

---

# 27th Annual Report

---



**DISA**  
shaping industry in partnership with  
wheelabrator

---

## DISAMATCH 20/24

---



First "Made in India"  
Advanced Horizontal Flaskless  
Moulding Machine

---

## MB 500

---



First "Made in India"  
Metal Belt Tumbler Machine

**BOARD OF DIRECTORS**

JAN JOHANSEN  
DEEPA HINGORANI  
SANJAY ARTE  
VIRAJ NAIDU Managing Director

**BANKERS**

CANARA BANK  
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 Seventh Annual General Meeting of DISA INDIA LIMITED will be held at 11.00 a.m. on 9th May, 2012 at Vivanta by Taj, No 2275, Tumkur Road, Yeshwantpur, Bangalore 560 022 to transact the following business:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st December 2011 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 declare Dividend.
3. To elect a Director in place of Mr. Sanjay Narendrakumar Arte, who retires by rotation and is eligible for reappointment.
4. 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.

By Order of the Board of Directors

For DISA India Limited

Date: 29.02.2012

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 03.05.2012 to 09.05.2012 (both

days inclusive)

3. The Shares of the Company are now traded compulsorily in dematerialized form as per the directions of the Stock Exchange. Accordingly, members who have not opted for dematerialization of shares are once again reminded to take steps to demat their holdings.
4. Members are requested to communicate the changes, if any, in their addresses to the Company's Registrar and Share Transfer Agents, Integrated Enterprises (India) Limited, 30, Ramana Residency, IV Cross, Sampige Road, Malleswaram, Bangalore-560 003.
5. Subject to the provisions of section 205A of the Companies Act 1956, Dividend as recommended by the Board of Directors, if declared at the Annual General Meeting, will be disbursed on or before 21st May 2012.
6. Under Section 205A of the Companies Act, 1956, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of payment is required to be transferred to the Investor Education and Protection Fund of the Central Government.
7. In view of the above, members who have not encashed the dividend warrant(s) so far for any of the dividends declared earlier, are requested to make their claims to the Company immediately. Please note that as per Section 205-C of the Companies Act, 1956, no claim shall lie against the Company or the said Fund, in respect of individual amounts which remain unclaimed or unpaid for a period of seven years from the date of payment, and no payment shall be made in respect of any such claims.
8. Investors are requested to utilize ECS facility to enable transfer of dividends directly to the bank account of eligible shareholders.

By Order of the Board

For DISA India Ltd

Date: 29.02.2012

Place: Bangalore

Viraj Naidu

Managing Director

## INFORMATION REQUIRED TO BE FURNISHED UNDER LISTING AGREEMENT

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

- Name:** Mr. Sanjay Narendrakumar Arte  
**Age:** 53 years

**Qualification:**  
B.Tech, M.M.S (Master of Management Studies)

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

**Other Directorships:**

DM Healthcare Private Limited  
IVF Advisors Private Limited  
Mahindra Hinoday Industries Limited  
UEM India Private Limited  
Robo Silicon Private Limited

**Committee Memberships :**

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

Date: 29.02.2012  
Place: Bangalore

For DISA India Ltd  
Viraj Naidu  
Managing Director

## DIRECTORS' REPORT

The Board of Directors have pleasure in presenting the 27th Annual Report and Audited statement of Accounts for the year ended 31st December 2011 together with the Auditors' Report.

### FINANCIAL RESULTS

(Rs.in '000)

Description	2011	2010
Sales & Service	1,539,853	1,076,365
Profit before depreciation, tax & financial charges	369,671	251,294
Less: Depreciation	21,935	18,009
Less: Interest	525	332
Less: Provision for taxation (net of deferred tax)	120,553	81,923
PROFIT AFTER TAXATION	226,658	151,030
Add: Profit & Loss account Balance b/f	385,453	234,423
PROFIT AVAILABLE FOR APPROPRIATION	612,111	385,453
APPROPRIATION:		
Amount transferred to General Reserves	59,602	NIL
Proposed Dividend & Tax thereon	351,040	NIL
Balance in Profit & Loss Account	201,469	385,453

### DIVIDEND

After the severe market drop from End Y2008 till Mid Y2009, your Company had been preserving cash as a precaution against any potential double dip recession in the global economy and its extended effect on the Company's business in India. However, in view of the sharp rise in the Company's performance since Y2009, and also based on the good initial market response for the new products being introduced by your Company in recent years, there is improved business confidence now. The Board of Directors, therefore, recommends an exceptional dividend of Rs. 200 per equity share of Rs. 10 each (2000%).

### PERFORMANCE OF THE COMPANY

The sharp recovery of the Indian Industry since the last quarter Y2009, kept accelerating and almost peaked till the mid of Y2011. This led to a record order intake of about Rs.150 Crores by your Company during Y2011. Your Company was also able to scale up its operations substantially to meet with this high demand successfully.

Year-on-year Sales rose by 43%, while PBT rose by 49%. High Inflation – both Materials & Salaries – has been a challenge for all Indian companies in Y2011, but your Company was able to offset the inflation impact – at least in part – through Product Mix & Pricing.

A significant part of the Management efforts was to keep scaling up – both in terms of internal output & external vendor base development – as demand remained high during the year. The success of these efforts was evident with the very sharp rise in the last two quarters performance.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The sharp Indian recovery from the slowdown of 2009, was evident, but so was the slowdown towards the later half of the year. With Global Market recoveries still uncertain, the Indian market also showed its uncertainties in the last quarter and the fresh order intake slowed down. However, unlike the sudden slump of Y2008, there was little reluctance from customers in terms of executing the projects already ordered. This helped your Company in reaching its record sales ever in its 26 years history.

The fundamentals of the Indian Industry still appear quite strong and the expansion of Indian Foundry Industry is still very much on.

Your Company is committed to its philosophy of accelerating the market growth, through continuous introduction of new products and making the High End Technology affordable. The DISA 030 – the first fully Made-in-India Vertical DISAMATIC machine was launched in IFEX in Feb'2011 at Chandigarh and has been well received by the market. New Products are again planned for introduction at IFEX'2012 – the First Fully Made-in-India Matchplate Moulding Machine called the Match 20/24 and also the New Metal Belt Tumbler Machine MB500S, being localised from the Wheelabrator Germany range.

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

Hosakote Plant completed its expansion by almost 50% (additional plant area of 2000 sqm). Tumkur plant added new CNC Machining capacity.

As mentioned earlier, your Company's major markets – Indian Foundries – are currently facing a major demand boom, but against a background of severe crunch in availability of labour and power. This is now driving a clear move of upgrading towards High Productivity Automated High pressure Moulding Lines. Also, with the Global Merger of the Wheelabrator Group with the DISA Group in Y2009, your Company now has access to the whole range of Wheelabrator technologies, which are being introduced now for the Indian Automotive & Steel Processing Industries, as your Company's new target markets.

High inflation and the Interest rate hikes have impacted fresh order intakes towards the end of Y2011, though there appears to be a recent revival again, which is important for the investment cycles to continue and also for the Capital Equipment Industry to keep growing.

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

### GROUP COMPANIES

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

S.No.	Name of the Company
1	Norican Holdings ApS (Denmark)
2	Norican Group ApS (Denmark)

- 3 DISA Holding A/S (Denmark)
- 4 DISA Holding II A/S (Denmark)
- 5 DISA Holding AG (Switzerland)
- 6 DISA Holding LLC (Michigan USA)
- 7 DISA Industries A/S (Denmark)
- 8 DISA 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:

- (a) The Statement of Accounts has been prepared in conformity with appropriate Accounting Standards.
- (b) 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.

- (c) 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.

- (d) 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 for updating their skills.

## FOREIGN EXCHANGE EARNINGS AND OUTFLOW

The Company earned Rs.160.34 (Rs.111.14) Million in foreign exchange and expended Rs. 175.88 (Rs.97.06) 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. Sanjay Arte, 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,

## Annual Report 2011

1956 from Messrs. M. K. Dandekar & Co., Chartered Accountants, 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: 29.02.2012

Deepa Hingorani

Director

Viraj Naidu

Managing Director

### ANNEXURE TO DIRECTORS' REPORT (Year ending 31 Dec 2011)

#### 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	Viraj Naidu 43 years	B. Tech (Hons)	22.01.2007 (20)	Managing Director	81,46,628 per annum	Tata Autocomp Systems Ltd Interiors & Plastic Division. Chief Operating Officer

- Notes :
1. Gross remuneration as above includes basic salary, contribution towards Provident Fund, Superannuation, Bonus, House Rent Allowance & monetary value of perquisites.
  2. The above employee is not related to any of the other Directors of the Company.
  3. Conditions of employment are governed by individual terms and conditions of service.
  4. 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		3	75%			
	Deepa Hingorani			None	9	1
	Sanjay Arte			None	5	Nil
	Jan Johansen*			None	4	Nil
Executive Director		1	25%			
	Viraj Naidu			None	Nil	Nil
	<b>Total</b>	<b>4</b>	<b>100%</b>			

\* Mr. Jan Johansen has been recognized as Non-Executive Independent Director with effect from 1st May 2011.

#### 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:

**25th Feb, 6th May, 5th Aug & 4th Nov 2011**

#### Attendance of each Director at the Board Meeting, Annual General Meeting (AGM) and the number of Companies and Committees where he is 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	8	1
Sanjay Arte	Director	2	Yes	5	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:

**25th Feb, 6th May, 5th Aug & 4th Nov 2011**

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

Name of Director	No. of Meetings attended
Deepa Hingorani	4
Sanjay Arte	2
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

The Committee met once during the year on the following date :

**25th Feb 2011**

Name of Director	No. of Meetings attended
Deepa Hingorani	1
Sanjay Arte	Nil
Jan Johansen	1

## 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 eight times during the year on the following dates :

**13th Jan, 5th March, 6th July, 2nd Sep, 10th Nov, 2nd Dec, 8th Dec & 22nd Dec 2011**

Name of Director	No. of Meetings attended
Deepa Hingorani	7
Sanjay Arte	6
Viraj Naidu	8

There was (March Qtr-1, June Qtr-0, Sep Qtr-0, Dec Qtr-0) 1(one) complaint received and redressed during the year ended 31st December 2011. There was no pending share transfer as on 31-12-2011.

## 6. Remuneration paid to Directors

The details of remuneration paid to the Directors during the year 2011 are given below:

a) Managing Director (in Rs.)

Directors	Salary	Performance Bonus & incentive	Perquisites	Sitting Fees	Total
Mr. Viraj Naidu	53,62,275	25,58,053	226,300	-	81,46,628

b) Non-Executive Directors (in Rs.)

Name	Sitting fees	Commission for the year 2010 (paid in 2011)
Jan Johansen	90,000	-
Deepa Hingorani	140,000	300,000
Sanjay Arte	-	-
<b>Total</b>	<b>230,000</b>	<b>300,000</b>

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
2008	24-04-2009	The Atria Hotel, #1, Palace Road, Bangalore-560001	1130 Hrs
2009	30-04-2010	The Atria Hotel, #1, Palace Road, Bangalore-560001	1100 Hrs
2010	06-05-2011	The Atria Hotel, #1, Palace Road, Bangalore-560001	1130 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 Business Standard (in English) and Sanjevani (in Kannada) and also are displayed on SEBI, BSE and also company's website, and hence are not individually sent to the shareholders.

## 11. General Information to Shareholders

### a) AGM : Date: Wednesday, 9th May 2012

Time: 11:00 Hrs

Venue: Vivanta by Taj , No 2275, Tumkur Road, Yeshwantpur, Bangalore 560022

Financial year : January to December 2011

Date of Book Closure: 3rd May 2012 to 9th May 2012 (both days inclusive)

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

### b) Stock Market price data for the year 2011

Period	SENSEX		BSE (Rs.)	
	High	Low	High	Low
Jan-11	20,665	18,038	1,390	1,440
Feb-11	18,691	17,296	1,308	1,525
Mar-11	19,575	17,792	1,399	1,500
Apr-11	19,811	18,976	1,450	1,980
May-11	19,254	17,786	1,809	1,809
Jun-11	18,873	17,314	1,491	1,610
Jul-11	19,132	18,132	1,530	1,872
Aug-11	18,440	15,766	1,698	1,719
Sep-11	17,212	15,801	1,449	1,599
Oct-11	17,908	15,745	1,465	1,534
Nov-11	17,702	15,479	1,461	1,720
Dec-11	17,004	15,136	1,477	1,575

### c) Registrar and Transfer Agents

Integrated Enterprises (India) Limited 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 31-12-2011

Face Value Rs.10/-

Range (in Rs.)	No. of Share Holders	% of Total Share Holders	Total Holding In Rs.	% of Total Capital
1 - 5000	3244	98.78	1,586,830	10.51
5001 - 10000	21	0.64	153,910	1.02
10001 - 20000	11	0.33	165,720	1.10
20001 - 30000	2	0.06	51,510	0.34
30001 - 40000	2	0.06	64,910	0.43
40001 - 50000	1	0.03	48,820	0.32
50001 - 100000	0	0.00	0	0.00
100001 & above	3	0.09	13,030,350	86.28
<b>Total</b>	<b>3,284</b>	<b>100.00</b>	<b>151,02,050</b>	<b>100.00</b>

## f) Dematerialization of shares and liquidity

About 95.61% of the 1,510,205 outstanding Equity Shares have been dematerialized upto 31.12.2011

### MODE OF HOLDINGS AS ON 31.12.2011

	NO. OF SHARES	% ON CAPITAL
NSDL	1,417,709	93.88
CDSL	26,231	1.74
PHYSICAL	66,265	4.39
<b>TOTAL</b>	<b>1,510,205</b>	<b>100.00</b>

## g) Shareholding pattern as on 31-12-2011

Category	No of Shares	% Holding
Directors	-	-
Promoter But not Director	1,124,752	74.48
Director/Promoters Relatives	-	-
<b>Sub Total</b>	<b>1,124,752</b>	<b>74.48</b>
Banks & Financial Institutions, Insurance Companies, Mutual Fund	200	0.01
Body Corporate*	195,110	12.92
NRI	929	0.06
FII	3,390	0.22
Indian Promoter	-	-
Clearing Member	232	0.02
General Public	185,592	12.29
<b>Total</b>	<b>1,510,205</b>	<b>100.00</b>

\*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.

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 2011 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 2011, no investor grievance was pending against the company as on 31st December 2011, 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.

Place : Bangalore  
Date : 29.02.2012

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

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

## 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, 2011. 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 1.1.2011 to 31.12.2011 on the following dates: 25th February, 2011, 6th May, 2011, 5th August, 2011 and 4th November, 2011 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 4th May 2011 to 6th May, 2011 (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, 2010 was held on 6th May, 2011 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 2011.
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 issued duplicate share certificates during the financial year.
13. The Company :
  - (i) has transferred/ transmitted 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 not appointed 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 31.12.2011 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 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: 29.02.2012

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 2011:

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	03.06.2011	Yes	NA
2.	Form 20B	159	Annual Return Form 20B	30.06.2011	Yes	NA
3.	Form 66	383A	Secretarial Compliance Report Form 66	26.05.2011	Yes	NA
4.	Form 1NV	-	Investor Education and Protection Fund	01.06.2011	Yes	NA
5.	Form 23	192	Registration of resolution(s) and agreement(s)	04.06.2011	Yes	NA
6.	Form 25C	269(2)	Appointment of Managing Director	08.06.2011	No	Yes

**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, 2011, 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, 2011, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st December 2011 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, 2011; 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  
Chartered Accountant  
Membership No.18533

Place : Bangalore  
Dated : 29.02.2012

## ANNEXURE TO THE AUDITORS' 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 the 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, Employees' 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.)
Assistant Commissioner of Central Excise – Bangalore.	Credit of service tax on staff transport sought to be disallowed.	July 2007 to June 2008	1,17,230/-
Addtl. Commissioner of Central Excise – Bangalore.	Credit of service tax on Group Insurance Policy sought to be disallowed.	March 2010 to Feb 2011	5,27,099/-
Karnataka High Court , Bangalore.	Appeal filed against Penalty levied under section 271(h)(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> |
|--|--|

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 : 29.02.2012

Chartered Accountant  
Membership No.18533

## BALANCE SHEET AS AT 31ST DECEMBER, 2011

Description	Schedule No.	As at 31.12.11 Rs.'000		As at 31.12.10 Rs.'000	
<b>SOURCES OF FUNDS</b>					
1. Shareholders Funds:					
Capital	1	15,102.05		15,102.05	
Reserves & Surplus	2	416,385.15		540,767.43	
			431,487.20		555,869.48
2. Loan Funds:					
Secured Loans	3	-			35.26
UnSecured Loans		-			-
3. Deferred Income Tax ( Net)		2,926.66			2,146.06
			<b>434,413.86</b>		<b>558,050.80</b>
<b>APPLICATION OF FUNDS</b>					
1. Fixed Assets:	4				
Gross Block		418,770.37		349,994.09	
Less: Depreciation		248,550.00		228,302.95	
Net Block		170,220.37		121,691.14	
Capital Work in Progress		32,486.05	202,706.42	10,127.52	131,818.66
2. Current assets, loans & advances:					
Inventories	5	288,957.14		181,457.49	
Sundry Debtors	6	80,965.63		132,629.17	
Cash & Bank balances	7	599,063.55		465,158.50	
Loans & advances	8	118,882.44		70,676.80	
		1,087,868.76		849,921.96	
Less: Current liabilities & provisions:					
Current Liabilities	9	468,800.15		402,959.76	
Provisions	10	387,361.17		20,730.06	
		856,161.32		423,689.82	
Net Current Assets			231,707.44		426,232.14
<b>TOTAL</b>			<b>434,413.86</b>		<b>558,050.80</b>
Notes / Segment reporting / related party disclosures / Accounting policies	15-18				

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. Dandeker  
Partner  
Membership No. 18533

Viraj Naidu  
Managing Director

Sanjay Arte  
Director

Place : Bangalore  
Date : 29.02.2012

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2011**

Description	Schedule No.	Year ended 31 December 11 Rs.'000		Year ended 31 December 10 Rs.'000	
<b>INCOME:</b>					
1. Sales & Services	11	1,539,852.94		1,076,364.62	
2. Other income	11	52,705.68		41,542.17	
			<b>1,592,558.62</b>		<b>1,117,906.79</b>
<b>EXPENDITURE:</b>					
1. Manufacturing & other expenses	12	1,222,887.35		866,612.36	
2. Depreciation	4	21,934.61		18,009.05	
3. Interest	13	525.24	<b>1,245,347.20</b>	332.15	<b>884,953.56</b>
<b>PROFIT BEFORE TAX</b>			<b>347,211.42</b>		<b>232,953.23</b>
1. Provision for Taxation		119,773.10		82,911.71	
2. Provision for Deferred Tax		780.60		(988.71)	
			120,553.70		81,923.00
<b>PROFIT FOR THE PERIOD AFTER TAX</b>			<b>226,657.72</b>		<b>151,030.23</b>
Balance from earlier period b/f			385,453.52		234,423.29
Less :					
Proposed Dividend		302,041.00		0.00	
Tax on dividend		48,999.00		0.00	
Transfer to General reserve		59,601.70		0.00	
			410,641.70		0.00
<b>Profit transferred to balance sheet</b>			<b>201,469.54</b>		<b>385,453.52</b>
Basic & Diluted earnings per share (Rs.) including extraordinary item	14		150.08		100.01
Basic & Diluted earnings per share (Rs.) excluding extraordinary item			150.08		100.01
Nominal value per equity share (Rs.)			<b>10.00</b>		<b>10.00</b>

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)

For and on behalf of  
DISA INDIA LIMITED

K. J. Dandeker  
Partner  
Membership No. 18533

Viraj Naidu  
Managing Director

Sanjay Arte  
Director

Place : Bangalore  
Date : 29.02.2012

## SCHEDULES FORMING PART OF THE BALANCE SHEET

Description	As at 31 December 11 Rs.'000		As at 31 December 10 Rs.'000	
<b>1. SHARE CAPITAL</b>				
<b>Authorised:</b>				
5,000,000 Equity Shares of Rs.10 each	50,000.00		50,000.00	
<b>Issued, subscribed and paid up:</b>				
1,510,205 Equity Shares of Rs.10 each	15,102.05		15,102.05	
818,902 Equity Shares are held by Disa Holding A/G, Switzerland &				
305,850 Equity Shares are held by Disa Holding A/s, Denmark. Disa Holding A/g is a fully owned subsidiary of Disa Holding A/s.				
		<b>15,102.05</b>		<b>15,102.05</b>
<b>2. RESERVES AND SURPLUS</b>				
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	59,601.70		-	
		104,335.29		44,733.59
Balance in Profit & Loss Account		201,469.54		385,453.52
		<b>416,385.15</b>		<b>540,767.43</b>
<b>3 SECURED LOANS</b>				
From CANARA BANK	0.00		1.17	
From Other Banks	-		34.09	
(Overdraft facility against Fixed Deposits)				
		-		35.26

## 4. FIXED ASSETS:

Rs.'000

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.01.2011	Additions 01.01.11 to 31.12.11	Sales/adj. 01.01.11 to 31.12.11	As at 31.12.11	Upto 01.01.11	For the period	Sales/adj during the period	Upto 31.12.11	As at 31.12.11	As at 31.12.10
Land	3,145.23	-	-	3,145.23	-	-	-	-	3,145.23	3,145.23
Buildings	106,698.82	22,683.43	-	129,382.25	36,602.61	3,633.03	-	40,235.64	89,146.61	70,096.21
Plant & Machinery	148,655.13	42,575.98	1,030.32	190,200.79	126,699.89	10,714.60	1,030.32	136,384.17	53,816.62	21,955.24
Patterns, tools, jigs & fixtures	18,967.94	4,100.71	-	23,068.65	11,983.54	1,905.84	-	13,889.38	9,179.27	6,984.40
Office equipment	13,679.75	490.11	256.13	13,913.73	9,573.95	1,267.49	235.94	10,605.50	3,308.23	4,105.80
Furniture & fittings	14,238.96	224.66	-	14,463.62	10,401.05	1,314.86	-	11,715.91	2,747.71	3,837.91
Vehicles	3,150.94	57.31	42.46	3,165.79	392.91	604.66	42.47	955.10	2,210.69	2,758.03
Computers	36,978.32	4,222.88	378.83	40,822.37	32,649.00	2,494.13	378.83	34,764.30	6,058.07	4,329.32
Capital advance	4,479.00	607.94	4,479.00	607.94				-	607.94	4,479.00
<b>Total</b>	<b>349,994.09</b>	<b>74,963.02</b>	<b>6,186.74</b>	<b>418,770.37</b>	<b>228,302.95</b>	<b>21,934.61</b>	<b>1,687.56</b>	<b>248,550.00</b>	<b>170,220.37</b>	<b>121,691.14</b>
<b>Previous year</b>	<b>335,806.19</b>	<b>17,464.88</b>	<b>3,276.98</b>	<b>349,994.09</b>	<b>213,152.60</b>	<b>18,009.05</b>	<b>2,858.70</b>	<b>228,302.95</b>	<b>121,691.14</b>	<b>-</b>

**SCHEDULES FORMING PART OF THE BALANCE SHEET**

Description	As at 31 December 11 Rs.'000		As at 31 December 10 Rs.'000	
<b>5. INVENTORIES (at cost or net realisable value, whichever is lower)</b>				
Raw material	36,464.11		34,143.43	
Bought-out components	158,336.39		95,593.94	
Traded Goods	9,617.18		-	
Work-in-progress	84,539.46		51,720.12	
		<b>288,957.14</b>		<b>181,457.49</b>
<b>6. SUNDRY DEBTORS</b>				
a) Debts outstanding for a period exceeding 6 months				
Secured considered Good	-		-	
Unsecured considered Good	12,153.40		15,716.16	
Unsecured considered doubtful	2,354.83		1,750.21	
Less : Provision for doubtful debts	(2,354.83)		(1,750.21)	
(b) Other debts for a period less than six months -				
Secured, considered good	11,303.98		0.00	
Unsecured, considered good	57,508.25		116,913.01	
Unsecured, considered doubtful	1,307.58		91.16	
Less : Provision for doubtful debts	(1,307.58)		(91.16)	
		<b>80,965.63</b>		<b>132,629.17</b>
<b>7. CASH AND BANK BALANCES:</b>				
Cash on hand	99.79		77.38	
With Scheduled Banks :				
(a) On current account	13,906.71		8,716.52	
(b) On deposit account	575,878.50		446,502.23	
(c) On unclaimed Dividend / Debentures A/c	9,178.55		9,862.37	
		<b>599,063.55</b>		<b>465,158.50</b>
<b>8. LOANS AND ADVANCES:</b>				
Unsecured, considered good:				
Advances recoverable in cash	75,679.17		45,854.23	
or kind or for value to be received	21,111.50		10,554.23	
Interest Accrued on Deposits but not due	12,095.19		7,320.43	
Deposits	0.00		3,604.31	
Advance tax (incl. tax ded. at source)-Net of Provisions	9,996.58		3,343.60	
Balance with Excise , service tax , etc.				
		<b>118,882.44</b>		<b>70,676.80</b>
<b>9. CURRENT LIABILITIES:</b>				
Sundry Creditors				
A) Micro Enterprises and small enterprises	9,542.04		13,478.87	
B) Others	201,910.72		177,054.02	
<b>Sundry Creditors - Total</b>	<b>211,452.76</b>		<b>190,532.89</b>	
Other Liabilities	58,816.90		35,389.83	
Other Taxes & Duties payable	2,257.23		1,028.34	
Advance from customers	171,314.15		156,554.25	
Excise duty payable	15,780.56		9,592.08	
Un-encashed Debentures	4,803.78		4,966.04	
Un-encashed dividends	4,374.77		4,896.33	
		<b>468,800.15</b>		<b>402,959.76</b>
<b>10. PROVISIONS:</b>				
Provision for Taxation - Net of advance tax	14,442.55		-	
Provision for employee benefits	12,137.46		14,064.66	
Provision for warranties	9,741.16		6,665.40	
Provision for Dividend	351,040.00		0.00	
		<b>387,361.17</b>		<b>20,730.06</b>

## SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

Description	Year Ended 31.12.2011 Rs. '000		Year Ended 31.12.2010 Rs. '000	
<b>11. SALES AND SERVICES:</b>				
Turnover of Goods (Less Returns)	1,508,877.20	1,539,852.94	1,057,987.57	1,076,364.62
Add: Excise Duty Paid	138,468.98		96,174.57	
Services & Commission	30,975.75		18,377.05	
Less: Excise duty Recovered	(138,468.98)		(96,174.57)	
<b>OTHER INCOME:</b>				
a. Interest Income (including TDS -Rs 3974 P Y-Rs 1807)	39,737.81	52,705.68	25,814.17	41,542.17
b. Exchange Fluctuation Gain /loss ( Net )	-		2,860.12	
c. Other Income	9,791.32		9,997.13	
d. Sale of Scrap	2,950.73		2,298.55	
e. Profit / loss on sale of Assets ( Net )	225.82		572.20	
		<b>1,592,558.62</b>		<b>1,117,906.79</b>
<b>12. MANUFACTURING AND OTHER EXPENSES:</b>				
(a) Manufacturing expenses :		856,422.41		587,057.18
Raw material & components consumed ( Net )	878,949.45		606,253.14	
(Increase)/decrease in stock of				
Finished goods				
Opening Stock	-		-	
Closing Stock	-		-	
Purchase of trading goods	19,909.47		-	
(Increase)/decrease in Stock of				
trading goods and Work-in-Progress				
Opening Stock	51,720.13		32,524.17	
Closing Stock	(94,156.64)		(51,720.13)	
(b) Power & Fuel	7,287.11	17,381.07	6,236.45	15,419.01
(c) Repairs & maintenance - Building	3,231.44		3,672.59	
(d) Repairs & maintenance - Machinery	3,396.52		2,606.97	
(e) Repairs & maintenance - Others , Tools etc.	3,466.00		2,903.00	
(f) Payments to and provision				
for employees:		182,973.60		136,895.15
Salaries, wages, bonus etc	158,356.01		117,518.64	
Contribution to PF/ESI/SAF	11,344.72		9,073.41	
Welfare expenses	11,009.76		7,799.66	
Gratuity	2,263.11		2,503.44	

**SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT**

Description	Year Ended 31.12.2011 Rs.'000		Year Ended 31.12.2010 Rs.'000	
(g) Administration & Selling expenses:				
Travelling expenses	37,188.96		27,757.70	
Professional charges, etc.	9,936.02		11,464.48	
Telephone, postage & courier	4,066.55		3,117.38	
Rent	9,080.59		7,137.43	
Miscellaneous expenses	10,036.13		8,105.11	
Bad Debts	2,327.40		1,332.77	
Advertisement & Sales promotion	8,750.72		3,800.35	
Commission Expenses	4,247.46		4,055.78	
Insurance	4,321.19		3,225.75	
Security Charges	3,826.75		3,014.41	
Freight Outwards	7,995.02		16,663.52	
Recruitment & Training	3,125.27		2,394.40	
Bank charges & guarantee commission	1,789.25		1,395.01	
Group Management reimbursement fees	18,631.60		11,346.17	
Stationery	1,920.64		1,509.50	
Directors' sitting fee & Commission	830.00		660.00	
Royalty	10,053.95		6,113.93	
Rates & Taxes	3,598.71		1,790.87	
IT costs	2,272.54		3,137.75	
Group IT costs	20,502.74		9,218.71	
Exchange Fluctuation & Others ( Net )	1,608.78		0.00	
		166,110.27		127,241.02
		<b>1,222,887.35</b>		<b>866,612.36</b>
<b>13. INTEREST:</b>				
Interest - Others	525.24		332.15	
		<b>525.24</b>		<b>332.15</b>
<b>14. EARNINGS PER SHARE :</b>				
Profit for the year with Extraordinary income after tax		226,657.72		151,030.23
Profit for the year without Extraordinary income & net of Tax		226,657.72		151,030.23
Number of equity shares ( in Numbers)		1,510,205		1,510,205
Basic & Diluted earnings per share (Rs.) including extraordinary item		150.08		100.01
Basic & Diluted earnings per share (Rs.) excluding extraordinary item		<b>150.08</b>		<b>100.01</b>

## 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
<b>I</b>	<b>CONTINGENT LIABILITIES:</b>		
	a) i) Guarantees given by Bank	102,334	79,150
	ii) LC issued by Bank	13,220	14,791
	iii) Corporate Guarantees given	2,370	25,563
	b) Estimated amount of contracts remaining to be executed on capital account and not provided for	11,648	5,990
	c) Claims against company not acknowledged as debt		
	-- Income tax	1,910	1,910
	-- Service tax	645	236
	-- Others	-	492
<b>II</b>	<b>VALUE OF IMPORTS ON C.I.F. BASIS:</b>		
	Raw material	38,738	33,171
	Components and spare parts	82,454	43,624
	Traded Goods	18,738	-
	Capital Goods	17,032	-
	<b>Total</b>	<b>156,962</b>	<b>76,796</b>
<b>III</b>	<b>EXPENDITURE IN FOREIGN CURRENCY: [on actual payment]</b>		
	Travel	3,850	1,630
	Rawmaterial,Components and spare parts	119,451	71,965
	Capital Advances / Purchases	18,170	7,094
	Dividend	-	-
	Commission	912	150
	Royalty	5,000	4,573
	Subscription for magazines/Training of staff/Others	1,155	153
	Technical services / Software Purchases	27,341	11,496
	<b>Total</b>	<b>175,879</b>	<b>97,061</b>
<b>IV</b>	<b>EARNINGS IN FOREIGN CURRENCY [on actual receipt]</b>		
	Agency Commission/Others	17,961	2,178
	Exports / Advances	142,374	108,967
	<b>Total</b>	<b>160,336</b>	<b>111,145</b>
<b>V</b>	<b>PROVISIONS AND/OR PAYMENTS IN RESPECT OF AUDITORS' REMUNERATION ( Excl. Service Tax)</b>		
	Statutory Audit Fees	500	350
	Tax Audit Fees & Other Certification	25	25
	Reimbursement of expenses	232	227
	<b>Total</b>	<b>757</b>	<b>602</b>
<b>VI</b>	<b>DETAILS OF ACTUAL PRODUCTION:</b>		
	Goods manufactured (Quantity in nos.,unless otherwise stated )	Actual Production Qty.	Value in Rs.'000
	Foundry Moulding } Shot Blasting Machine }	198 (148)	477,450 (310,042)
	Mould handling system, Shot Blasting system, Sand condition- ing plant, Sand Mixers/Slingers }	*	657,860
	Spl. purpose mat. handling eqpt. }	*	(465,820)
	Dust Collectors	133 (122)	227,813 (190,398)
	Spares		145,754 (91,727)

\*consist 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
	a) Raw material : Steel (imported)	236,372	45,803	5.35%
	Raw material : Steel (domestic)	58,615	18,250	2.13%
	Total	294,988	64,053	7.48%
		(293,375)	(55,528)	(6.48)%
	b) Intermediates, bought out components, hardware and items used for Projects under execution:			
	i) Imported	-	115,586	13.50%
			(36,191)	(6.16)%
	ii) Indigenous	-	676,784	79.02%
			(495,338)	(84.38)%
	TOTAL		856,422	100%
			(587,057)	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	<b>MANAGERIAL REMUNERATION:</b>		
	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	347,211	232,953
	Less: Profit on sale of fixed assets	226	572
	Add: Directors' Sitting fees	230	160
	Add: Managerial remuneration	8,147	6,543
	Adjusted net profit as per Section 198	<b>355,363</b>	<b>239,084</b>
	b) Remuneration to Managing Director		
	Salaries+HRA+Performance Bonus	7,324	5,755
	Contribution to PF/Superannuation Fund **	597	572
	Allowances and Monetary value of perquisites ***	226	216
		<b>8,147</b>	<b>6,543</b>
	** Contribution to group gratuity and group personal accident insurance 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	<b>REMUNERATION TO OTHER DIRECTORS</b>		
	Commission @ 1% of net profit	3,554	2,391
	Commission restricted to	600	500
X	Deferred Tax liability (Net) is in respect of		
	Depreciation	(6,969)	(5,279)
	Expenses charged in the financial statements but allowable as deductions in future years under the IT Act, 1961		
	i) Knowhow Fees	179	327
	ii) Software	403	502
	iii) Others	3,461	2,303
	Deferred Tax Liability ( Net )	<b>(2,927)</b>	<b>(2,147)</b>
XI	Disclosure under Micro, Small and Medium Enterprises Development Act, 2006		
	Amount due and remaining unpaid as at 31 st December , 2011		
	- Principal	9,542	13,479
	- Interest thereon	-	104
	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. 113.45 lakhs (previous year Rs.90.73 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
<b>Change in benefit obligation:</b>		
Defined benefit obligation at beginning of year	17,787.40	14,802.40
Service cost	2,291.46	1,795.55
Interest cost	1,382.68	1,088.14
(Benefits paid)	(145.95)	(897.58)
Net transfer in / (out)	(203.37)	(247.59)
Actuarial Loss/(Gain)	(17.53)	1,246.48
<b>Benefit obligation at end of year</b>	<b>21,094.69</b>	<b>17,787.40</b>
<b>Changes in Fair value of Plan Assets :</b>		
Fair Value of plan assets at end of prior year	14,507.25	11,620.87
Expected return on plan assets	1,239.32	960.06
Employer Contributions	1,748.67	2,405.50
Transfer outs	(203.37)	(247.59)
(Benefits paid)	(145.95)	(897.58)
Actuarial Gain / (Loss)	271.27	665.99
Fair value of plan assets at end of the year	<b>17,417.19</b>	<b>14,507.25</b>
<b>Fair value of Plan Assets :</b>		
Fair Value of plan assets at end of prior period	14,507.25	11,620.87
Actual return on plan assets	1,510.59	1,626.05
Employer Contributions	1,748.67	2,405.50
Transfer outs	(203.37)	(247.59)
(Benefits paid)	(145.95)	(897.58)
<b>Fair value of plan assets at end of the year</b>	<b>17,417.19</b>	<b>14,507.25</b>
Funded Status - ( deficit ) / surplus	(3,677.50)	(3,280.15)
Excess of Actual over estimated return on plan assets	271.27	665.99
<b>Reconciliation of Net Liability :</b>		
Present value of defined benefit obligations	21,094.69	17,787.40
Less : Fair value of plan assets	17,417.19	14,507.25
<b>Funded Status - ( deficit ) / surplus</b>	<b>(3,677.50)</b>	<b>(3,280.15)</b>
<b>Actuarial Loss / (Gain) recognised</b>		
Actuarial loss / (gain) for the period - Obligation	(17.53)	1,246.48
Actuarial (loss) / gain for the period - Plan Assets	271.27	665.99
Total actuarial loss / (gain) for the period	(288.80)	580.49
Actuarial loss / (gain) recognised in the period	(288.80)	580.49
<b>Experience Adjustments in</b>		
Plan Liabilities	853.56	2,050.28
Plan Assets	271.27	665.99
<b>Actuarial Assumptions :</b>		
Discount rate	8.50%	8.00%
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%

**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		
<b>Defined benefit obligation at beginning of year</b>	7,384.51	6,473.03
Service cost	-	-
Interest cost	568.56	461.54
(Benefits paid)	(294.70)	(1,452.56)
Transfer outs	(70.50)	-
Actuarial Loss/(Gain)	1,610.70	1,902.50
<b>Benefit obligation at end of year</b>	<b>9,198.57</b>	<b>7,384.51</b>
<b>Changes in Fair value of Plan Assets :</b>		
Fair Value of plan assets at end of prior year	-	0
Expected return on plan assets	-	-
Employer Contributions	6,938.61	0
Transfer outs	-	-
(Benefits paid)	-	-
Actuarial Gain / (Loss)	-	-
Fair value of plan assets at end of the year	6,938.61	0.00
<b>Fair value of Plan Assets :</b>		
Fair Value of plan assets at end of prior period	-	-
Actual return on plan assets	-	-
Employer Contributions	6,938.61	-
Transfer outs	-	-
(Benefits paid)	-	-
<b>Fair value of plan assets at end of the year</b>	<b>6,938.61</b>	<b>0.00</b>
Funded Status - ( deficit ) / surplus	(2,259.96)	-
Excess of Actual over estimated return on plan assets	-	0
<b>Reconciliation of Net Liability</b>		
Present value of defined benefit obligations	9,198.57	7,384.51
Less : Fair value of plan assets	6,938.61	0.00
Funded Status - ( deficit ) / surplus	<b>(2,259.96)</b>	<b>(7,384.51)</b>
<b>Actuarial Loss / (Gain) recognised</b>		
Actuarial loss / (gain) for the period - Obligation	1,610.70	1,902.50
Actuarial (loss) / gain for the period - Plan Assets	-	0.00
Total actuarial loss / (gain) for the period	1,610.70	1,902.50
Actuarial loss / (gain) recognised in the period	1,610.70	1,902.50
<b>Actuarial Assumptions :</b>		
Discount rate	8.50%	8.00%
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%
<b>XIII Derivative Instruments</b>		
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 , 2011 are as under :		
<b>Currency exchange</b>	<b>US \$ / INR</b>	<b>EUR / INR</b>
a) Number of ' Buy ' Contracts	1	-
	(1)	(1)
b) Aggregate currency amount ( Rs '000)	13,405.00	-
	(468.58)	(11,093.54)
c) Number of ' Sell ' Contracts	-	3
	(5)	(6)
d) Aggregate currency amount ( Rs '000)	-	15,146.14
	(21,535.09)	(44,259.16)

## Annual Report 2011

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

Leave Encashment - as per Actuarial Valuation

Particulars	For the year Rs '000	Previous year Rs '000
<b>XIV PROVISIONS:</b>		
Provisions for Warranties		
Balance at the beginning	6,665.40	3,505.05
Provision made	3,664.00	9,834.35
Amounts utilized	588.24	6,674.00
Balance at the end	9,741.16	6,665.40
Future cash outflow in respect of the above is determinable only on occurrence of uncertain future events		
<b>XV</b> Amount of borrowing costs capitalised during the year - Nil ( 2010- Nil )		
<b>XVI</b> 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 : 29.02.2012

For and on behalf of  
DISA INDIA LIMITED

Viraj Naidu  
Managing Director

Sanjay Arte  
Director

**SCHEDULE 16**
**SEGMENT - WISE REPORTING**

Rs. '000

Particulars	For the year 2011	Previous year 2010		
<b>Segment Revenue:</b>			<b>Other Information:</b>	
a) Foundry Business	1,300,230	874,726	<b>Capital Expenditure:</b>	
b) Air business	239,623	201,639	a) Foundry Business	73,005
Total Revenue from Segments	1,539,853	1,076,365	b) Air business	19,500
Less: Inter-Segment Sales	-	-	c) Corporate	14,944
Net Sales	1,539,853	1,076,365	Depreciation	
<b>Segment Results</b>			a) Foundry Business	14,360
a) Foundry Business	262,313	166,817	b) Air business	3,071
b) Air business	60,342	45,758	c) Corporate	4,503
Total Segment Results	322,655	212,575	Non- Cash expenses other than Depreciation:	
Add: unallocable corporate income	(14,657)	(5,104)	a) Foundry Business	0
(net of unallocable Corporate expenditure)			b) Air business	-
Operating Profit / (Loss)	307,999	207,471	<b>Reconciliation between Segment Report and Financial Statements</b>	
Less: Interest Expense	525	332	<b>Reconciliation of Revenue</b>	
Add: Interest Income	39,738	25,814	Total Segment Revenue:	1,539,853
Total Profit before Tax	347,211	232,953	Total Enterprise Revenue	1,592,559
<b>Less: Provision for Taxation</b>			Difference due to Corporate Revenue	<b>(52,706)</b>
Current year	119,773	82,912	Interest Income	39,738
Deferred tax	781	(989)	Other Income	9,791
Total Profit from Ordinary activities	226,658	151,030	Sale of Scrap	2,951
Add: Extraordinary Income	-	-	Exchange fluctuation gain & others	-
Less: Extraordinary Expense / loss	-	-	Extra ordinary Income	-
Net Profit	226,658	151,030	Profit/(Loss) on Sale of Assets	226
<b>Segment Capital Employed:</b>			<b>52,706</b>	<b>41,542</b>
Segment Assets: (Business - wise)			<b>Reconciliation of Results</b>	
a) Foundry Business	489,534	353,051	Total Segment Results	322,655
b) Air business	109,783	128,891	Total Enterprise Result (PBT)	347,211
Segment Liabilities:			Difference due to Corporate Revenue & Exp	<b>24,556</b>
a) Foundry Business	166,654	151,908	Interest Income	39,738
b) Air business	38,738	30,379	Interest Expense	(525)
Segment Capital Employed:			Profit on Sale of Assets	226
a) Foundry Business	322,880	201,143	Add : Extraordinary Income	-
b) Air business	71,045	98,512	Corporate Expenditure/income	(14,882)
Total Capital Employed in Segments	393,925	299,655	<b>24,556</b>	<b>20,378</b>
Add: unallocable Corporate Assets	691,258	499,799	<b>Reconciliation of Assets</b>	
Less: unallocable Corporate Liabilities	653,696	243,584	Segment Assets	599,317
Total Capital Employed in the Company	431,487	555,870	Corporate Assets	691,258
			Total Assets as per Balance Sheet	<b>1,290,575</b>
			<b>Reconciliation of Liabilities</b>	
			Segment Liabilities	205,392
			Corporate Liabilities	653,696
			Total Liabilities as per Balance Sheet	859,088
			Total Capital Employed	431,487

## SCHEDULE 17

### RELATED PARTY DISCLOSURES AS-18

NAME OF THE RELATED PARTY	DISA INDUSTRIES AG, SWITZERLAND		DISA INDUSTRIES A/S, DENMARK		DISA K.K. JAPAN		NORICAN GROUP APS, DENMARK		DISA INDUSTRIES SRO, CZECH REPUBLIC		DISA (CHANGZHOU) CRY LTD., CHINA		DISA HONGKONG		DISA TECHNOLOGIES P LTD., INDIA		WHEELBRATOR GROUP INC., USA		WHEELBRATOR GROUP CMBH, GERMANY		Wheelabrator Group (Canada) Ltd		Disa Holding A/S, Denmark		TOTAL	
	CY	PY	CY	PY	CY	PY	CY	PY	CY	PY	CY	PY	CY	PY	CY	PY	CY	PY	CY	PY	CY	PY	CY	PY	CY	PY
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 20.26 % 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. Norican Group Aps, Denmark is the Ultimate Holding company. Companies other than the Holding companies are all fellow subsidiaries																									
2. Nature & Volume of transactions																										
(a) Technical Know how fees	2,178	(1,477)	7,876	(4,697)																						
(b) Royalty																										
(c) Service fees																										
(d) Group management service fees																										
(e) Group IT Fees																										
(f) Import of Materials	-	23,428	(4,845)																							
(g) Reimbursement of Expenses	-	417																								
(h) Capital Goods		9,494																								
(i) Commission																										
<b>TOTAL</b>	<b>2,178</b>	<b>(1,477)</b>	<b>41,214</b>	<b>(9,542)</b>	<b>-</b>	<b>-</b>	<b>39,194</b>	<b>(20,565)</b>	<b>10,799</b>	<b>(5,259)</b>	<b>11,388</b>	<b>(7,285)</b>	<b>-</b>	<b>15</b>	<b>-</b>	<b>-</b>	<b>31,53</b>	<b>(797)</b>	<b>4,472</b>	<b>(1,233)</b>	<b>309</b>	<b>-</b>	<b>3,101</b>	<b>-</b>	<b>115,748</b>	<b>(46,083)</b>
(j) Service Income		(58)	2,628	(54)																						
(k) Export of Materials	-	76,512	(357)		849	(375)					6,037				3,610	(3,528)				(115)					6,238	(3,640)
(l) Commission Income	853		18,380	(7,617)					-																8,3398	(847)
<b>TOTAL</b>	<b>853</b>	<b>(58)</b>	<b>97,520</b>	<b>(8,028)</b>	<b>849</b>	<b>(375)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,037</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,610</b>	<b>(3,528)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(115)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,233</b>	<b>(7,617)</b>
3 (a) Amount of debts from related parties as at Balance Sheet date.		(2,867)	13,356	(7,476)	489	(20)					5,175	(1,332)														
(b) Amount of debts due to related parties as at Balancesheet date.	454	(758)	25,278	(5,972)			18,187	(9,755)	2,923	(818)											247		3,101			
(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.	-																									

Note : 1) 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) ).

2) Proposed Dividend not included above

## SCHEDULE 18

### SIGNIFICANT ACCOUNTING POLICIES FINANCIAL YEAR 2011

#### 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. 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.

#### 3. 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.

#### 4. 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 from 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. (Also refer Sl. No. 13 below)

#### 5. 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.

#### 6. Revenue Recognition:

Revenue is recognized on accrual basis except for interest collected

on overdues from customers which is accounted on receipt basis.

#### 7. 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.

#### 8. 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.

#### 9. Accounting for Government grants

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

#### 10. 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 and Group Leave Encashment Scheme with LIC of India. 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.

### 11. 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.

### 12. 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.

### 13. Intangible assets

Software which are not integral part of the hardware are classified as Intangibles and are amortized over its estimated useful life. However standard utility software packages are expensed at the time of purchase.

### 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 ENDED 31<sup>st</sup> DECEMBER 2011**

(Rs.'000s)

		Year ended 31.12.11		Year ended 31.12.10
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>				
Net profit before Tax and extraordinary items		347,211		232,953
Adjustments for :				
Depreciation	21,935		18,009	
Interest paid	525		332	
(Profit) / Loss on sale of assets	(226)		(572)	
Interest received	(39,738)	(17,504)	(25,814)	(8,045)
<b>Operating Profit before working capital changes</b>		<b>329,707</b>		<b>224,908</b>
Adjustments for :				
Increase /(Decrease) in Bank Overdraft	(35)		(1,028)	
Increase /(Decrease) in trade advances from customers	14,760		50,526	
Decrease in Sales Tax Deferment	-		(3,863)	
Increase /(Decrease) in trade and other payables	30,387		133,811	
(Increase)/ Decrease in trade and other receivables	10,411		(107,886)	
(Increase)/ Decrease in inventories	(107,500)		(71,237)	
<b>Net changes in Working Capital</b>		<b>(51,977)</b>		<b>323</b>
<b>Cash generated from operations</b>		<b>277,730</b>		<b>225,231</b>
Interest on Working capital	(525)		(332)	
Tax paid ( net of refunds )	(101,726)		(81,553)	
		<b>(102,251)</b>		<b>(81,885)</b>
Cash flow before extra-ordinary items		175,479		143,346
Extraordinary items		0		-
Net cash from operating activities		175,479		143,346
<b>B CASH FLOW FROM INVESTING ACTIVITIES :</b>				
Purchase of fixed assets	(70,317)		(27,592)	
Sale of fixed assets	246		992	
Interest received	29,181		19,171	
Net cash from investing activities		<b>(40,890)</b>		<b>(7,429)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES :</b>				
Redemption of Bonus debentures	(162)		(426)	
Dividends paid	(522)		(115)	
Net cash used in financing activities		<b>(684)</b>		<b>(541)</b>
<b>D NET INCREASE IN CASH AND CASH EQUIVALENTS ( A+B+C)</b>		<b>133,905</b>		<b>135,376</b>
Cash and Cash Equivalents as at 31.12.10		465,159		329,783
Cash and Cash Equivalents as at 31.12.11		599,064		465,159
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>133,905</b>		<b>135,376</b>

- Notes: 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 and payment of proposed dividend.
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 -9,178.55 t INR ( 2010- 9,862.37 t INR )
4. 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 : 29.02.2012

For and on behalf of  
DISA INDIA LIMITED

Viraj Naidu  
Managing Director

Sanjay Arte  
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 &amp; 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 Seventh Annual  
General Meeting at Vivanta by Taj , No 2275, Tumkur Road, Yeshwantpur,  
Bangalore 560022, at 11.00 a.m on Wednesday, the 9<sup>th</sup> May 2012.

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  
Seventh Annual General Meeting of the Company, to be held on Wednesday,  
the 9<sup>th</sup> May, 2012 at 11.00 a.m and at any adjournments thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2011

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 7<sup>th</sup> May, 2012.



# ELECTRONIC CLEARING SERVICE (E C S) MANDATE FORM

To  
Integrated Enterprises (India) Limited  
UNIT : DISA India Limited  
30, Ramana Residency, Ground Floor  
4th Cross, Sampige Road  
Malleswaram, Bangalore 560 003

REGISTERED FOLIO NO:

I hereby give my mandate to credit my Dividend on the shares held by me with respect to aforesaid folio number directly to my bank account through Electronic Clearing Service (ECS). The details of the Bank account are given below.

[illegible]

(Please ensure to fill-in correct MICR code Number as appearing on the cheque provided by the bank. Please also verify the same from your Bankers)

(Please attach a Blank "CANCELLED" cheque or a photocopy thereof or a certificate from the bank)

[illegible]

I hereby declare that the particulars given above are correct and complete. If the transaction is delayed or credit is not effected at all for reasons(s) of incomplete or incorrect information, I will not hold the Company or the Share Transfer Agents responsible

I/We am/are attaching herewith a Cancelled Cheque / Xerox copy of the cheque, PAN Card, Passport, Voter's ID, Front Page of the Bank Passbook as proof for the above.

Name of the shareholders	Signature of the shareholders

Address of the shareholder

--

Please note that incomplete Mandate Form will be rejected.

All the Columns should be filled-in.

Permanent Account Number (PAN) is compulsory as per the SEBI Guidelines

Separate Forms should be submitted for each of the Folio. (Take xerox if required)

**ECS DETAILS FOR SHAREHOLDERS HOLDING SHARES IN DEMAT FORM:** In case of shareholders holding their shares in demat mode, the shareholders are requested to provide the above details to their respective (depository participant) DPs. Please also note details directly intimated to the Company or Registrars will not be considered if the shares are held in DEMAT form.



---

## IPTEX 2012, 9-11 February 2012, Mumbai

---



---

## IFEX 2012, 2-4 March 2012, Bangalore

---



# DISA India Locations

## Regd. & Corp. Office:

DISA India Limited  
Kushal Garden Arcade  
5th floor, 1A Peenya Industrial Area  
Peenya 2nd Phase  
Bangalore - 560058, INDIA  
Tel: +91 80 4020 1400/1404  
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  
Nehru Place  
New Delhi-110 019, INDIA  
Tel: +91 11 2641 1123  
Fax: +91 11 2641 1920  
delhi@noricangroup.com

DISA India Limited  
Ganga Commerce, 2nd Floor  
Lane NO.5, Plot No.4, North Main Road  
Koregaon Park, Pune-411 001, INDIA  
Tel: +91 20 2615 2503/2506  
Fax: +91 20 2615 4275  
pune@noricangroup.com

DISA India Limited  
Crescent Towers, Unit 4H  
229, AJC Bose Road  
Kolkata-700 020, INDIA  
Tel: +91 33 2280 5570/71  
Fax: +91 33 2280 5572  
kolkata@noricangroup.com

## DISA Representative:

F Care  
NO 20, 5th Street, Kaveti Layout  
Near Little Flower School  
Sowripalayam  
Coimbatore-641 028, INDIA  
Tel: +91 422 6454330  
elango@fcare.net



DISA® is a registered trademark of DISA Holding A/S.  
DISAMATIC® is a registered trademark of DISA Industries A/S.

Norican Group is the parent company of DISA and Wheelabrator.