

Company Secretary

Mr. G. Prasanna Bairy

Bankers

Kotak Mahindra Bank Ltd.
 HDFC Bank Ltd.
 HSBC Ltd.

Registrars

Integrated Registry Management Services Private Limited
 Ramana Residency, 1A,
 Ground Floor,
 IV Cross, Sampige Road,
 Malleswaram,
 Bengaluru - 560 003.
 Ph: +91 80 23460815/816
 E-mail : irg@integratedindia.in

Registered Office

World Trade Center (WTC)
 6th Floor, Unit No. S-604
 Brigade Gateway Campus
 26/1, Dr. Rajkumar Road
 Malleswaram-Rajajinagar
 Bengaluru - 560 055
 Ph: +91 80 2249 6700

Stock Exchange

BSE Ltd.
 Mumbai

Auditors

Deloitte Haskins & Sells
 Bengaluru

Solicitors

Chander Kumar & Associates
 Bengaluru

Internal Auditors

Protiviti India Member (Pvt.) Ltd, Bengaluru

Secretarial Auditor

Mr. Vijayakrishna KT
 Bengaluru

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Board of Directors



Deepa Agar Hingorani

Independent Director & Chairperson



Anders Wilhjelm

Director



Declan Guerin

Director



Bhagya Chandra Rao

Independent Director



Ulla Hartvig Plathe Tonnesen

Director



Lokesh Saxena

Managing Director

NOTICE

NOTICE is hereby given that the Thirty Seventh (37th) Annual General Meeting of DISA India Limited will be held on Friday, the 12th day of August, 2022 at 11.00 AM IST through Video Conferencing (VC) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (including the consolidated financial statements) of the Company for the year ended March 31, 2022, together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare Dividend of Rs. 10/- per Equity Share of Rs. 10/- each (100%) for the Financial Year ended March 31, 2022.
3. To appoint a Director in place of Mr. Michael Declan Guerin (DIN: 000905549), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. To ratify the 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, Bengaluru (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, 2022 with a remuneration of Rs.1,65,000/- (Rupees One Lakh Sixty Five 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."

By Order of the Board of Directors
For DISA India Limited

Date: May 25, 2022
Place: Bengaluru

G Prasanna Bairy
Company Secretary
Membership No.: ACS 35584

NOTES:

1. In view of disruptions caused by COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) has, vide General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 5, 2020 and General Circular No. 02/2021 dated January 13, 2021 (collectively "**MCA Circulars**"), permitted companies to conduct Annual General Meeting (AGM) through video conferencing or other audio visual means (VC) till December 31, 2021, subject to compliance with various conditions mentioned therein. Similarly, SEBI vide Circular No. 79 dated May 12, 2020 and Circular No. 11 dated January 15, 2021 granted certain relaxations pertaining to dispatch of hard copies of Annual Reports and Proxy Forms to listed entities who conduct their AGM through electronic mode till December 31, 2021. Further, MCA vide General Circular No. 02/2022 dated May 5, 2022 extended the option to conduct the AGM through VC till December 31, 2022. Similarly, SEBI vide Circular No. 62 dated May 13, 2022 extended the relaxations pertaining to dispatch of hard copies of Annual Reports and Proxy Forms to listed entities who conduct their AGM through electronic mode till December 31, 2022 subject to certain conditions. In compliance with the MCA Circulars, SEBI Circulars and applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the 37th AGM of your Company is being convened and conducted through VC.
2. The Company has facilitated the Members to participate in the 37th AGM through VC facility provided by Central Depository Services Limited (CDSL). The instructions for participation by Members are given in the subsequent paragraphs. Participation in AGM through VC shall be allowed on a first-come-first-served basis.
3. As per MCA Circulars, Members attending the 37th AGM through VC will be reckoned for the purpose of quorum as per Section 103 of the Companies Act, 2013.
4. For exercising the votes by the Members by electronic means, the Company has provided the facility of remote e-voting as well as e-voting during the AGM. The procedure for using the remote e-voting facility as well as e-voting during the AGM is given in the subsequent paragraphs.
5. Members joining the AGM through VC shall be permitted to exercise their right to vote using the e-voting facility at the AGM, provided they have not cast their votes using remote e-voting facility. The Members who have already cast their votes prior to AGM using the remote e-voting facility may also join the AGM through VC; but shall not be entitled to cast their votes again at the AGM.
6. As per the Companies Act, 2013, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and such proxy need

not be a member of the Company. Since 37th AGM is being held through VC as per MCA Circulars and SEBI Circulars, physical attendance of the Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the 37th AGM and hence the Proxy Form and Attendance Slip are not annexed to this notice. Similarly, as this AGM is being held through VC, the route map is not annexed to this notice.

7. Corporate Members may authorize their representatives for casting the votes using remote e-voting facility or for participation and voting in the AGM using VC. Institutional Investors are encouraged to attend and vote at the AGM through VC.
8. In line with MCA Circulars and SEBI Circulars, the Annual Report for the Financial Year 2021-22 along with Notice of 37th AGM of the Company *inter-alia* indicating the process and manner of e-voting are being sent only by electronic mode to those Members whose email IDs are registered with the Company/Depository Participant(s) for communication. Physical copies of the Annual Report will be sent by permitted mode to those Members who request for the same.

Members may 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> or from the website of BSE Limited at www.bseindia.com.

In line with MCA Circulars, the Company has enabled a process for the limited purpose of receiving the AGM Notice and Annual Report (including remote e-voting instructions) electronically. Members may temporarily update their email address by accessing the link <https://www.disagroup.com/en-in/investor-relations/financial-reports>.

9. The Register of Directors and Key Managerial Personnel and their shareholding, and the Register of Contracts or Arrangements in which the directors are interested, maintained as per the Companies Act, 2013 will be available for electronic inspection by the Members during the AGM. All the documents referred to in the Notice will also be available for electronic inspection by the Members without any fee from the date of circulation of this notice up to the date of AGM i.e., August 12, 2022. Members seeking to inspect such documents may send an email to investor.relations@noricangroup.com.
10. Members seeking clarifications on the Annual Report are requested to send an email to investor.relations@noricangroup.com on or before August 5, 2022. This would enable the Company to compile the information and provide replies at the meeting.
11. Persons holding the shares on August 4, 2022 (Record Date) would be entitled to attend the AGM. The Register of Members and the Share Transfer books of the Company will remain closed from August 5, 2022 to August 12, 2022 (both days inclusive).
12. Subject to the provisions of Section 123 of the Companies Act, 2013, Dividend as recommended by the Board of Directors, if declared, at the AGM, will be disbursed on or before September 11, 2022 to those Members whose name appear in the Register of Members (in respect of shares held in physical form) or in the records of Depositories as Beneficial Owners of Shares (in respect of shares in dematerialized form) as on the record date i.e August 4, 2022.
13. Dividend will be paid electronically through various online transfer modes to those Members who have updated their bank accounts. For Members who are yet to update their bank account details, dividend demand drafts will be sent to their registered addresses through post.
14. Pursuant to the changes introduced by the Finance Act 2020 w.e.f. April 1, 2020, Dividends paid or distributed by a Company after April 1, 2020 shall be taxable in the hands of the shareholders. The Company shall therefore be required to deduct tax at source, as applicable, at the time of making the payment of the said Dividend.

The rate at which the dividend may be subject to withholding tax would vary depending on the residential status of the shareholder and the documents submitted by them and accepted by the Company. Accordingly, the above referred Final Dividend will be paid after deducting the tax at source as follows:

Resident Shareholders

It may be noted that tax would not be deducted at source on payment of dividend to resident Individual shareholder, if total dividend amount to be paid in a Financial Year does not exceed Rs. 5,000.

Tax to be deducted at source for FY 2022-23, wherever applicable, would be as under:

Particulars	Applicable Rate	Documents required (if any)
Shareholders having the PAN	10%	Update the PAN and the residential status as per Income Tax Act, 1961 if not already done with the depositories (in case of shares held in demat mode) and with the Company's Registrar and Transfer Agent (in case of shares held in physical mode).
	NIL	Form 15G (applicable to any person other than a Company or a Firm)/Form 15H (applicable to an Individual above the age of 60 years), provided that all the required eligibility conditions are met, and a copy of PAN is furnished.

Particulars	Applicable Rate	Documents required (if any)
Shareholders not having PAN/ Invalid PAN	20%	-
Shareholders submitting the Order under Section 197 of the Income Tax Act, 1961 (Act)	Rate provided in the Order	Lower/NIL withholding tax certificate obtained from tax authority along with a copy of PAN.
Shareholders (e.g. LIC, GIC) for whom Section 194 of the Act is not applicable	NIL	Declaration that it has full beneficial interest with respect to the shares owned by it along with PAN.
Shareholders, being Alternative Investment Funds (AIFs)	NIL	A declaration that the AIFs are registered under SEBI as per SEBI Regulations.
Shareholders covered under Section 196 of the Act (e.g. Mutual Funds, Govt.)	NIL	Certificate of registration u/s 10(23D) issued by the appropriate authority along with PAN, documentary evidence that the person is covered under said Section 196 of the Act.

Resident individual shareholders are requested to ensure that Aadhar Number is linked with PAN within the prescribed timelines. In case of failure to link, PAN shall be considered as inoperative/invalid and hence, tax at 20% shall be deducted in such cases.

TDS to be deducted at higher rate in case of non-filers of Return of Income:

The Finance Act, 2021, has inter-alia inserted the provisions of Section 206AB of the Act with effect from July 1, 2021. The provisions of said section require the Company to deduct tax at higher of the following rates from amount paid/ credited to 'specified person':

- At twice the rate specified in the relevant provision of the Income Tax Act; or
- At twice the rate(s) in force; or
- At the rate of 5%.

The 'specified person' in relation to Financial Year 2022-23 means a person who has:

- not filed the income tax return for the assessment year relevant to the previous year immediately preceding the financial year in which tax is required to be deducted, for which the time limit for filing the income tax return under section 139(h) of the Act has expired; and
- subjected to tax deduction/collection at source in aggregate amounting to Rs. 50,000 or more in the aforesaid previous year.

Your Company will deduct the tax in accordance with guidelines provided by the Government to comply with the provisions of section 206AB. Tax deducted in accordance with said guidelines will be final and your Company shall not refund/adjust said amount subsequently. Your Company might also seek necessary declarations from you to comply with the provisions of this section. The non-resident who does not have a permanent establishment is excluded from the scope of a specified person.

Non - Resident Shareholders

As per Section 90 of the Income Tax Act, the non-resident shareholder has the option of being governed by the provisions of the Double Tax Avoidance Treaty between India and the country of tax residence of the shareholder, if they are more beneficial to them. Please refer to the below table for details of documents to avail Tax Treaty benefits.

Particulars	Applicable Rate	Documents required (if any)
Shareholders, being Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)	20% (plus applicable surcharge and cess) as per Section 196D of Income Tax Act, 1961 OR Tax Treaty Rate (whichever is lower)	<ol style="list-style-type: none"> Self-attested copy of the Permanent Account Number (PAN Card) allotted by the Indian Income Tax authorities. Self-attested copy of Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the shareholder is resident, valid for FY 22-23. Self-declaration in Form 10F. Self-declaration by the non-resident shareholder about having no Permanent Establishment in India in accordance with the applicable Tax Treaty. Self-declaration of Beneficial ownership by the non-resident shareholder.

Particulars	Applicable Rate	Documents required (if any)
Other Non-resident shareholders	20% (plus applicable surcharge and cess) OR Tax Treaty Rate (whichever is lower)	a. Self-attested copy of the Permanent Account Number (PAN Card) allotted by the Indian Income Tax authorities. b. Self-attested copy of Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the shareholder is resident, valid for FY 22-23. c. Self-declaration in Form 10F. d. Self-declaration by the non-resident shareholder about having no Permanent Establishment in India in accordance with the applicable Tax Treaty. e. Self-declaration of Beneficial ownership by the non-resident shareholder.
Shareholders submitting the Order under Section 197 of the Income Tax Act	Rate provided in the Order	Lower/NIL withholding tax certificate obtained from tax authority.

In case, PAN is not available, the non-resident shareholder (other than a company) shall furnish (a) name, (b) email id, (c) contact number, (d) address in residency country, (e) Tax Identification Number of the residency country.

It is recommended that shareholders should independently satisfy their eligibility to claim DTAA benefit including meeting of all conditions laid down by DTAA.

Kindly note that the Company is not obligated to apply beneficial DTAA rates at the time of tax deduction / withholding on dividend amounts. Application of beneficial rate as per DTAA for the purpose of withholding taxes shall depend upon completeness and satisfactory review by the Company of the documents submitted by the non-resident shareholder.

Soft copies of following documents may be downloaded from the link <https://www.integratedindia.in/ExemptionFormSubmission.aspx>:

01. Form 15G.
02. Form 15H.
03. Form 10F.
04. Declaration from residents.
05. Declaration from non-residents.
06. Declaration under Rule 37BC from non-residents (other than companies) not having PAN.

Duly filled and signed aforesaid documents, as applicable, should be mailed to investor.relations@noricangroup.com or uploaded on the weblink of RTA i.e., <https://www.integratedindia.in/ExemptionFormSubmission.aspx> on or before August 5, 2022, 11.59 PM (IST), to enable the Company to determine the appropriate TDS/withholding tax rate applicable.

No communication on the tax determination/deduction received post August 5, 2022 shall be considered for payment of Dividend.

While deducting the withholding of taxes as mentioned above, the residential status of the shareholders will be considered as per the data available with the Company/RTA/the Depository Participants (the "DPs"). In case there is change in their status, then the shareholders are requested to update their current status with the Company/RTA/the DPs on or before August 5, 2022.

If the tax on said Dividend is deducted at a higher rate due to non-receipt of or satisfactory completeness of the afore-mentioned details/documents by August 5, 2022, the shareholder may claim an appropriate refund in the return of income filed with their respective tax authorities.

No claim shall lie against the Company for such taxes deducted.

The Company will arrange to send a copy of the TDS certificate to shareholders in due course, post payment of the said Dividend. Shareholders will also be able to view electronic credit of TDS in Form 26AS, which can be downloaded from the website of Income Tax Department.

15. 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 (IEPF) 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 IEPF.
16. In line with the provisions of Section 124 of the Companies Act, 2013, members who have not so far encashed the Dividend, for any of the Dividends declared earlier, are requested to make their claims to the Company immediately.