



26th Annual Report 2010

DISA
shaping industry



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



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



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

BOARD OF DIRECTORS

JAN JOHANSEN
DEEPA HINGORANI
SANJAY ARTE
VIRAJ NAIDU

Managing Director

BANKERS

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

REGISTRARS

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

REGISTERED OFFICE

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

STOCK EXCHANGES

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

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

Central Depository Services (India) Limited
Phiroze Jeejeebhoy Towers
28th Floor, Dalal Street
MUMBAI - 400 023

AUDITORS

M.K. Dandekar & Co.
Chennai

SOLICITORS

Chander Kumar & Associates
Bangalore

NOTICE

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

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st December 2010 and the Profit and Loss Account for the year ended on that date, together with the Reports of the Board of Directors and the Auditors thereon.
2. To elect a Director in place of Mr Jan Johansen who retires by rotation and is eligible for reappointment.
3. To appoint Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

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

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

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

1. SALARY :

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

2. **PERFORMANCE LINKED BONUS** : Eligible to receive a performance linked bonus every year. The standard terms of Key MIP will be applied. The system takes into account Group performance, Company performance in terms of Growth and margin expansion and personal objectives measured against agreed objectives for the year. As constituted currently, the amount could reach a maximum of 30% of the total pay.
3. **HOUSE RENT ALLOWANCE** : Not exceeding 50% of basic salary, house rent allowance will be Rs.93,350/- per month. (From 6.2.2010 to 31.03.2011 – Rs.88,200/- per month)
4. **CONVEYANCE** : Chauffeur driven car provided by the Company for the performance of official duties and personal use. All expenses towards this facility will be borne by the Company.
5. **TELEPHONE** : A residential telephone, Laptop Computer and one Internet Service connection will be provided by the Company at its cost to facilitate the performance of duties.

6. **OTHER ALLOWANCE** : A general allowance to cover all household expenses & insurance, using clubs in which Company has corporate membership, insurance premium towards mediclaim cover etc. This General allowance will be Rs.130,690 /- per month. (From 6.2.2010 to 31.03.2011 – Rs.86,750/- per month)
7. **MEDICAL EXPENSES** : Medical expenses incurred in respect of self, spouse and two dependent unmarried children less than 21 years of age will be reimbursed, to the extent that they do not receive such assistance from any other source. This will be limited to Rs.1250/- per month.
8. **LEAVE AND LEAVE TRAVEL ASSISTANCE** : Leave will be as applicable to the senior Managers of the Company. Expenses for self and family (as defined above) of travel anywhere in India on leave will be paid/reimbursed once a year subject to a ceiling of one month's basic salary.
9. **PROVIDENT FUND** : Contribution of 12% of basic salary by the appointee with an equal amount of contribution by the Company.
10. **SUPERANNUATION FUND** : The Company contributes 15% of the basic salary to the Superannuation fund.
11. **GRATUITY** : After a continuous service of five years, eligible to receive gratuity at the rate of half a month's basic salary per year of service, limited to a maximum of 30 years. Payment of gratuity is as per rules and regulations of the Company applicable to Senior Managers.
12. **REIMBURSEMENT OF BUSINESS EXPENSES** : Eligible for Reimbursement of all reasonable expenses on travel, entertainment etc., legitimately incurred in the course of duties.
13. **RETENTION**: In addition to the above, there will be a retention agreement signed with Mr. Viraj Naidu based on which he will be eligible to receive MINR 1.0 / per annum for three years from January 2010 to December 2012 (subject to applicable taxes), which will be accumulated and paid at the end of three years namely at the end of December 2012 provided Mr. Viraj Naidu continues to be in the service of Disa India Limited till the end of December 2012.

He will not be paid any sitting fees for attending meetings of the Board of Directors or Committees thereof nor shall he be liable to retire by rotation.

MINIMUM REMUNERATION

In the event of absence or inadequacy of profits in any financial year during the currency of tenure of appointment, the entire applicable remuneration by way of salary and perquisites mentioned above shall be paid as minimum remuneration, subject to the provisions under Schedule XIII to the Companies Act, 1956.

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

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

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

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

By Order of the Board of Directors

For DISA India Limited

Date: 25.02.2011

Place: Bangalore

Viraj Naidu

Managing Director

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and such proxy need not be a member. Proxies, in order to be effective, must be received by the Company not less than forty-eight hours before the meeting.
2. The Register of Members and the Share Transfer books of the Company will remain closed from 4th May 2011 to 6th May 2011 (both days inclusive).
3. The Shares of the Company are now traded compulsorily in dematerialized form as per the directions of the Stock Exchange. Accordingly, members who have not opted for dematerialization of shares are once again reminded to take steps to demat their shares.
4. Members are requested to communicate the changes, if any, in their addresses to the Company's Registrar and Share Transfer Agents, Integrated Enterprises (India) Ltd (Formerly Alpha Systems Private Limited) 30, Ramana Residency, IV Cross, Sampige Road, Malleswaram, Bangalore-560 003.
5. Under Section 205A of the Companies Act, 1956, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of payment is required to be transferred to the Investor Education and Protection Fund of the Central Government.
6. In view of the above, members who have not encashed the dividend warrant(s) so far for any of the dividends declared earlier, are requested to make their claims to the Company immediately. Please note that as per Section 205C of the Companies Act, 1956, no claim shall lie against the Company or the said Fund, in respect of individual amounts which remain unclaimed or unpaid for a period of seven years from the date of payment, and no payment shall be made in respect of any such claims.

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

Item no. 4

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

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

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

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

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

Item No.5

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

The Board recommends the Resolution for your approval.

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

By Order of the Board

For DISA India Ltd

Date: 25.02.2011

Place: Bangalore

Viraj Naidu

Managing Director

INFORMATION REQUIRED TO BE FURNISHED UNDER LISTING AGREEMENT

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

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

Qualification:

Bachelor of Engineering

Expertise:

38 years of Industrial /Business management

Other Directorships:

Group Companies -

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

Committee Memberships :

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

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

Qualification:

Mechanical Engineering graduate from Indian Institute of Technology

Expertise:

19 years of Industrial /Business Management

Other Directorships:

NIL

Committee Memberships :

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

For DISA India Ltd

Date: 25.02.2011

Place: Bangalore

Viraj Naidu
Managing Director

DIRECTORS' REPORT

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

FINANCIAL RESULTS

(Rs.in '000)

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

DIVIDEND

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

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

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

PERFORMANCE OF THE COMPANY

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

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

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

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

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

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

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

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

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

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

To match this growth potential, your Company has already started

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

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

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

GROUP COMPANIES

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

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

CORPORATE GOVERNANCE

In compliance with the listing agreement with the Stock Exchange, your Board has adhered to the Corporate Governance Code. All the requisite Committees are functioning in line with the guidelines and on operational need basis.

As reported earlier, a reputed firm of independent Chartered Accountants has been carrying out the responsibilities of Internal Auditors and periodically they have been reporting their findings of systems, procedures and management practices. A separate note on Corporate Governance is included in this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors confirm as follows:

- The Statement of Accounts has been prepared in conformity with appropriate Accounting Standards.
- Accounting policies have been selected and consistently applied so as to give a true and fair view of the financial statements. Change in Accounting Policy and its impact on financial statements are disclosed separately as required under relevant Accounting Standards.
- Internal controls are in place to provide reasonable assurance and reliability of the accounting records and to safeguard the assets of the Company and also to detect fraud and other irregularities, if any.

A reputed independent accounting firm acts as Internal Auditors of your Company and they conduct regular audits.
- The Directors are satisfied that the Company has enough resources to carry on business and therefore have finalized the accounts as a going concern.

CONSERVATION OF ENERGY

Your Company gives high priority for conservation of energy through better supervision and training of employees to economize the usage of electricity.

RESEARCH AND DEVELOPMENT, TECHNOLOGY, ABSORPTION, ADAPTATION & INNOVATION

Your Company has been continuously seeking and adapting new technology from principals in order to develop skills locally and meet specific needs of Indian and global customers.

Personnel at all levels are routinely sent to Principals' factories and design offices abroad for training and updating their skills.

FOREIGN EXCHANGE EARNINGS AND OUTFLOW

The Company earned Rs. 111.14 (Rs.30.48) Million in foreign exchange and expended Rs. 88.20 (Rs.63.45) Million in foreign exchange during

the year under review.

INDUSTRIAL RELATIONS

Industrial relations have been cordial and constructive, which have helped your Company to achieve production targets.

PERSONNEL

Particulars of employees as required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of employees) Rules 1975 are given in the Annexure forming part of the Report.

DIRECTORS

In terms of the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Jan Johansen retires by rotation at the forthcoming Annual General Meeting and is eligible for reappointment.

AUDITORS

The Auditors, Messrs. M. K. Dandekar & Co., Chartered Accountants, Chennai, retire at the ensuing Annual General Meeting. The Company

has received a certificate under Section 224 -1(B) of the Companies Act, 1956 from Messrs. M. K. Dandekar & Co., Chartered Accountants, Chennai that their appointment would be within the limits specified therein.

Your Directors recommend their appointment.

ACKNOWLEDGEMENT

The Directors place on record their appreciation for valuable contribution made by employees at all levels, active support and encouragement received from Government of India, Government of Karnataka, Company's Bankers, Customers, Principals and Business Associates.

Your Directors also recognize the continued support extended by all the Shareholders and gratefully acknowledge with a firm belief that the support and trust will continue in the future also.

For and on behalf of the Board of Directors

Place: Bangalore

Date: 25.02.2011

Deepa Hingorani

Director

Viraj Naidu

Managing Director

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

STATEMENT PURSUANT TO SECTION 217(2A) OF THE COMPANIES ACT, 1956

SL. No.	Name & Age	Qualification	Date of commencement of employment (Exp. in years)	Designation/ Nature of duties	Gross Remuneration Rs.	Particulars of last employment held before joining the Company
1	Jagadish A Kulkarni 46 years	B.E. (Mech)	25/02/1991 (24)	Vice President - Sales & Marketing - FSB	2,937,875	Bemco Hydraulics Application Engineer
2	Joydip Ghosh 46 years	M.Tech, MBA	25/4/2007 (23)	Vice President - Filters Business & HK Operations	3,106,089	Timken Engineering & Research Pvt Ltd Program Manager
3	S.Mohan 53 years	B.Sc,ACA, AICWA	23/6/2004 (29)	Chief Financial Officer	3,884,027	Encore Software Limited Chief Financial Officer
4	Viraj Naidu 42 years	B. Tech (Hons)	22/1/2007 (19)	Managing Director	6,543,022	Tata Autocomp Systems Ltd Interiors & Plastic Division. Chief Operating Officer

- Notes :
- Gross remuneration as above includes basic salary, contribution towards Provident Fund, Superannuation, Insurance premium, Bonus, House Rent Allowance & monetary value of perquisites.
 - None of the above employees is related to any of the other Directors of the Company.
 - Conditions of employment are governed by individual terms and conditions of service.
 - Perquisites include amounts evaluated as per Income Tax Rules in respect of certain items.

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Code of Governance

As a part of Norican Group worldwide, the Company follows good practices of transparency and disclosure in its reporting. The Company is firmly committed to Corporate Governance and to meet the expectations of its stakeholders in matters related to trusteeship, integrity, ethical and legal standards.

2. Board of Directors:

Composition & Size of the Board

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

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

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

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

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

Attendance of each Director at the Board Meeting, Annual General Meeting (AGM) and the number of Companies and Committees where he/she is a Director/Member.

Name of Director	Category of Directorship	No. of Board Meetings attended	Whether Attended last AGM	No. of Directorships in other Companies incorporated in India	No. of Committee membership Members/Chairman in other companies in India
Jan Johansen	Director	4	Yes	Nil	Nil
Deepa Hingorani	Director	4	Yes	5	1
Sanjay Arte	Director	4	Yes	4	Nil
Viraj Naidu	Managing Director	4	Yes	Nil	Nil

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

3. Audit Committee

The Audit Committee is responsible for over-viewing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible; recommending the appointment and removal of the statutory and internal auditors, fixation of audit fees, the approval for payment for any other services and reviewing with the management the annual financial statements before submission to the Board.

The Internal Auditors and Statutory Auditors attend the meetings of the Audit Committee, by invitation.

Meetings and the attendance during the year

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

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

The attendance of each Member of the Committee is stated below:

Name of Director	No. of Meetings attended
Deepa Hingorani	4
Sanjay Arte	4
Jan Johansen	4

4. Remuneration Committee

The Company has set up a Remuneration Committee firstly to determine and review the remuneration and bonus of the Executive/Managing Director and secondly to review policy issues relating to remuneration and bonuses of Senior Managers.

Meetings and the attendance during the year

There was no occasion for the Committee to meet during the year.

5. Shareholders' Committee

The Board has constituted a Shareholders' Grievance and Investor Relations Committee to approve share transfers, transmissions, transposition of name, issue of split/duplicate certificates, ratify confirmations made to the demat requests received by the Company and review the status report on redressal of shareholders' complaints received by the Company/ share transfer agents.

The Committee comprising of Ms.Deepa Hingorani, Mr.Sanjay Arte and Mr.Viraj Naidu met Seven times during the year on the following dates :

13th April, 6th May, 28th May, 14th July, 27th July, 14th Dec & 28th Dec 2010

Name of Director	No. of Meetings attended
Deepa Hingorani	5
Sanjay Arte	5
Viraj Naidu	7

There were (March Qtr-o, June Qtr-o, Sep Qtr-1, Dec Qtr-1) 2(two) complaints received and redressed during the year ended 31st December 2010. There was no pending share transfer as on 31-12-2010.

6. Remuneration paid to Directors

The details of remuneration paid to the Directors during the year 2010 are given below:

a) Managing Director (in Rs.)

Name	Salary	Performance Bonus	Perquisites	Sitting Fees	Total
Mr. Viraj Naidu	4,802,736	1,524,286	216,000	-	6,543,022

b) Non-Executive Directors (in Rs.)

Name	Sitting fees INR	Commission for the year 2009 (paid in 2010)
Jan Johansen	80,000	-
Deepa Hingorani	80,000	300,000
Sanjay Arte	-	-
Total	160,000	300,000

Note: Owing to the terms of his present assignment, Mr.Sanjay Arte has declined to accept any compensation from the Company.

7. Name, designation & address of Compliance Officer

Mr S Mohan
 Chief Financial Officer
 DISA India Limited

5th Floor, Kushal Garden Arcade
1A, Peenya Industrial Area, 2nd Phase
Bangalore 560 058

E-Mail: investor.relations@noricangroup.com
Phone: +91 80 4020 1406
Fax : +91-80-2839 1661

The Company has fulfilled all the compliance requirements under the listing agreements as regards the investor grievance committee.

8. General Body Meetings

Location and time of the last three Annual General Meetings

Year	Date	Venue	Time
2007	23-04-2008	Chancery Hotel, Lavelle Road, Bangalore-560 001	1130 Hrs
2008	24-04-2009	The Atria Hotel, #1, Palace Road, Bangalore-560 001	1130 Hrs
2009	30-04-2010	The Atria Hotel, #1, Palace Road, Bangalore-560 001	1100 Hrs

9. Disclosures

Transactions with the related parties are disclosed in Schedule 18 to the Accounts in the Annual Report.

The Register of Contracts containing the transactions, in which Directors are interested, is placed before the Board every quarter.

During the last three years, there were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets.

10. Means of Communication

The Quarterly & Half Yearly results are published in national and local dailies such as Financial Express (in English) and Sanjevani (in Kannada) and also are displayed on SEBI website and hence are not individually sent to the shareholders.

11. General Information to Shareholders

a) AGM : Date: Friday, 6th May, 2011

Time: 11:30 Hrs

Venue: The Atria Hotel, Palace Road, Bangalore 560 001

Financial year : January to December 2010

Date of Book Closure: 4th May to 6th May 2011 (both days inclusive)

Listing on Stock Exchanges: Mumbai. Stock code is 500068 in the Bombay Stock Exchange.

b) Stock Market price data for the year 2010

Period	SENSEX		BSE (Rs.)	
	High	Low	High	Low
Jan-10	17790	15982	1558	1326
Feb-10	16669	15652	1484	1320
Mar-10	17793	16438	1625	1382
Apr-10	18048	17277	1740	1485
May-10	17537	16960	1550	1303
Jun-10	17920	16318	1436	1256
Jul-10	18238	17396	1630	1326
Aug-10	18475	17820	1511	1306
Sep-10	20268	18027	1465	1350
Oct-10	20855	19769	1450	1325
Nov-10	21109	18955	1499	1350
Dec-10	20552	19075	1425	1322

c) Registrar and Transfer Agents

Integrated Enterprises (India) Limited (formerly Alpha Systems Pvt. Ltd.) No.30, Ramana Residency, Ground Floor, IV Cross, Sampige Road, Malleswaram, BANGALORE -560 003, Tel : 23460815/816 is the Company's Registrar and Share Transfer Agents. They have the requisite registration with SEBI.

d) Share Transfer System

The Company's Share Transfer Committee meets regularly and expeditiously handles the procedures related to application for transfer of shares. The said RTA has the requisite infrastructure to process all activities related to share transfers. The system is further audited by a Practicing Company Secretary and the required certificates/ reports to this effect as also those related to dematerialisation, reconciliation of Shares etc. are issued and filed with the Stock Exchanges where the Company's Shares are enlisted.

The Company's Shares are compulsorily traded in the demat form and the ISIN No. allotted is INE 131CO1011.

e) Distribution of shareholding as on 31-12-2010

Face Value Rs.10/-

Range (in Rs.)	No. of Share Holders	% of Total Share Holders	Total Holding In Rs.	% of Total Capital
1 - 5000	3386	99.82	207170	13.72
5001 - 10000	0	0.00	0	0.00
10001 - 20000	1	0.03	12054	0.80
20001 - 30000	0	0.00	0	0.00
30001 - 40000	0	0.00	0	0.00
40001 - 50000	1	0.03	48697	3.22
50001 - 100000	0	0.00	0	0.00
100001 & above	4	0.12	1242284	82.26
Total	3392	100.00	1510205	100.00

MODE OF HOLDINGS AS ON 31.12.2010

	NO. OF SHARES	% ON CAPITAL
NSDL	292351	19.36
CDSL	27838	1.84
PHYSICAL	1190016	78.80
TOTAL	1510205	100.00

f) Shareholding pattern as on 31-12-2010

Category	No of Shares	% Holding
Directors	-	-
Promoter-But not Director	1121651	74.27
Director/Promoters' Relatives	-	-
Sub total	1121651	74.27
Banks & Financial Institutions, Insurance Companies Mutual Fund	400	0.03
Body Corporate	193414*	12.81
NRI	1255	0.08
FII	-	-
Indian Promoter	-	-
Clearing Member	561	0.04
General Public	192924	12.77
Total	1510205	100.00

*Includes 181,384 shares - 12.01% shares acquired pursuant to the Open Offer yet to be transferred to DISA Holding A/S currently with DP in an Escrow account, in view of case pending before the Supreme Court.

g) Dematerialization of shares and liquidity

About 21.20% of the 15,10,205 outstanding Equity Shares have been dematerialized upto 31.12.2010

h) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity. - NIL

i) **Plant Locations : Factories**

1) No. 28-32, Satyamangala Industrial Area
Tumkur - 572 104
Tel: 0816 2211290 / 2211291

2) Plot No.50, KIADB Industrial Area
Hosakote - 562 114
Tel: 080 27971310 / 27971516

j) **Address for correspondence**

Registered & Corporate Office :

DISA INDIA LIMITED

5th Floor, Kushal Garden Arcade, 1A, Peenya Industrial Area, Peenya 2nd Phase, Bangalore 560 058

Phone: 91-80-4020 1400 to 04

**AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF
CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

To

The Members of
DISA INDIA LIMITED
5th Floor, Kushal Garden Arcade
1A, Peenya Industrial Area
Peenya 2nd Phase
Bangalore 560 058

1. We have examined the compliance of the conditions of Corporate Governance by DISA India Limited for the year ended 31st December, 2010 as stipulated in Clause 49 of the Listing Agreement of the said company with the Stock Exchange in India.
2. The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.
3. In our opinion and to the best of our information and explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.
4. We state that in respect of investor grievances received during the year ended 31st December 2010, no investor grievance was pending against the company as on 31st December 2010, as per records maintained by the company and presented to the shareholders / Investors Grievances Committee.
5. As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that as per the records maintained by the Company, there was no investor grievance remaining unattended/pending for more than 30 days.
6. We further state that such Compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For M.K. Dandekar & Co.
(ICAI Reg No. 000679S)

K.J. Dandekar
Partner
Chartered Accountants
Membership No. 18533

Place : Bangalore
Date : 25.02.2011

SECRETARIAL COMPLIANCE CERTIFICATE

Registration No. of the Company:

L85110KA1984PLC006116

Nominal Capital: **Rs. 5,00,00,000/-**

To:

The Members, DISA INDIA LIMITED,
Bangalore – 560 058.

I have examined the registers, records, books and papers of DISA India Limited (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on the 31st December, 2010. In my opinion and to the best of my information and according to examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder (beyond the time prescribed with additional fee).
3. The Company being a Public Limited Company, has the minimum prescribed paid-up capital as per the provisions of Companies Act, 1956 and the provisions of the Act do not prescribe maximum number of members for such a Public Limited Company.
4. The Board of Directors duly met 4 {Four} times from 1.1.2010 to 31.12.2010 on the following dates: 26th February, 2010, 30th April, 2010, 23rd July, 2010 and 28th October, 2010 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed, in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members from 29th April 2010 to 30th April, 2010 (both the days inclusive) and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31st December, 2009 was held on 30th April, 2010 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the financial year 2010.
8. The Company has not advanced any loans to its Directors or persons or firms or companies referred to under Section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company was not required to make entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or Central Government.
12. The Company has not issued duplicate share certificates during the financial year.
13. The Company has:
 - (i) has not transferred/ transmitted any securities during the financial year;
 - (ii) has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year;
 - (iii) was not required to post warrants to any member of the Company as no dividend was declared during the financial year;
 - (iv) has transferred the required funds to the Investor Education and Protection Fund during the year;
 - (v) has duly complied with the requirement of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There were no appointments of Additional Directors/Alternate Directors/ Directors to fill casual vacancies during the financial year.
15. The Company has reappointed a Managing Director during the financial year.
16. The Company has not appointed any sole-selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interests in other firms/ companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any Shares during the financial year.
20. The Company has not bought back Shares during the financial year.
21. There was no redemption of preference Shares during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the rights to rights shares and bonus shares/securities pending registration of transfer of shares.
23. The Company has not invited/ accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
24. The Company's borrowings during the financial year ended 31.12.2010 were in compliance with the Act.
25. The Company has not made any loans or advances or given

guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.

26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to the name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to the share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. There were no prosecutions initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offences under the Act.

32. The Company has not received any money as security from its employees during the financial year.

33. The Company has not constituted a Provident Fund referred to, under section 418 of the Act.

Place: Bangalore

Date: 25.02.2011

VIJAYAKRISHNA K T

ANNEXURE- A

Following were the registers maintained by the Company:

1. Register of Members
2. Register of Directors
3. Register of Directors' Shareholdings
4. Register of Disclosure of Interests.
5. Register of Transfers
6. Register of Charges
7. Register of Contracts
8. Register of Debentures
9. Minutes of the Board, Committee and Shareholders Meetings
10. Register of Allotment.

ANNEXURE- B

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ended 31st December 2010:

Sl. No.	Form No./ Return	Filed under Section	For	Date of filing	Whether filed within the Pre-scribed time Yes/No	If delay in filing whether requisite additional fee paid Yes / No.
1.	Form 23AC & 23ACA	220	Annual Accounts Form 23AC and Form 23ACA	26/05/2010	YES	NA
2.	Form 20B	159	Annual Return Form 20B	18/06/2010	YES	NA
3.	Form 66	383A	Secretarial Compliance Report Form 66	26/05/2010	YES	NA
4	Form 32	303(2)	Change in Designation of Mr. Viraj Naidu	26/03/2010	NO	YES
5.	Form 1NV	Rule 3 of IE & PF (Awareness and Protection of Investors) Rules, 2001	Unpaid Dividend 2002-2003	29/10/2010	YES	NA

AUDITORS' REPORT TO THE MEMBERS OF DISA INDIA LTD., BANGALORE

We have audited the attached Balance Sheet of Disa India Limited, Bangalore as at 31st December, 2010, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
- iii. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- iv. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;

- v. On the basis of written representations received from the directors, as on 31st December, 2010, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st December 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st December, 2010; and
 - b) in the case of the Profit and Loss Account, of the profit for the year ended on that date.
 - c) in case of the Cash Flow Statement, of the cash flows for the year ended on that date.

for M.K.DANDEKER & CO.
(ICAI Reg No. 000679S)

K.J.DANDEKER
Partner

Place : Bangalore
Dated : 25.02.2011

Chartered Accountant
Membership No.18533

ANNEXURE TO THE AUDITOR'S REPORT IN PURSUANCE OF COMPANIES (AUDITORS REPORT) ORDER, 2003

(Referred to in our Report of even date)

- | | |
|--|---|
| <p>I. The Company has maintained proper records showing full particulars including Quantitative details and situation of fixed assets. The Management at reasonable intervals has physically verified these Fixed Assets and no material discrepancies were noticed on such verification.</p> <p>II. The physical verification of inventory has been conducted at reasonable intervals by the Management. The procedures for physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the company and the nature of its business. The Company is maintaining proper records of inventory and any discrepancies noticed on physical verification are being properly dealt in the books of accounts.</p> <p>III. The Company has neither granted nor taken any loans, secured or unsecured to or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956.</p> <p>IV. The Company has adequate internal control procedures commensurate with the size of the company and the nature of its business, for the purchase of inventory, fixed assets and also for the sale of goods. There are no major weaknesses in the internal control to be corrected.</p> | <p>V. The Company has not entered into any transaction as seen from the register maintained in pursuance of Section 301 of the Companies Act 1956 with the exception of related party transactions with the group companies where the transactions purchases/sales are at reasonable rates as per the information given to us.</p> <p>VI. The Company has not accepted deposits from the public and the provisions of Section 58A and 58AA of the Companies Act 1956, rules framed there under and other relevant directives issued by the Reserve Bank of India are not applicable to the Company.</p> <p>VII. The Company has appointed a firm of Auditors to carry out the Internal Audit. The Internal Audit is commensurate with its size of the Company and nature of its business.</p> <p>VIII. The Company is not required to maintain the cost records as prescribed by the Central Government under clause (d) of sub-section (i) of section 209 of the Companies Act 1956.</p> <p>IX. The Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employee's State Insurance, Income tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess with the appropriate authorities except for the following cases:</p> |
|--|---|

Forum	Description	Period related to	Net Demand (In Rs.)
Employees Provident Fund Appellate Tribunal - Bangalore	Other Allowance paid to Trainees not considered for PF Calculation	August 2006 to August 2009	4,92,376/-
Central Excise and Service Tax Appellate Tribunal	Credit of service tax on staff transport sought to be disallowed.	July 2006 to June 2007	1,19,056/-
Assistant Commissioner of Central Excise – Bangalore	Credit of service tax on staff transport sought to be disallowed	July 2007 to August 2008	1,17,230/-
Income Tax Appellate Tribunal, Bangalore	Appeal filed against Penalty levied under section 271(1)(c) of the Income Tax Act, 1961,	Assessment Year 2004-05	19,09,818/-

- | | |
|--|---|
| <p>X. The company has got accumulated profits at the end of the year and the company has not incurred cash losses in the current year and in the immediately preceding year.</p> <p>XI. The Company has not defaulted in repayment of dues to Financial Institutions or Banks or Debenture holders.</p> <p>XII. The Company has not granted any loan and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly paragraph 4 (xii) of the Order is not applicable;</p> <p>XIII. In our opinion and according to the information and explanations, the company is not a Chit Fund, Nidhi or Mutual Benefit Fund/</p> | <p>Societies. Accordingly paragraph 4 (xiii) of the Order is not applicable;</p> <p>XIV. According to the information and explanations given to us, the company is not dealing or trading in shares, securities, debentures or other investments. Accordingly paragraph 4(xiv) of the Order is not applicable.</p> <p>XV. The Company has not given any guarantee for loans taken by others from Bank or Financial Institution etc.,</p> <p>XVI. The Company has not obtained any term loans during the year.</p> <p>XVII. The funds raised by the Company on short-term basis have not</p> |
|--|---|

Annual Report 2010

been used for long term investment and vice versa.

XVIII. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act 1956 during the year.

XIX. The Company has not issued any debentures during the year.

XX. The Company has not raised any money by public issues during the year. Accordingly paragraph 4(xx) of the Order is not applicable.

XXI. Based on our examination and the information provided to us by the company, no fraud on or by the company has been noticed or reported during the year.

for M.K.DANDEKER & CO.
(ICAI Reg No. 000679S)

K.J.DANDEKER
Partner

Place : Bangalore
Dated : 25.02.2011

Chartered Accountant
Membership No.18533

BALANCE SHEET AS AT 31ST DECEMBER, 2010

Description	Schedule No.	As at 31.12.10 Rs. '000		As at 31.12.09 Rs. '000	
SOURCES OF FUNDS					
1. Shareholders Funds:					
Capital	1	15,102.05		15,102.05	
Reserves & Surplus	2	540,767.43		389,737.20	
			555,869.48		404,839.25
2. Loan Funds:					
Secured Loans	3 (a)		35.26		1,062.98
Unsecured Loans	3 (b)		0.00		3,862.74
3. Deferred Income Tax:			2,146.06		3,134.76
			558,050.80		412,899.73
APPLICATION OF FUNDS					
1. Fixed Assets:	4				
Gross Block		349,994.09		335,806.20	
Less: Depreciation		228,302.95		213,152.59	
Net Block		121,691.14		122,653.61	
Capital Work in Progress		10,127.52	131,818.66	0.00	122,653.61
2. Current assets, loans & advances:					
Inventories	5	181,457.49		110,220.97	
Sundry Debtors	6	132,629.17		49,313.93	
Cash & Bank balances	7	465,158.50		329,783.43	
Loans & advances	8	70,676.80		40,821.11	
		849,921.96		530,139.44	
Less: Current liabilities & provisions:					
Current Liabilities	9	402,959.76		221,033.71	
Provisions	10	20,730.06		18,859.61	
		423,689.82		239,893.32	
Net Current Assets			426,232.14		290,246.12
3. Notes / Segment reporting / related party disclosures / Accounting Policies	15 -18				
TOTAL			558,050.80		412,899.73

Schedules referred to herein form part of the Balance Sheet.

This is the Balance Sheet referred to in our report of even date

For and on behalf of
M.K. DANDEKER & CO.,
Chartered Accountants
(ICAI Regn. No. 000679S)

For and on behalf of
DISA INDIA LIMITED

K. J. Dandekar
Partner
Membership No. 18533

Viraj Naidu
Managing Director

Deepa Hingorani
Director

Place : Bangalore
Date : 25.02.2011

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 2010

Description	Schedule No.	Year ended 31 December 10 Rs.'000		Year ended 31 December 09 Rs.'000	
INCOME:					
1. Sales & Services	11	1,076,364.62		712,928.51	
2. Other income	11	41,542.17		28,634.16	
			1,117,906.79		741,562.67
EXPENDITURE:					
1. Manufacturing & other expenses	12	866,612.36		566,357.89	
2. Depreciation	4	18,009.05		19,940.55	
3. Interest	13	332.15	884,953.56	2,416.10	588,714.54
PROFIT BEFORE TAX			232,953.23		152,848.13
1. Provision for Taxation		82,911.71		54,043.00	
2. Provision for Deferred Tax		(988.71)		(138.06)	
3. Fringe benefit Tax		0.00	81,923.00	320.00	54,224.94
PROFIT FOR THE PERIOD AFTER TAX			151,030.23		98,623.19
Balance from earlier period b/f			234,423.29		135,800.10
Less :					
Dividend		0.00		0.00	
Tax on dividend		0.00		0.00	
Transfer to General reserve		0.00		0.00	
			0.00		0.00
Profit transferred to balance sheet			385,453.52		234,423.29
Basic & Diluted earnings per share (Rs.) including extraordinary item	14		100.01		65.30
Basic & Diluted earnings per share (Rs.) excluding extraordinary item			100.01		65.30
Nominal value per equity share (Rs.)			10.00		10.00

Schedules referred to herein form part of the Profit & Loss Account

This is the Profit & Loss Account referred to in our report of even date

For and on behalf of
M.K. DANDEKER & CO.,
Chartered Accountants
(ICAI Regn. No. 000679S)

K. J. Dandeker
Partner
Membership No. 18533

Place : Bangalore
Date : 25.02.2011

For and on behalf of
DISA INDIA LIMITED

Viraj Naidu
Managing Director

Deepa Hingorani
Director

SCHEDULES FORMING PART OF THE BALANCE SHEET

Description	As at 31 December 10 Rs. '000		As at 31 December 09 Rs. '000	
1. SHARE CAPITAL				
Authorised:				
5,000,000 Equity Shares of Rs.10 each	50,000.00		50,000.00	
Issued, subscribed and paid up:				
1,510,205 Equity Shares of Rs.10 each (818,902 Equity Shares are held by Disa Holding A/G, Switzerland, the holding company & 302,749 Equity Shares are held by Disa Holding A/s, Denmark the ultimate Holding company)	15,102.05		15,102.05	
		15,102.05		15,102.05
2. RESERVES AND SURPLUS				
Capital Reserve		1,524.00		1,524.00
Share Premium		109,056.32		109,056.32
General Reserve	44,733.59		44,733.59	
Add: Transfer to reserve during the period	-		-	
		44,733.59		44,733.59
Balance in Profit & Loss Account		385,453.52		234,423.29
		540,767.43		389,737.20
3(a) SECURED LOANS				
From CANARA BANK	1.17		1,062.91	
From Other Banks	34.09		0.07	
(Overdraft facility against Fixed Deposits)		35.26		1,062.98
(b) UNSECURED LOANS				
- Sales Tax deferment		-		3,862.74
Amount repayable within one year - NIL , PY {3,863}				

4. FIXED ASSETS:

Rs. '000

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.01.2010	Additions 01.01.10 to 31.12.10	Sales/adj. 01.01.10 to 31.12.10	As at 31.12.10	Upto 01.01.10	For the period	Sales/adj during the period	Upto 31.12.10	As at 31.12.10	As at 31.12.09
Land	3,145.23	-	-	3,145.23	-	-	-	-	3,145.23	3,145.23
Buildings	106,698.82	-	-	106,698.82	33,042.16	3,560.45	-	36,602.61	70,096.21	73,656.66
Plant & Machinery	147,406.96	1,600.47	352.30	148,655.13	119,644.85	7,317.92	262.88	126,699.89	21,955.24	27,762.11
Patterns, tools, jigs & fixtures	14,943.95	4,023.99	-	18,967.94	10,509.84	1,473.70	-	11,983.54	6,984.40	4,434.12
Office equipment	13,202.19	1,207.02	729.46	13,679.75	8,955.20	1,287.34	668.59	9,573.95	4,105.80	4,247.02
Furniture & fittings	13,948.79	290.17	-	14,238.96	9,055.81	1,345.24	-	10,401.05	3,837.91	4,892.97
Vehicles	2,207.86	3,004.21	2,061.13	3,150.94	1,684.52	501.51	1,793.12	392.91	2,758.03	523.32
Computers	34,252.39	2,860.02	134.09	36,978.32	30,260.22	2,522.89	134.11	32,649.00	4,329.32	3,992.18
Capital advance		4,479.00		4,479.00					4,479.00	
Total	335,806.19	17,464.88	3,276.98	349,994.09	213,152.60	18,009.05	2,858.70	228,302.95	121,691.14	122,653.61
Previous year	330,115.43	6,192.25	501.48	335,806.20	193,713.53	19,940.55	501.49	213,152.59	122,653.61	-

SCHEDULES FORMING PART OF THE BALANCE SHEET

Description	As at 31 December 10 Rs.' 000		As at 31 December 09 Rs.' 000	
5. INVENTORIES (at cost or net realisable value, whichever is lower)				
Raw material	34,143.43		22,339.45	
Bought-out components	95,593.94		55,357.35	
Work-in-progress	51,720.12		32,524.17	
		181,457.49		110,220.97
6. SUNDRY DEBTORS				
a) Debts outstanding for a period exceeding 6 months - Secured considered Good	-		-	
Unsecured considered Good	15,716.16		10,383.86	
Unsecured considered doubtful	1,750.21		1,322.35	
Less : Provision for doubtful debts	(1,750.21)		(1,322.35)	
(b) Other debts for a period less than 6 months - Secured, considered good	-		448.83	
Unsecured, considered good	116,913.01		38,481.24	
Unsecured, considered doubtful	91.16		58.30	
Less : Provision for doubtful debts	(91.16)		(58.30)	
		132,629.17		49,313.93
7. CASH AND BANK BALANCES:				
Cash on hand	77.38		118.79	
With Scheduled Banks :				
(a) On current account	8,716.52		6,281.83	
(b) On deposit account	446,502.23		312,980.00	
(c) On unclaimed Dividend / Debentures A/c	9,862.37		10,402.81	
		465,158.50		329,783.43
8. LOANS AND ADVANCES:				
Unsecured, considered good:				
Advances recoverable in cash or kind or for value to be received	49,197.83		26,840.46	
Interest Accrued on Deposits but not due	10,554.23		3,911.08	
Deposits	7,320.43		5,107.00	
Advance tax (incl. tax ded. at source) -Net of Provisions	3,604.31		4,962.57	
	-			
		70,676.80		40,821.11
9. CURRENT LIABILITIES:				
Sundry Creditors				
A) Micro Enterprises and small enterprises	13,478.87		4,310.63	
B) Others	177,054.03		72,379.60	
Sundry Creditors - Total	190,532.89		76,690.23	
Other Liabilities	35,427.45		19,645.91	
Other Taxes & Duties payable	10,582.80		8,266.54	
Advance from customers	156,554.25		106,028.22	
Un-encashed Debentures	4,966.04		5,391.85	
Un-encashed dividends	4,896.33		5,010.96	
		402,959.76		221,033.71
10. PROVISIONS:				
Provision for Taxation	-		-	
Provision for employee benefits	14,064.66		15,354.56	
Other Provisions	6,665.40		3,505.05	
Provision for Dividend	0.00		-	
		20,730.06		18,859.61

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

Description	Year Ended 31.12.2010 Rs.'000		Year Ended 31.12.2009 Rs.'000	
11. SALES AND SERVICES:				
Turnover of Goods (Less Returns)	1,057,987.57		688,860.34	
Add: Excise Duty Paid	96,174.57		53,769.65	
Services & Commission	18,377.05		24,068.17	
Less: Excise duty Recovered	(96,174.57)	1,076,364.62	(53,769.65)	712,928.51
OTHER INCOME:				
a. Interest Income (including TDS -Rs 1,807 P Y-Rs 4,035)	25,814.17		18,169.84	
b. Exchange Fluctuation Gain /loss (Net)	2,860.12		352.17	
c. Other Income	9,997.13		7,846.82	
d. Sale of Scrap	2,298.55		2,060.31	
e. Profit / loss on sale of Assets (Net)	572.20	41,542.17	205.02	28,634.16
		1,117,906.79		741,562.67
12. MANUFACTURING AND OTHER EXPENSES:				
(a) Manufacturing expenses :				
Raw material & components consumed	606,253.14		283,936.69	
(Increase)/decrease in stock of				
Finished goods				
Opening Stock	-		0.00	
Closing Stock	-		0.00	
(Increase)/decrease in Stock of				
Work-in-Progress				
Opening Stock	32,524.17		113,895.66	
Closing Stock	(51,720.13)	587,057.18	(32,524.17)	365,308.18
(b) Power & Fuel	6,236.45		4,322.75	
(c) Repairs & maintenance - Building	3,672.59		1,631.70	
(d) Repairs & maintenance - Machinery	2,606.97		1,541.26	
(e) Repairs & maintenance - Others , Tools etc.	2,903.00	15,419.01	2,004.00	9,499.71
(f) Payments to and provision for employees:				
Salaries, wages, bonus etc	117,518.64		82,703.27	
Contribution to PF/ESI/SAF	9,073.41		8,280.01	
Welfare expenses	7,799.66		5,950.31	
Gratuity	2,503.44		3,300.80	
		136,895.15		100,234.39

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

Description	Year Ended 31.12.2010 Rs.'000		Year Ended 31.12.2009 Rs.'000	
(g) Administration & Selling expenses:				
Travelling expenses	27,757.70		16,747.27	
Professional charges, etc.	11,464.48		5,296.07	
Telephone, postage & courier	3,117.38		2,999.34	
Rent	7,137.43		6,932.11	
Miscellaneous expenses	8,105.11		6,384.74	
Bad Debts	1,332.77		1,694.97	
Advertisement & Sales promotion	3,800.35		1,361.99	
Commission Expenses	4,055.78		1,826.12	
Insurance	3,225.75		3,000.42	
Security Charges	3,014.41		2,563.44	
Packing & Freight Outwards	16,663.52		4,560.66	
Recruitment & Training	2,394.40		894.87	
Bank charges & guarantee commission	1,395.01		889.90	
Group Management reimbursement fees	11,346.17		5,466.97	
Stationery	1,509.50		1,148.11	
Directors' sitting fee & Commission	660.00		580.00	
Royalty	6,113.93		4,169.93	
Rates & Taxes	1,790.87		2,569.39	
IT costs	3,137.75		1,905.43	
Group IT costs	9,218.71		20,323.88	
		127,241.02		91,315.61
		866,612.36		566,357.89
13. INTEREST:				
Interest - Others	332.15		2,416.10	
		332.15		2,416.10
14. EARNINGS PER SHARE :				
Profit for the year with Extraordinary income after tax		151,030.23		98,623.19
Profit for the year without Extraordinary income & net of Tax		151,030.23		98,623.19
Number of equity shares (in Numbers)		1,510,205		1,510,205
Basic & Diluted earnings per share (Rs.)				
including extraordinary item		100.01		65.30
Basic & Diluted earnings per share (Rs.)				
excluding extraordinary item		100.01		65.30

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

Notes on Accounts - Schedule No. 15

Sl. No.	Description	For the year Rs.'000	Previous Year Rs.'000
I	CONTINGENT LIABILITIES:		
	a) i) Guarantees given by Bank	79,150	40,419
	ii) LC issued by Bank	14,791	-
	iii) Corporate Guarantees given	25,563	272
	b) Estimated amount of contracts remaining to be executed on capital account and not provided for	5,990	-
	c) Claims against company not acknowledged as debt	1,910	1,910
	— Income tax	236	196
	— Service tax	492	492
	— Others		
II	VALUE OF IMPORTS ON C.I.F. BASIS:		
	Raw material	33,171	7,984
	Components and spare parts	43,624	15,687
	Capital Goods	-	960
	Others	-	168
	Total	76,796	24,800
III	EXPENDITURE IN FOREIGN CURRENCY: [on actual payment]		
	Travel	1,630	663
	Rawmaterial, Components and spare parts	71,965	25,887
	Capital Advances / Purchases	7,094	749
	Dividend	-	-
	Commission	150	-
	Royalty	4,573	5,554
	Subscription for magazines/Training of staff/Others	153	1,245
	Technical services / Software Purchases	2,635	29,347
	Total	88,200	63,445
IV	EARNINGS IN FOREIGN CURRENCY [on actual receipt]		
	Agency Commission/Others	2,178	6,221
	Exports / Advances	108,967	24,259
	Total	111,145	30,480
V	PROVISIONS AND/OR PAYMENTS IN RESPECT OF AUDITORS' REMUNERATION (Excl. Service Tax)		
	Statutory Audit Fees	350	350
	Tax Audit Fees & Other Certification	25	50
	Reimbursement of expenses	227	178
	Total	602	578
VI	DETAILS OF LICENCED, INSTALLED CAPACITY AND ACTUAL PRODUCTION:		
	Goods manufactured (Quantity in nos., unless otherwise stated)	Actual Production Qty.	Value in Rs.'000
	Foundry Moulding } Shot Blasting Machine }	148 (84)	310,042 (205,343)
	Mould handling system, Shot Blasting system, Sand condition- ing plant, Sand Mixers/Slingers Spl. purpose mat. handling eqpt. }	* *	465,820 (297,720)
	Dust Collectors	122 (57)	190,398 (118,893)
	Spares		91,727 (66,905)

*consists of systems/projects. Hence not quantified.

Notes on Accounts - Schedule No. 15 (Contd.)

VII	RAW MATERIALS & BOUGHT OUT COMPONENTS CONSUMED DURING THE YEAR:	Quantity in kgs	Value in Rs.'000	Percentage
	Raw material : Steel (imported)	189,703	28,733	4.89%
	Raw material : Steel (domestic)	103,672	26,796	4.56%
a)	Total	293,375 (231,004)	55,528 (24,252)	9.46% (6.64)%
b)	Intermediates, bought out components, hardware and items used for Projects under execution:			
i)	Imported	-	36,191 (19,538)	6.16% (5.35)%
ii)	Indigenous	-	495,338 (321,518)	84.38% (88.01)%
	TOTAL		587,057 (365,308)	100% 100%

Note : As the company also sells as spare parts (for goods manufactured and sold by it) some of its bought out components shown in item (b) includes the cost of such components sold, this being an activity ancillary to its manufacturing activity.

		For the year Rs.'000	Previous Year Rs.'000
VIII	MANAGERIAL REMUNERATION:		
a)	Computation of Profit in accordance with Section 309(5) read with Section 349 of the Companies Act, 1956 :		
	Profit before extra-ordinary items & taxation	232,953	152,848
	Less : Profit on sale of fixed assets	572	205
	Add : Directors' Sitting fees	160	180
	Add : Managerial remuneration	6,543	4,676
	Adjusted net profit as per Section 198	239,084	157,499
b)	Remuneration to Managing Director		
	Salaries+HRA+Performance Bonus	5,755	3,916
	Contribution to PF/Superannuation Fund **	572	552
	Allowances and Monetary value of perquisites ***	216	208
		6,543	4,676
	** Contribution to group gratuity is based on actual payment on overall company basis is excluded		
	*** Perquisites include amounts evaluated as per Income Tax Rules in respect of certain items		
IX	REMUNERATION TO OTHER DIRECTORS		
	Commission @ 1% of net profit	2,391	1,575
	Commission restricted to	500	400
X	Deferred Tax liability (Net) is in respect of		
	Depreciation	(5,279)	(6,326)
	Expenses charged in the financial statements but allowable as deductions in future years under the IT Act, 1961		
	i) Knowhow Fees	327	537
	ii) Software	502	382
	iii) Others	2,303	2,272
	Deferred Tax Liability (Net)	(2,147)	(3,135)
XI	Disclosure under Micro, Small and Medium Enterprises Development Act, 2006		
	Amount due and remaining unpaid as at 31st December, 2010		
	- Principal	13,479	NIL
	- Interest thereon	104	0
	Amount of Interest paid on all delayed payments during the year	NIL	Nil
	Note: The above is on the basis of information to the extent provided by the Suppliers to the Company, which has been relied by the auditors		

Notes on Accounts - Schedule No. 15 (Contd.)
XII Disclosure Pursuant to AS-15 (Revised)
1. Defined Contribution Plans

An Amount of Rs. 90.73 lakhs (previous year Rs.82.80 lakhs) is recognised as an expense and included in "Manufacturing and Other Expenses" (Schedule 12 (f)) in the Profit and Loss Account.

2. Defined Benefit Plans

Gratuity - as per Actuarial Valuation

Particulars	For the year Rs.'000	Previous year Rs.'000
Change in benefit obligation:		
Defined benefit obligation at beginning of year	14,802.40	13,997.53
Service cost	1795.55	1,996.26
Interest cost	1088.14	773.80
(Benefits paid)	(897.58)	(149.53)
Net transfer in / (out)	(247.59)	(459.15)
Actuarial Loss/(Gain)	1246.48	(1,356.51)
Benefit obligation at end of the year	17,787.40	14,802.40
Changes in Fair value of Plan Assets :		
Fair Value of plan assets at the end of prior year	11,620.87	10,507.02
Expected return on plan assets	960.06	953.70
Employer Contributions	2405.5	817.37
Transfer outs	(247.59)	(459.15)
(Benefits paid)	(897.58)	(149.53)
Actuarial Gain / (Loss)	665.99	(48.54)
Fair value of plan assets at end of the year	14,507.25	11,620.87
Fair value of Plan Assets :		
Fair Value of plan assets at the end of prior period	11,620.87	10,507.02
Actual return on plan assets	1,626.05	905.16
Employer Contributions	2,405.50	817.37
Transfer outs	(247.59)	(459.15)
(Benefits paid)	(897.58)	(149.53)
Fair value of plan assets at end of the year	14,507.25	11,620.87
Funded Status	(3,280.15)	(3,181.53)
Excess of Actual over estimated return on plan assets	665.99	(48.54)
Reconciliation of Net Liability :		
Present value of defined benefit obligations	17,787.40	14,802.40
Less : Fair value of plan assets	14,507.25	11,620.87
Funded Status - (deficit) / surplus	(3,280.15)	(3,181.53)
Actuarial Loss / (Gain) recognised		
Actuarial loss / (gain) for the period - Obligation	1,246.48	(1,356.51)
Actuarial (loss) / gain for the period - Plan Assets	665.99	(48.54)
Total actuarial loss / (gain) for the period	580.49	(1,307.97)
Actuarial loss / (gain) recognised in the period	580.49	(1,307.97)
Experience Adjustments in		
Plan Liabilities	2,050.28	(31.45)
Plan Assets	665.99	(48.54)
Actuarial Assumptions :		
Discount rate	8.00%	7.50%
Expected long term rate of return of assets	8.50%	8.50%
Rate of compensation increase for the first five years	12.00%	12.00%
Rate of compensation increase for the subsequent years	10.00%	10.00%

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Notes on Accounts - Schedule No. 15 (Contd.)

Leave Encashment - as per Actuarial Valuation

Particulars	For the year Rs '000	Previous year Rs '000
Change in benefit obligation		
Defined benefit obligation at beginning of the year	6,473.03	6,163.48
Service cost	-	-
Interest cost	461.54	378.44
(Benefits paid)	(1,452.56)	(951.78)
Actuarial Loss/(Gain)	1,902.50	882.89
Benefit obligation at end of the year	7,384.51	6,473.03
Changes in Fair value of Plan Assets - This Plan is unfunded		
Reconciliation of Net Liability		
Present value of defined benefit obligations	7,384.51	6,473.03
Less : Fair value of plan assets	-	-
Funded Status - (deficit) / surplus	(7,384.51)	(6,473.03)
Actuarial Loss / (Gain) recognised		
Actuarial loss / (gain) for the period - Obligation	1,902.50	882.89
Actuarial (loss) / gain for the period - Plan Assets	-	-
Total actuarial loss / (gain) for the period	1,902.50	882.89
Actuarial loss / (gain) recognised in the period	1,902.50	882.89
Actuarial Assumptions :		
Discount rate	8.00%	7.50%
Expected long term rate of return of assets	8.50%	8.50%
Rate of compensation increase for the first five years	12.00%	12.00%
Rate of compensation increase for the subsequent years	10.00%	10.00%
XIII Derivative Instruments		
The company uses forward exchange contracts to hedge its foreign currency exposures relating to the underlying transactions and firm commitments. The company does not enter into any derivative instruments for trading or speculative purposes. The forward exchange contracts outstanding as at 31 st December, 2010 are as under :		
Currency exchange	US \$ / INR	EUR / INR
a) Number of ' Buy ' Contracts	1	1
b) Aggregate currency amount (Rs '000)	468.58	11,093.54
c) Number of ' Sell ' Contracts	5	6
d) Aggregate currency amount (Rs '000)	21,535.09	44,259.16
There were no Contracts which were outstanding as at 31 st December , 2009		
XIV PROVISIONS:		
Other Provisions		
Balance at the beginning	3,505.05	3,505.05
Provision made	9,834.35	4,353.19
Amounts utilized	6,674.00	4,353.19
Balance at the end	6,665.40	3,505.05
Future cash outflow in respect of the above is determinable only on occurrence of uncertain future events		
XV Amount of borrowing costs capitalised during the year - Nil (2009- Nil)		
XVI Previous year's figures have been re-grouped/reclassified wherever necessary. Figures in brackets indicate previous year's figures.		

For and on behalf of
M.K. DANDEKER & CO.,
Chartered Accountants
(ICAI Regn. No. 000679S)

K. J. Dandeker
Partner
Membership No. 18533

Place : Bangalore
Date : 25.02.2011

For and on behalf of
DISA INDIA LIMITED

Viraj Naidu
Managing Director

Deepa Hingorani
Director

SCHEDULE 16
SEGMENT - WISE REPORTING

Rs. '000

Particulars	For the year 2010	Previous year 2009		
Segment Revenue:				
a) Foundry Business	874,726	581,905		
b) Air business	201,639	131,024		
Total Revenue from Segments	1,076,365	712,929		
Less: Inter-Segment Sales	-	-		
Net Sales	1,076,365	712,929		
Segment Results				
a) Foundry Business	168,235	111,387		
b) Air business	44,340	25,550		
Total Segment Results	212,575	136,937		
Add: unallocable corporate income (net of unallocable Corporate expenditure)	(5,104)	157		
Operating Profit / (Loss)	207,471	137,094		
Less: Interest Expense	332	2,416		
Add: Interest Income	25,814	18,170		
Total Profit before Tax	232,953	152,848		
Less: Provision for Taxation				
Current year	82,912	54,043		
Deferred tax	(989)	(138)		
FRINGE BENEFIT TAX	-	320		
Total Profit from Ordinary activities	151,030	98,623		
Add: Extraordinary Income	-	-		
Less: Extraordinary Expense / loss	-	-		
Net Profit	151,030	98,623		
Segment Capital Employed:				
Segment Assets: (Business - wise)				
a) Foundry Business	353,051	179,117		
b) Air business	128,891	103,955		
Segment Liabilities:				
a) Foundry Business	151,908	55,042		
b) Air business	30,379	29,479		
Segment Capital Employed:				
a) Foundry Business	201,143	124,075		
b) Air business	98,512	74,476		
Total Capital Employed in Segments	299,655	198,551		
Add: unallocable Corporate Assets	499,799	369,721		
Less: unallocable Corporate Liabilities	243,584	163,433		
Total Capital Employed in the Company	555,870	404,839		
Other Information:				
Capital Expenditure:				
a) Foundry Business	16,559	6,069		
b) Air business	4,191	124		
c) Corporate	6,842	-		
Depreciation				
a) Foundry Business	8,675	8,506		
b) Air business	5,339	5,567		
c) Corporate	3,995	5,887		
Non- Cash expenses other than Depreciation:				
a) Foundry Business	-	-		
b) Air business	-	-		
Reconciliation between Segment Report and Financial Statements				
Reconciliation of Revenue				
Total Segment Revenue:	1,076,365	712,929		
Total Enterprise Revenue	1,117,907	741,563		
Difference due to Corporate Revenue	(41,542)	(28,634)		
Interest Income	25,814	18,170		
Other Income	9,997	7,847		
Sale of Scrap	2,299	2,060		
Exchange fluctuation gain & others	2,860	352		
Extra ordinary Income	-	-		
Profit/(Loss) on Sale of Assets	572	205		
	41,542	28,634		
Reconciliation of Results				
Total Segment Results	212,575	136,937		
Total Enterprise Result (PBT)	232,953	152,848		
Difference due to Corporate Revenue & Exp }	20,378	15,911		
Interest Income	25,814	18,170		
Interest Expense	(332)	(2,416)		
Profit on Sale of Assets	572	205		
Add : Extraordinary Income	-	-		
Corporate Expenditure/income	(5,676)	(48)		
	20,378	15,911		
Reconciliation of Assets				
Segment Assets	481,942	283,072		
Corporate Assets	499,799	369,721		
Total Assets as per Balance Sheet	981,741	652,793		
Reconciliation of Liabilities				
Segment Liabilities	182,287	84,521		
Corporate Liabilities	243,584	163,433		
Total Liabilities as per Balance Sheet	425,871	247,954		
Total Capital Employed	555,870	404,839		

SCHEDULE 17

RELATED PARTY DISCLOSURES AS-18

Rs'000												
NAME OF THE RELATED PARTY	DISA INDUSTRIES AG	DISA HOLDING AG SWITZERLAND	DISA INDUSTRIES A/S DENMARK	DISA K.K. JAPAN	NORICAN GROUP APS.	DISA INDUSTRIES SRO	DISA (CHANGZHOU) M/CRY LTD	DISA HONG-KONG	DISA Technologies Pvt Ltd, India	WHEELBRATOR GROUP INC. USA	WHEELBRATOR GROUP GMBH	TOTAL
1. Nature of Relationship - (where control exists whether or not there are transactions with related party)												
Disa Holding AG, Switzerland holds 54.22 % and Disa Holdings A/S Denmark holds 20.05 % of the paid up equity share capital of the Company . Disa Holding AG, Switzerland is a fully owned subsidiary of Disa Holding A/S ,Denmark.												
2. Nature & Volume of transactions												
(a) Technical Know how fees	1,417		4,697						0			-
(b) Royalty												6,114
(c) Engineering & Design Services					11,346							-
(d) Group Service fees					9,219							11,346
(e) Group IT Fees	-		4,845			5,259	7,285			797	1,233	9,219
(f) Import of Materials	-											19,419
(g) Deputation charges	-											-
(g) Reimbursement of Expenses	-							(15)				(15)
(g) Dividend												-
(h) Interest on Bonus Debentures												-
(i) Redemption of bonus debentures												-
TOTAL	1,417	-	9,542	-	20,565	5,259	7,285	(15)	-	797	1,233	46,083
(h) Service Income	58		54						3,528			3,640
(i) Export of Materials	-		357	375							115	847
(i) Deputation charges												-
(j) Commission Income			7,617									7,617
TOTAL	58	-	8,028	375	-	-	-	-	3,528	-	115	12,103
3 (a) Amount of debts from related parties as at Balance Sheet date.	2,867		7,476	20							77	
(b) Amount of debts due to related parties as at Balancesheet date.	758		5,972		9,755	818	1,332			403	1,264	
(c) Provision for Doubtful debts in respect of such transactions.	-											
(d) Amounts written-off or written back in respect of debts due from such related parties.	-											

For details of Commission paid to directors, please refer to Notes to Accounts -Schedule 15 (IX) & Remuneration to Key Management personnel -Managing Director , please refer to Notes to Accounts - Schedule 15 (VIII){b}).

SCHEDULE 18

SIGNIFICANT ACCOUNTING POLICIES FINANCIAL YEAR 2010

1. Basis of Presentation:

The financial statements have been prepared and presented under the historical cost convention and in accordance with the provision of Companies Act, 1956 and accounting standards contained in the Companies (Accounting Standards) Rules, 2006.

2. FIXED ASSETS:

Fixed Assets comprising those acquired at the time of setting up of initial operations are at cost to the Company inclusive of direct and appropriate allocated expenses upto the date of commercial production. All subsequent acquisitions are capitalized at actual acquisition cost.

3. DEPRECIATION :

Effective from 1995-96 the company adopted DISA group Depreciation policies and rates as per straight-line method. Consequently the assets acquired during the period 1995-96 to 2001-02 not exceeding CHF 5000, (currently equivalent to about Rs.2,35,000/-) were depreciated fully at the time of acquisition.

Effective 01.04.2002 the Company has changed its Accounting policy to charge off individual assets costing less than Rs. 10,000 to revenue at the time of acquisition. The depreciation rates adopted for other assets are not less than the rates specified in Schedule XIV of the Companies Act, 1956.

Depreciation rates adopted is 3.34% p.a in respect of Buildings, 15 % p.a in respect of Plant & Machinery, Patterns, tools, jigs and Fixtures, Office Equipment, Furniture & Fittings, 20 % in respect of vehicles and 25 % in respect of Computers. Software is expensed out at the time of purchase.

4. INVENTORIES:

Raw materials, Components and Work-in-Progress are valued at lower of cost and net realizable value. Cost is generally ascertained on Weighted average basis. Scrap generated is not valued as it is not of significant value. Scrap is brought into books only when identified and sold.

5. REVENUE RECOGNITION:

Revenue is recognized on accrual basis except for interest collected on overdues from customers which is accounted on receipt basis.

6. FOREIGN CURRENCY TRANSACTIONS :

Transactions in foreign Currencies are recognized at exchange rate prevailing on the date of the transaction. All monetary Assets and liabilities denominated in foreign currency as at the Balance Sheet date are translated at the year end exchange rates.

The company uses forward exchange contract to hedge its exposure to movements in foreign exchange rates. The premium or discount arising at the inception of such a forward exchange contract are amortised as expense or income over the life of the

contract. Exchange differences on such contracts are recognized in the profit and loss statement in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such contracts is recognized as income or expense of the period.

7. Impairment of assets

At each Balance sheet date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount. If the carrying amount of the asset exceeds its recoverable amount an impairment loss is recognized in the Profit and Loss Account to the extent carrying amount exceeds the recoverable amount.

8. Accounting for Government grants

Government grants received are credited directly to Capital reserves under the Capital approach.

9. Employee Benefits

(a) Short Term Employee Benefits

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits. The benefits like salaries, wages, bonus etc. are recognised in the period in which the employee renders the related service.

(b) Post – Employment Benefits

i. **Defined Contribution Plans:** The Company's Provident Fund Scheme, Super Annuation Fund and Employees' State Insurance are defined contribution plans. The contribution paid/payable under the schemes is recognised during the period in which the employee renders the related service.

ii. **Defined Benefit Plans:** The Company has taken a Group Gratuity Policy with LIC of India and also compensates the unutilized leave of its employees by way of leave encashment. These constitute the Defined Benefit Plans of the company.

The Present Value of the Obligation under such defined benefit plans is determined based on the actuarial valuation using the Projected Unit Credit Method. The Objective of this method is to spread the cost of each employee's benefits over the period that the employee works for the company. The allocation of cost of benefits to each year of service is achieved indirectly by allocating projected benefits to years of service. The cost allocated to each year of service is then the value of the projected benefit allocated to that year.

The discount rates used for determining the present value of the obligation under defined benefit plans, is

based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

Actuarial gains and losses are recognised immediately in the Profit & Loss Account.

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on the net basis.

10. Provision for Current Tax and Deferred Income Tax

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961.

Deferred Tax resulting from timing difference between book and taxable profit is accounted for using the tax rates and laws that are enacted or substantially enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent there is a reasonable certainty that the asset will be realized in future.

11. Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

12. Intangible assets

Software which are not integral part of the hardware are classified as Intangibles and are expensed out at the time of purchase.

13. Use of Estimates

The preparation of the financial statements are in conformity with the GAAP which requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of revenue and expenses during the reported year. Actual results could differ from those estimates. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

14. Borrowing costs

Borrowing costs that are attributable to the acquisition and or construction of qualifying assets are capitalized as part of the cost of such assets, in accordance with Accounting Standard – AS 16. A qualifying asset is one that necessarily takes a substantial period of time to be ready for its intended use.

CASH FLOW STATEMENT FOR THE YEAR 2010

(Rs.'000s)

		Year ended 31.12.10		Year ended 31.12.09
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Net profit before Tax and extraordinary items		232,953		152,848
Adjustments for :				
Depreciation	18,009		19,941	
Interest paid	332		2,416	
(Profit) / Loss on sale of assets	(572)		(205)	
Interest received	(25,814)	(8,045)	(18,170)	3,982
Operating Profit before working capital changes		224,908		156,830
Adjustments for :				
Increase /(Decrease) in Bank Overdraft	(1,028)		(30,291)	
Increase /(Decrease) in trade advances from customers	50,526		(5,024)	
Decrease in Sales Tax Deferment	(3,863)		(4,693)	
Increase /(Decrease) in trade and other payables	133,811		(57,990)	
(Increase)/ Decrease in trade and other receivables	(107,886)		(4,691)	
(Increase)/ Decrease in inventories	(71,237)		102,539	
Net changes in Working Capital		323		(150)
Cash generated from operations		225,231		156,680
Interest on Working capital	(332)		(2,416)	
Tax paid (net of refunds)	(81,553)		(44,826)	
FBT Paid	-		(390)	
Cash flow before extra-ordinary items		(81,885)		(47,632)
Extraordinary items		143,346		109,048
Net cash from operating activities		143,346		109,048
B CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of fixed assets	(27,592)		(6,192)	
Sale of fixed assets	992		205	
Interest received	19,171		20,778	
Net cash from investing activities		(7,429)		14,791
C CASH FLOW FROM FINANCING ACTIVITIES :				
Redemption of Bonus debentures	(426)		(443)	
Dividends paid including Dividend Tax	(115)		-	
Net cash used in financing activities		(541)	(558)	(1,001)
D NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		135,376		122,838
Cash and Cash Equivalents as at 31.12.09		329,783		206,945
Cash and Cash Equivalents as at 31.12.10		465,159		329,783
NET INCREASE IN CASH AND CASH EQUIVALENTS		135,376		122,838

- Note: 1. The cash balance includes bank deposits of short-term nature expected to be used for working capital requirement / investment in capital assets in the next year.
2. Figures in brackets indicate cash outflow.
3. Closing balance of cash and cash equivalents includes restricted cash in the form of unencashed dividends & unencashed debentures t INR 9,862.37 (2009 t INR 10,402.81)
4. The above Cash Flow Statement has been prepared under indirect method in accordance with Accounting Standard (AS)- 3 issued under the Accounting Standards Rules , 2006

This is the Cash Flow Statement referred to in our report of even date

For and on behalf of
M.K. DANDEKER & CO.,
Chartered Accountants
(ICAI Regn. No. 000679S)

K. J. Dandeker
Partner
Membership No. 18533

Place : Bangalore
Date : 25.02.2011

Viraj Naidu
Managing Director

For and on behalf of
DISA INDIA LIMITED

Deepa Hingorani
Director

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration Details

Registration No. State code Balance Sheet Date
Date Month Year

II Capital Raised during the year (Amount in Rs.Thousands)

Public Issue

Rights Issue

Bonus Issue

Private Placement

III Position of Mobilisation and Deployment of Funds
(Amount in Rs.Thousands)

Total Liabilities

Total Assets

Source of Funds :

Paid-up Capital

Reserves & Surplus

Secured Loans

Unsecured Loans

Application of Funds :

Net Fixed Assets

Investments

Net Current Assets

Misc.Expenditure

Accumulated Losses

IV Performance of Company (Amount in Rs.Thousands)

Turnover

Total Expenditure

+/- Profit/Loss before Tax

+/- Profit/Loss after Tax

(Please tick appropriate box+ for Profit - for Loss)

Earning per share in Rs.

Dividend %

V. Generic Names of Three Principal Products/
Services of Company (as per monetary terms)

Item Code No. (ITC Code)

Production Description

Item Code No. (ITC Code)

Production Description

Item Code No. (ITC Code)

Production Description

**THIS ATTENDANCE SLIP DULY FILLED IN, TO BE
HANDED OVER AT THE ENTRANCE OF THE
MEETING HALL**

Name of the attending Member _____ : _____
(in block letters)

Member's Folio No./Client ID No. _____ : _____

Client ID No. _____ : _____

DP ID No. _____ : _____

Name of Proxy _____ : _____
(in block letters,
to be filled in if the
Proxy attends instead
of the Member)

No. of Shares held _____ : _____

I hereby record my presence at the Twenty Sixth Annual
General Meeting at The Atria Hotel, # 1, Palace Road,
Bangalore - 560 001, at 11.30 a.m on Friday, the 6th May 2011.

Note : The copy of the Annual Report may please be brought to the
Meeting Hall.

Member's Signature

Proxy's Signature*

*To be signed at the time of handing over the slip

I/We _____
being Member(s) of the above named Company hereby
appoint _____ of
_____ or failing him _____
of _____ in the District of _____
as my/our Proxy to vote for me/us, on my/our behalf, at the Twenty Sixth
Annual General Meeting of the Company, to be held on Friday, the 6th May,
2011 at 11.30 a.m and at any adjournments thereof.

Signed this _____ day of _____ 2010

For Office use only

Affix
One Rupee
Revenue
Stamp

No. of Shares : _____

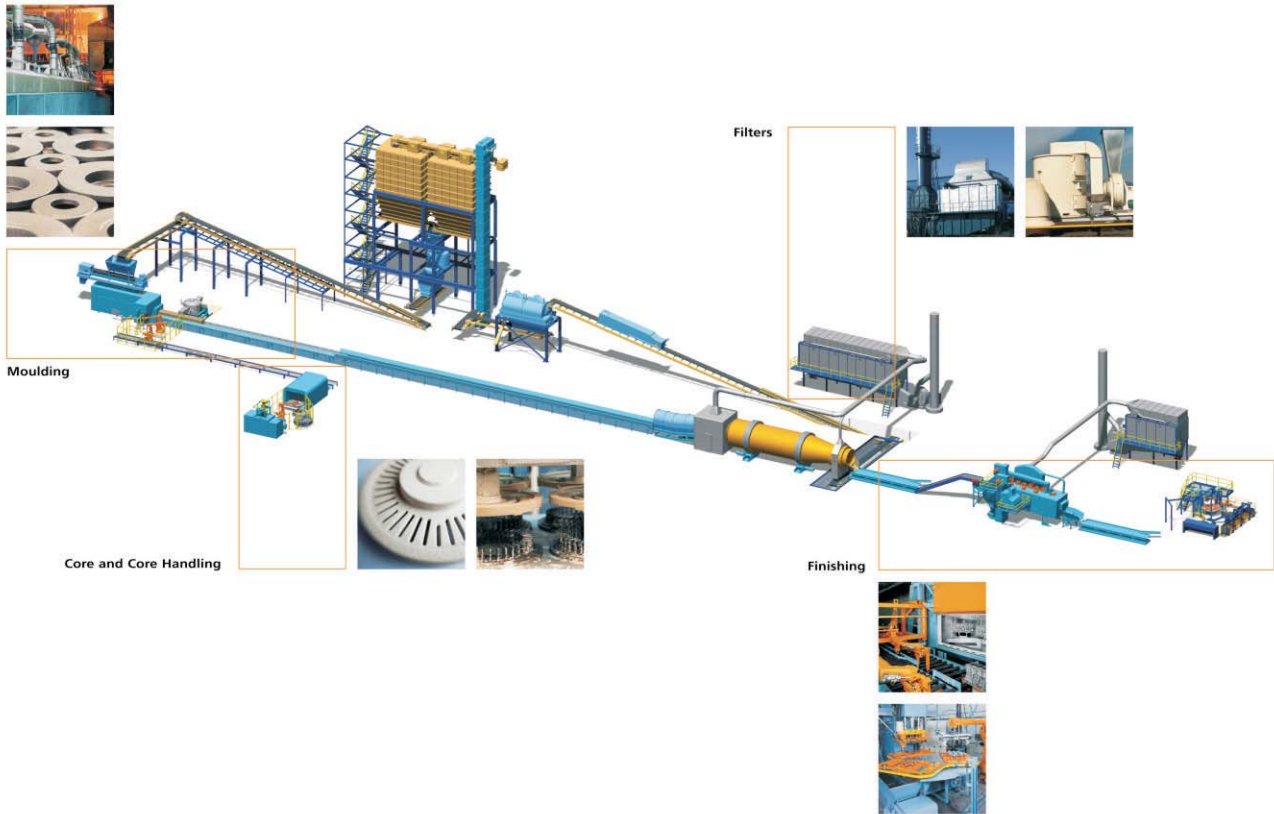
Folio No. : _____

Client ID No. : _____

DP ID No. : _____

Note: The instrument appointing proxy duly completed in all respects should
be deposited at the Registered Office of the Company at 5th Floor, Kushal
Garden Arcade, 1A, Peenya Industrial Area, Peenya 2nd Phase, Bangalore -
560 058 not later than 11.00 a.m on 4th May, 2011.

THE COMPLETE FOUNDRY



INDIAN FOUNDRY EXHIBITION - IFEX FEBRUARY 2011



DISA theme presented at IFEX 2011, customers and dignitaries visiting DISA stall

DISA India Locations

Regd. & Corp. Office:

DISA India Limited

Kushal Garden Arcade
5th floor
1A Peenya Industrial Area
Peenya 2nd Phase
Bangalore 560 058
INDIA
Tel +91 80 4020 1400 to 1404
Fax +91 80 2839 1661
bangalore@noricangroup.com

Manufacturing Units:

DISA India Limited

No. 28-32, Satyamangala Industrial Area
Tumkur - 572 104
Tel: 0816 2211290 / 2211291
tumkur@noricangroup.com

DISA India Limited

Plot No.50, KIADB Industrial Area
Hosakote - 562 114
Tel: 080 27971310 / 27971516
hosakote@noricangroup.com

Branch Office:

DISA India Limited

803 International Trade Tower
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New Delhi 110 019
INDIA
Tel +91 11 2641 1123
Fax +91 11 2641 1920
delhi@noricangroup.com

DISA India Limited

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Fax +91 20 2615 4275
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Fax +91 33 2280 5572
kolkata@noricangroup.com

DISA representative:

F Care

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elango@fcare.net

DISA* is a registered trademark of DISA Holding A/S.



Norican Group is the parent company of DISA and Wheelabrator.

DISA
shaping industry