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

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## DISAMATIC C<sub>3</sub>



wheelabrator  
shaping industry

**DiSA**  
shaping industry

# Bhadra Castalloys Private Limited



## Key Installations



DISA Flex 90 at Nelcast



DISAMATIC C3 at Steelcon



DISA Flex 70 HS at Mahindra & Mahindra

**BOARD OF DIRECTORS**

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

**CHIEF FINANCIAL OFFICER**

AMAR NATH MOHANTY

**COMPANY SECRETARY**

ANKIT SURANA

**BANKERS**

KOTAK MAHINDRA BANK LTD  
HDFC BANK LTD.

**REGISTRARS**

Integrated Enterprises (India) Limited  
30, Ramana Residency,  
Ground Floor,  
IV Cross, Sampige Road,  
Malleswaram,

**REGISTERED OFFICE**

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

Bangalore - 560 003.  
Ph: +91 80 23460815/816  
E-mail : irg@integratedindia.in

**STOCK EXCHANGE**

BSE Ltd.  
Mumbai

**AUDITORS**

Deloitte Haskins & Sells  
Bangalore

**SOLICITORS**

Chander Kumar & Associates  
Bangalore

**INTERNAL AUDITORS**

M.K. Dandekar & Co.  
Chennai

**SECRETARIAL AUDITOR**

Vijayakrishna KT  
Bangalore

## NOTICE

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

### ORDINARY BUSINESS:

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

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

### SPECIAL BUSINESS:

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

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

#### 1. Basic Salary:

With effect from	Basic Salary per month
April 1, 2016	Rs. 2,82,000/- (Rupees two lakhs eighty two thousand only) per month with such changes annually as may be decided upon .

#### 2. Performance Linked Bonus:

Eligible to receive a Performance Linked Bonus every year. The standard terms of NAIP will be applied taking into account Group performance, Company performance in terms of growth and margin expansion and personal objectives measured against agreed objectives for the year.

#### 3. House Rent Allowance:

Not exceeding 50% of basic salary. House rent allowance will be Rs. 1,41,000./-(Rupees one lakh forty one thousand only) per month.

#### 4. Conveyance:

Chauffeur driven car will be provided by the Company for the performance of official duties and personal use. All expenses towards this facility will be borne by the Company.

#### 5. Telephone:

A residential telephone, Laptop Computer and one Internet Service connection will be provided by the Company at its cost to facilitate the performance of duties.

#### 6. Other Allowance:

A general allowance to cover all household expenses & insurance, using clubs in which the Company has corporate membership. This general allowance will be Rs. 1, 97,400/- (Rupees one lakh ninety seven thousand four hundred only) per month.

#### 7. Medical Expenses:

Medical expenses incurred in respect of self, spouse and two dependent unmarried children less than 21 years of age will be reimbursed to the extent that they do not receive such assistance from any other source. This will be limited to Rs. 1,250/- (Rupees one thousand two hundred fifty only) per month.

#### Medi-claim Policy

Eligible to receive the Medi-claim Policy (premium paid by Company) covering self, spouse and dependent unmarried children less than

21 years of age as applicable to the senior management personnel of the Company.

**8. Leave and Leave Travel Assistance:**

Leave will be as applicable to the Senior Managers of the Company. Expenses for self and family (as defined above) of travel anywhere in India on leave will be paid/reimbursed once a year subject to a ceiling of one month's basic salary.

**9. Provident Fund:**

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

**10. Superannuation Fund:**

The Company will contribute 15% of the basic salary to the Superannuation Fund.

**11. Gratuity:**

After a continuous service of five years, eligible to receive gratuity at the rate of half a month's basic salary per year of service, limited to a maximum of 30 years. Payment of gratuity is as per rules and regulations of the Company applicable to Senior Managers.

**12. Reimbursement of Business Expenses:**

Eligible for reimbursement all reasonable expenses on travel, entertainment etc., legitimately incurred in the course of duties.

**13. Sitting Fee:**

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

**14. Profit Growth Sharing Incentive Scheme:**

Mr. Viraj Naidu will also be eligible for the Profit Sharing Scheme (Incentive based compensation program to award employees a percentage of the Company's Profit) as applicable to all the Staff members of the Company.

**Minimum Remuneration**

In the event of absence or inadequacy of profits in any Financial Year during the currency of tenure of his appointment, the entire applicable remuneration by way of salary and perquisites mentioned above shall be paid as the Minimum Remuneration, subject to the provisions under Schedule V of the Companies Act, 2013 and revised from time to time.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to vary the terms and conditions of appointment of Mr. Viraj Naidu as Managing Director subject to the limits prescribed under the Schedule V of the Companies Act, 2013."

By Order of the Board of Directors

For DISA India Limited

Date: May 26, 2016  
Place: Bangalore

Ankit Surana  
Company Secretary  
ACS No. 37297

**NOTES:**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and such proxy need not be a member. Proxies, in order to be effective, must be received by the Company not less than forty-eight hours before the meeting.
2. The Register of Members and the Share Transfer books of the Company will remain closed from August 4, 2016 to August 12, 2016 (both days inclusive).
3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
4. The Shares of the Company are now traded compulsorily in dematerialized form as per the directions of the Stock Exchange. Accordingly, members who have not opted for dematerialization of shares are once again reminded to take steps to dematerialize their holdings.
5. Members are requested to communicate the changes, if any, in their addresses to the Company's Registrar and Share Transfer Agents, Integrated Enterprises (India) Limited, 30, Ramana Residency, IV Cross, Sampige Road, Malleswaram, Bangalore-560 003.
6. Subject to the provisions of Section 123 of the Companies Act, 2013, Dividend as recommended by the Board of Directors, if declared at the Annual General Meeting will be disbursed on or before August 29, 2016.
7. Under Section 205A of the Companies Act, 1956, (still applicable as the relevant new section 124 under the Companies Act, 2013 is yet to be notified), the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of payment is required to be transferred to the Investor Education and Protection Fund of the Central Government.
8. In view of the above, members who have not encashed the dividend warrant(s) so far for any of the dividends declared earlier, are requested to make their claims to the Company immediately. Please note that as per Section 205-C of the Companies Act, 1956 (still applicable as the relevant new 125 section under the Companies Act, 2013 is yet to be notified), no claim shall lie against the Company or the said Fund, in respect of individual amounts which remain unclaimed or unpaid for a period of seven years from the date of payment and no payment shall be made in respect of any such claims.
9. Investors are requested to utilize ECS facility to enable transfer of dividends directly to the bank account of eligible shareholders.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
11. Electronic copy of the Annual Report for 2015-16 is being sent to all the members whose email IDs are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members

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

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

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

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

company, then your existing password is to be used.

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

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	<ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details or Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

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

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

**Other instructions:**

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

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

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

By Order of the Board of Directors

For DISA India Limited

Date: May 26, 2016  
Place: Bangalore

Ankit Surana  
Company Secretary  
ACS No. 37297

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

**Item - 2**

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

**i) Name: Andrew Thomas Carmichael**

**Age : 53 years**

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

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

**Group Company Directorships/Positions:**

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

### Committee Memberships:

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

Shareholding: NIL

### Item - 6

i) Name: Mr. Viraj Naidu

Age : 48 years

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

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

### Group Company Directorships/Positions:

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

### Committee Memberships:

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

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

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

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

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

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

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

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

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

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

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

Mr. Viraj Naidu is a Mechanical Engineering graduate from the Indian Institute of Technology and has over 25 years of experience in the fields as diverse as maintenance, sales & marketing, program management, project management and general management. He also has significant exposure to multi-national and multi-cultural environments.

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

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

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

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

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

By Order of the Board of Directors

For DISA India Limited

Date: May 26, 2016  
Place: Bangalore

Ankit Surana  
Company Secretary  
ACS No. 37297



## BOARD'S REPORT

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

### FINANCIAL RESULTS

(Rs. in Lakhs)

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

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

### PERFORMANCE OF THE COMPANY

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

### DIVIDEND

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

### RESERVE

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

### SHARE CAPITAL

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

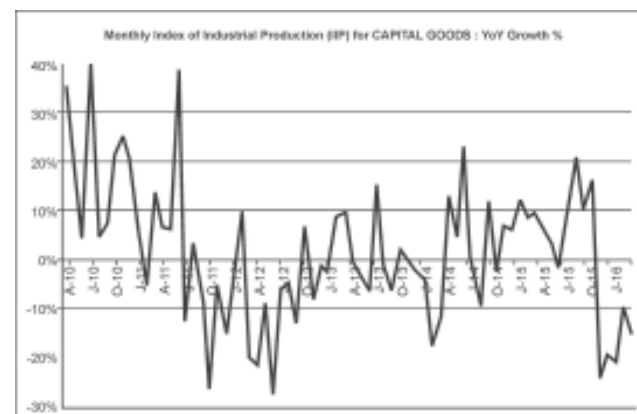
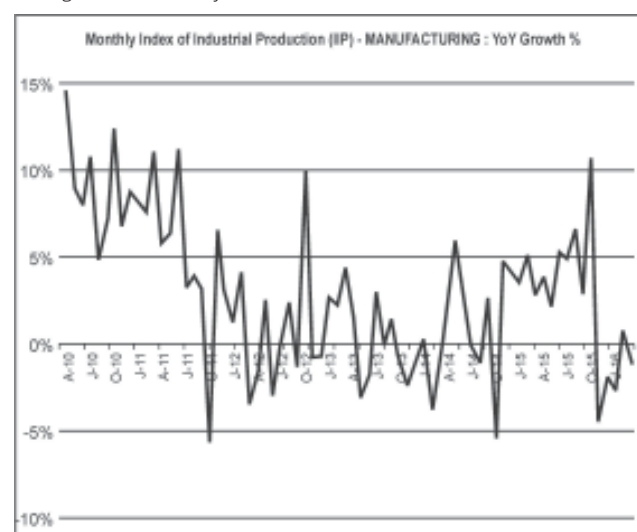
### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

#### ECONOMIC SCENARIO & OUTLOOK

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

#### INDUSTRY OUTLOOK & OPPORTUNITIES

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



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

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

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

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

### MARKET DEVELOPMENT

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

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

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

### CORPORATE SOCIAL RESPONSIBILITY

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

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

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

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

### RISK MANAGEMENT

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

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

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

### 'OPEN OFFER' BY PROMOTERS

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

### LISTING AGREEMENT

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

### VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

### DIRECTORS AND KMP

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

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

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

### INDEPENDENT DIRECTORS

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

they meet the criteria of independence as provided in Sub-Section 6 of Section 149 of the said Act and also under the Listing Regulations.

Details of terms of appointment of Independent Directors and the familiarization program have been displayed on the website of the Company at [http://www.disagroup.com/pdf/Terms\\_of\\_appt\\_of\\_Indp\\_Directors\\_March%202015.pdf](http://www.disagroup.com/pdf/Terms_of_appt_of_Indp_Directors_March%202015.pdf) [http://www.disagroup.com/pdf/Familiarisation\\_program\\_for\\_Independent\\_Directors.pdf](http://www.disagroup.com/pdf/Familiarisation_program_for_Independent_Directors.pdf)

### MEETINGS OF THE BOARD OF DIRECTORS

During the year, four meetings of the Board of Directors were held, as required under the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations). The details of the meetings are furnished in the Corporate Governance Report which forms part of this report.

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

### BOARD EVALUATION

Pursuant to the requirements of the Companies Act, 2013 and regulation of the Listing Regulations, evaluation was carried by the Board of Directors of its own performance, performance of its Committees and individual Directors. Further, the Independent Directors, at their exclusive meeting held during the year reviewed the performance of the Board, its Chairman and Non-Executive Directors and other items as stipulated under the Listing Regulations.

### DIRECTORS' RESPONSIBILITY STATEMENT

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

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

- (f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### INTERNAL FINANCIAL CONTROL

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

The scope and authority of the Internal Audit (IA) is defined every year by the Audit Committee. To maintain its objectivity and independence, the Internal Auditors reports its function to Chairman of the Audit Committee and the Board. The Internal Auditors monitor and evaluate the efficacy and adequacy of internal control system in the Company and its compliance with accounting procedures, financial reporting and policies at all locations of the Company. Based on the report of internal audit, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Any significant audit observations and corrective actions thereon are presented to the Audit Committee and the Board.

The Company, during the year, had engaged a reputed external consultant for reviewing the Internal Financial Control Framework of the Company, evaluating the design of internal control systems, testing of key controls and operating effective ness of the Company's internal control systems and the timely preparation of reliable financial disclosures. No major weakness were identified. As a matter of familiarization, a brief sessions was also conducted for all the Directors of the Company. The Company also has a well-functioning Whistle Blower Policy in place.

### SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

During the year, the Company formed a Wholly Owned Subsidiary (WOS) in the name of Bhadra Castalloys Private Limited. During the year, the subsidiary company through an Assets Purchase Agreement, acquired Sri Rajarajeswari Foundry, located in Bhadravathi, Karnataka, engaged in the business of manufacturing of high alloy steel castings, at an agreed consideration of Rs 700 lakhs, payable in four tranches over a period of two years. The Company expects this acquisition to improve its domestic and export aftermarket business.

The audited financial results of the wholly owned subsidiary for the year ended March 31, 2016 (for the first period from the date of incorporation on December 30, 2015 till March 31, 2016) were consolidated with those of DISA India Limited for the year. Since there were no operations by the subsidiary company until close of March 31, 2016, no Profit & Loss Statement was prepared by the subsidiary company. The operations of the foundry as Bhadra Castalloys Private Limited was formally commenced from April 01, 2016.

The Company did not have any Joint Venture or Associate Company as on the end of the year.

### DEPOSITS

The Company has neither accepted nor renewed any deposits during the year under review.

### RELATED PARTY TRANSACTIONS

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

All Related Party Transactions were placed before the Audit Committee as well as the Board for approval. Prior omnibus approval of the Audit Committee was obtained on a yearly basis for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approvals on quarterly basis. The details of all related party transactions are disclosed in the Sl. No. 24.2 of the Notes, forming part of the Financial Statements.

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

The Policy on Related Party Transactions, approved by the Board, is available on the Company's website. [http://www.disagroup.com/pdf/DIL\\_RPT\\_Policy.pdf](http://www.disagroup.com/pdf/DIL_RPT_Policy.pdf).

### GROUP COMPANIES

Persons constituting Group coming within the definition of "Group" as defined in the Competition Act, 2002 includes the following:

S.No.	Name of the Entity	Country
1.	Wheelabrator Group NV	Belgium
2	WGH Holding Corp.	British Virgin Island
3	Wheelabrator Group (Canada), Ltd.	Canada
4	DISA Machinery Limited	China
5	DISA Trading (Shanghai) Co., Ltd.	China
6	Wheelabrator Czech s.r.o.	Czech Republic
7	DISA Holding A/S	Denmark
8	DISA Holding II A/S	Denmark
9	DISA Industries A/S	Denmark
10	DISA Management Services ApS	Denmark
11	Norican A/S (formerly Naciron A/S)#	Denmark
12	Norican Global A/S	Denmark
13	Norican Group ApS	Denmark
14	Norican Holdings ApS	Denmark
15	Matrasur Composites SAS	France
16	Walther Trowal SARL	France
17	Wheelabrator Group SAS	France
18	DISA Industrieanlagen GmbH	Germany
19	Nolten GmbH	Germany
20	OT OberflächentechnikMaschinen und WerkzeugeHandels GmbH	Germany
21	Wheelabrator Group GmbH	Germany
22	Wheelabrator Group Holding GmbH	Germany
23	Wheelabrator OFT GmbH	Germany
24	Wheelabrator-Berger Stiftung GmbH	Germany

25	DISA Liimited	Hong Kong
26	Bhadra Castalloys Private Limited	India
27	DISA India Limited	India
28	DISA Technologies Private Limited	India
29	DISAKK	Japan
30	WG Plus de Mexico S de R, I de CV	Mexico
31	WG Plus Servicios S de R, I de V	Mexico
32	WheelabratorSchlick Sp. Z.o.o.	Poland
33	Wheelabrator Group SLU	Spain
34	DISA Holding AG	Switzerland
35	DISA Industrie AG	Switzerland
36	Blast Cleaning Techniques Ltd	UK
37	WGH UK Holdings Limited	UK
38	WGH UK Limited	UK
39	Wheelabrator Group Limited	UK
40	Wheelabrator Technologies (UK) Limited	UK
41	Bob Schmidt, Inc.	USA
42	Castalloy, Inc.	USA
43	DISA Holding LLC	USA
44	DISA Industries, Inc.	USA
45	Schmidt Manufacturing, Inc.	USA
46	WG Global LLC	USA
47	Wheelabrator Group, Inc.	

# The name of Naciron A/S was changed to Norican A/S from October 02,2015

### Dormant, Non-Operating or Inactive Entities

1	Abrasive Developments Ltd.	UK
2	Impact Finishers Ltd.	UK
3	Spencer & Halstead Ltd.	UK
4	Vacu-Blast International	UK
5	Surface Preparation (Gibraltar) Ltd.	Gibraltar

### MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY, BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE REPORT

There are no material changes and commitments between the end of the financial year and the date of the report, which affects the financial position of the Company.

### PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN OR SECURITY PROVIDED BY THE COMPANY

The Company, during the year, has made an investment of Rs. 440 Lakhs in the Equity Share Capital of its Wholly Owned Subsidiary Company, Bhadra Castalloys Private Limited and also has given Corporate Guarantees of Rs. 350 Lakhs to Kotak Mahindra Bank on behalf of its subsidiary within the limits prescribed under the provisions of Section 186 of the Companies Act, 2013. The Company has not given any loans under Section 186 of the Companies Act, 2013.

### AUDITORS

Pursuant to provisions of Section 139 of the Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, Messrs Deloitte Haskins &

Sells, Chartered Accountants were appointed as Statutory Auditors of the Company for a term of 3 years, to hold office from the conclusion of 30th Annual General Meeting held on August 06, 2015 until the conclusion of 33rd Annual General Meeting, subject to ratification of their appointment at every subsequent Annual General Meeting. The Company has received a Certificate under section 141 of the Companies Act, 2013 from them stating that the ratification for the 2nd year would be as per the term provided in the Companies Act, 2013.

#### **COST AUDITORS**

Pursuant to Section 148 of the Companies Act, 2013, read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company in respect of its activity are required to be audited. On recommendations of the Audit Committee, Messers Rao, Murthy & Associates, Bangalore have been appointed as the Cost Auditors of the Company for the year ended March 31, 2016.

#### **SECRETARIAL AUDIT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Vijayakrishna KT, Bangalore, a Company Secretary in Practice to undertake the Secretarial Audit of the Company for the year March 31, 2016. The Report of the Secretarial Auditor is annexed in Annexure-'B'.

#### **EXPLANATION BY BOARD ON ADVERSE COMMENTS BY AUDITORS**

There were no adverse comments by the Auditors of the Company and hence no explanation is provided.

#### **CORPORATE GOVERNANCE**

As required under Regulation 34 (3) read with Schedule V(C) of the Listing Regulations, a report on Corporate Governance and the certificate as required under Schedule V (E) of the Listing Regulations from Mr. Vijayakrishna KT, Practising Company Secretary, regarding compliance of conditions of Corporate Governance are annexed as Annexure – C.

Further, in compliance with the Listing Regulations, your Board has adhered to the Corporate Governance Code. All the requisite Committees are functioning in line with the guidelines.

As reported earlier, a reputed firm of independent Chartered Accountants has been carrying out the Internal Audits of the Company and reporting periodically their findings of systems, procedures and management practices.

#### **INDUSTRIAL RELATIONS**

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

#### **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 AND 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.2,336 Lakhs of foreign exchange and expended Rs. 2,951 Lakhs of foreign exchange during the year under review as stated in Sl. No. 23.8 , 23.4 & 23.5 of the Notes forming part of the Financial Statements.

#### **EXTRACTS OF ANNUAL RETURN**

Extracts of Annual Return in FORM NO. MGT-9 is annexed as Annexure 'E'

#### **MATERIAL ORDER PASSED BY ANY COURT OR REGULATOR OR TRIBUNALS IMPACTING GOING CONCERN STATUS OF COMPANY**

There were no orders passed by any Court or Regulator or Tribunals during the year under review which impacts going concern status of the Company.

#### **PERSONNEL**

The information required pursuant to Section 197 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company are given in the Annexure 'F' forming part of the Report.

#### **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company has put in place a Gender Neutral Policy on Zero Tolerance towards Sexual Harassment at Workplace in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this Policy. The Company conducts regular training & awareness program in this regard to sensitize employees at all levels.

A summary of sexual harassment complaints received and disposed off during the year 2015-16 are as under.

No of complaints received: NIL

No of complaints disposed off: NIL

#### **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, Business Associates and other Acquaintances.

Your Directors 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: May 26, 2016

Deepa Hingorani

Director

DIN:00206310

Viraj Naidu

Managing Director

DIN:01284452

**FORM AOC-1**

Statement pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013 read with rule 5 of Companies (Accounts) Rules, 2014 relating to subsidiary company - AOC-1

(Rs. In Lakhs)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	Bhadra Castalloys Private Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April to March same as holding company's reporting period(Note 1)
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Indian Rupees& Indian Subsidiary
4.	Share capital	440
5.	Reserves & surplus	-
6.	Total assets	843
7.	Total Liabilities	403
8.	Investments	-
9.	Turnover	-
10.	Profit before taxation	-
11.	Provision for taxation	-
12.	Profit after taxation	-
13.	Proposed Dividend	-
14.	% of shareholding	100%

Note 1: The audited financials results of the subsidiary company for the year ended March 31, 2016, was for the first period from the date of incorporation on December 30,2015 up to March 31, 2016. Since there were no commercial operations by the subsidiary company until close of March 31,2016, no Profit & Loss Statement was prepared for the above period.

## ANNEXURE A

### CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

As a part of its initiatives under "Corporate Social Responsibility" (CSR), the Company has undertaken project in the area of education in accordance with schedule VII of the Companies Act, 2013, as stated in the Board's report.

The Composition of CSR Committee, details of the amounts spent during the year under review and the amount spent are given as under.

#### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline of the Company's CSR Policy is stated herein below:

[http://www.disagroup.com/us/sites/disa/content/about\\_us/investor\\_relations/corporate\\_governance.aspx](http://www.disagroup.com/us/sites/disa/content/about_us/investor_relations/corporate_governance.aspx)

2. Composition of the CSR Committee:

Mr. Robert E. Joyce: Chairman

Mr. Viraj Naidu: Managing Director

Ms. Deepa Hingorani: Independent Director

3. Average net Profit of the Company for last three financial years:

Average net profit: Rs.2,857 Lakhs.

4. Prescribed CSR Expenditure (2% of the amount as in item 3 above):

Amount required to be spent during the year by the Company is Rs. 57 Lakhs

5. Details of CSR spend for the financial year:

a. Total amount spent for the financial year: Rs. 56 Lakhs

b. Amount unspent if any: Rs. 1 Lakh

c. Manner in which the amount spent during the financial year is detailed below:

6. Reasons of amount unspent: Longer time was taken to evaluate various proposals and implementation of the same lead to actual amount spent being marginally lesser than the prescribed amount .However, the Company will endeavor to undertake these activities fully in future.

#### Manner in which amount spent during the financial period: (Rs. in Lakhs)

CSR project / activity identified	Sector in which the Project is covered	Projects / Programs 1) Local area or other 2) specify the State and district where projects or Programs were undertaken	Amount outlay (budget) project / program wise	Amount spent on the project/ programs Sub-heads: 1) Direct expenditure on projects or programs 2) Overheads	Cumulative spend upto the reporting period	Amount spent (Direct/ implementing agency)
Scholarship	Scholarship to Meritorious School Students- "DISA & Wheelabrator Scholarship"	Local, Tumkur&Hosakote (Karnataka)	37	36.17  (Direct)	36.17	Direct
Scholarship	Scholarship to Meritorious Engineering Students- "DISA & Wheelabrator Scholarship"	Across Karnataka & part of Tamil Nadu ( Coimbatore)	20	20.1  (Direct)	20.1	Through agency – Foundation For Excellence India Trust

Details of the Implementing Agency: Foundation for Excellence India Trust, Bangalore

Weblink: <http://www.ffe.org/>

ANNEXURE B

Form No. MR-3  
SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

[Pursuant to section 204(h) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To  
The Members,  
DISA INDIA LIMITED

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Disa India Limited (hereinafter called 'the Company'). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Disa India Limited for the financial year ended on March 31, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - (j) The Memorandum and Articles of Association of the company.
- (vi) There are no specific laws applicable to the Company pursuant to the business carried by the Company.
- (vii) The other general laws as may be applicable to the Company including the following:

**(1) Employer/Employee Related laws & Rules:**

- i. Industries (Development & Regulation) Act 1951
- ii. The Factories Act, 1948 (in case of manufacturing companies, where applicable)
- iii. The Employment Exchanges (Compulsory notification of Vacancies) Act, 1959
- iv. The Apprentices Act, 1961
- v. The Employees Provident Fund & Miscellaneous Provisions Act, 1952
- vi. The Employees State Insurance Act, 1948
- vii. The Workmen's Compensation Act, 1923
- viii. The Maternity Benefits Act, 1961
- ix. The Payment of Gratuity Act, 1972
- x. The Payment of Bonus Act, 1965
- xi. The Industrial Disputes Act, 1947
- xii. The Trade Unions Act, 1926
- xiii. The Payment of Wages Act, 1936
- xiv. The Minimum Wages Act, 1948
- xv. The Child Labour (Regulation & Abolition) Act, 1970
- xvi. The Contract Labour (Regulation & Abolition) Act, 1970
- xvii. The Industrial Employment (Standing Orders) Act, 1946
- xviii. Equal Remuneration Act, 1976
- xix. Inter-State Migrant Workmen (Regulation of Employment and Conditions of Services) Act, 1979
- xx. The Sexual Harassment of Women at Work Place (Prevention, Prohibition & Redressal) Act, 2013
- xxi. Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1996
- xxii. Prohibition of Employment as Manual Scavengers and their Rehabilitation Act, 2013



- xxiii. Dangerous Machines (Regulation) Act, 1983
- xxiv. Indian Boilers Act, 1923
- xxv. The Karnataka Shops & Establishments Act, 1961
- xxvi. The Industrial Establishments (National and Festival Holidays) Act, 1963
- xxvii. The Labour Welfare Fund Act, 1965
- xxviii. The Karnataka Daily Wage Employees Welfare Act, 2012
- xxix. For majority of Central Labour Laws, the State has introduced Rules [names of each of the Rules is not included here]

**(2) Environment Related Acts & Rules:**

- i. The Environment Protection Act, 1986
- ii. The Water (Prevention & Control of Pollution) Act, 1974
- iii. The Water (Prevention & Control of Pollution) Cess Act, 1977
- iv. The Air (Prevention & Control of Pollution) Act, 1981
- v. The Government Order Under Environment (Protection) Act, 1986
- vi. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008.
- vii. The Karnataka Ground Water (Regulation for Protection of Sources of Drinking Water) Act, 1999

**(3) Economic/Commercial Laws & Rules:**

- i. The Competition Act, 2002
- ii. The Indian Contract Act, 1872
- iii. The Sales of Goods Act, 1930
- iv. The Forward Contracts (Regulation) Act, 1952
- v. The Indian Stamp Act, 1899
- vi. The Transfer of Property Act, 1882

I have also examined compliances with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India on the Board and General Meetings i.e. SS - 1 and SS - 2 (applicable from July 1, 2015).
- (ii) The Listing Agreements entered into, by the Company with the BSE Limited (BSE) and the Securities and Exchange Board of India (LODR) Regulations, 2015, wherever applicable.

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above. Certain non material findings made during the course of the audit relating to Labour Laws were addressed suitably by the Management.

Further I report that with regard to financial and taxation matters, I have relied on the Audit Report and the Internal Audit Report provided by the Statutory/Internal Auditors.

**I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors which took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes as per the practice followed. However, during the period under report, there was no such case instance.

**I further report** that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report** that the Company has, in my opinion, complied with the provisions of the Companies Act, 2013 and the Rules made under that Act as notified by Ministry of Corporate Affairs and the provisions of Companies Act, 1956 and the Memorandum and Articles of Association of the Company.

Place: Bangalore

Date: May 26, 2016

Vijayakrishna KT

FCS No.: 1788

C P No.: 980

ANNEXURE C

AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49  
OF THE LISTING AGREEMENTS AND THE SEBI (LODR) REGULATIONS, 2015.

To  
The Members of  
DISA India Limited  
Bangalore

I have examined all the relevant records of Disa India Limited ('the Company') for the purpose of certifying the compliances of the conditions of Corporate Governance by the Company, for the year ended March 31, 2016 as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange(BSE Limited) for the period April 1, 2015 to November 30, 2015 and in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations') for the period December 1, 2015 to March 31, 2016.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. My 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.

In my opinion and to the best of my information and explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Agreement / the Listing Regulations.

I 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: May 26, 2016

Vijayakrishna KT  
Practising Company Secretary  
FCS No.: 1788  
C P No.: 980

## ANNEXURE D

### REPORT ON CORPORATE GOVERNANCE

#### 1. Company's Philosophy on Code of Governance

The Company forming part of worldwide Norican Group continues to follow good practices of transparency and disclosure in its reporting. In addition to compliance with regulatory requirements, DISA India Limited endeavours to ensure that highest standards of ethical and responsible conduct are met throughout the organization.

The Company has adhered to Clause 49 of the Listing Agreement with the Stock Exchanges and also with the SEBI(LODR) Regulations, 2015 after the same became applicable.

#### 2. Board of Directors:

##### Composition & Size of the Board

As on March 31, 2016, the Board comprises of six Directors including three Non-Executive Independent Directors and two Non-Executive Directors who are professionals from varied fields and have high levels of education and in depth corporate experience.

The Board of Directors of the Company is headed by a Non-Executive and Non Independent Director.

As at the year ending March 31, 2016, the Board of Directors of the Company comprised of optimum combination of Executive and Non-Executive Directors including a Woman Director and not less than fifty percent (50%) of the Board of Directors comprised of Non-Executive Directors and is in conformity with the provisions of the Companies Act, 2013 and the SEBI(LODR) Regulations, 2015.

All the Independent Directors of the Company are in compliance with Companies Act, 2013 and the SEBI(LODR) Regulations, 2015.

Information on Committees/Chairmanships of the Directors are exhibited below:

Name of Director Messrs	DIN	No. of Board Meetings attended	Attendance at last AGM on Aug 6, 2015	No. of other Directorships	Memberships of other Board Committees	Category
Deepa Hingorani	00206310	4	Present	6	NIL	Independent Non-Executive
Sanjay Arte	01000716	4	Present	6	NIL	Independent Non-Executive
Shyamal Kumar Sinha	00335840	3	Present	NIL	NIL	Independent Non-Executive
Robert E Joyce Jr	03633176	4	Present	11	NIL	Non Independent Non-Executive
Andrew Carmichael	03634151	4	Present	1	NIL	Non Independent Non-Executive
Viraj Naidu	01284452	4	Present	2	NIL	Executive

The outside Directorships and Committee memberships are within the limit prescribed in the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. There are no inter-se relationships between the Directors.

None of the Directors of the Company is related to each other and with any employees of the Company.

**The Company issued letter of appointment to all the Independent Directors as per Schedule IV to the Companies Act, 2013 and the terms and conditions of their appointment have been disclosed on the website of the Company**

[http://www.disagroup.com/pdf/Terms\\_of\\_appt\\_of\\_Indp\\_Directors\\_March%202015.pdf](http://www.disagroup.com/pdf/Terms_of_appt_of_Indp_Directors_March%202015.pdf)

The Company's familiarization program for Independent Directors is available on the website of the Company weblink [http://www.disagroup.com/pdf/Familiarisation\\_program\\_for\\_Independent\\_Directors.pdf](http://www.disagroup.com/pdf/Familiarisation_program_for_Independent_Directors.pdf)

The Board has laid down a code of conduct for all Directors and Senior Management of the Company. The code of conduct is available on the website of the Company:

## Annual Report 2015-16

As required, brief profiles and other particulars of the Directors seeking appointment/re-appointment are given in the Notice convening the 31st Annual General Meeting.

### Board Meetings held during the period along with the dates of the Meetings

The Meetings of the Board/Committees are normally planned a year in advance and the notice of each Board / Committee Meetings is issued 21 days ahead of the date of the Meetings. The Board meets at least once in a quarter to transact various businesses including the quarterly financial results of the Company. Detailed agenda with suitable explanatory notes are circulated to the Directors in advance to the Meetings.

During the period the Board met four times on the following dates:

**May 28, 2015, August 6, 2015, November 5, 2015 and February 11, 2016**

During the year, a separate meeting of the Independent Directors was held on February 11, 2016 without the attendance of non-independent Directors and members of the Management.

During the year a special Investment Committee meeting for approval of investment in a wholly owned subsidiary Bhadra Castalloys Pvt. Ltd. was held on February 19, 2016 comprising of Mrs. Deepa Hingorani and Mr. Viraj Naidu

The Board at its meetings reviewed compliance reports prepared by the Company on quarterly basis.

### Compliance with the Code of Conduct

The Company has adopted "Norian Code of Conduct" and has framed a Whistle Blower Policy aimed at better Corporate Governance and continued Vigil Mechanism which is available on the website of the Company. weblink [http://www.disagroup.com/pdf/DIL\\_CodeofConduct1.pdf](http://www.disagroup.com/pdf/DIL_CodeofConduct1.pdf)  
[http://www.disagroup.com/pdf/DIL\\_Whistle\\_Blower\\_Policy.pdf](http://www.disagroup.com/pdf/DIL_Whistle_Blower_Policy.pdf)

### 3. Audit Committee

The Audit Committee with powers, role and terms of reference as per the applicable Sections of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 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, including evaluation of internal financial controls and risk management systems and reviewing the functioning of Whistle Blower Mechanism.

The Committee has three members with Mrs. Deepa Hingorani as the Chairperson.

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:

May 28, 2015, August 6, 2015, November 5, 2015 and February 11, 2016

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

Name of Director	No. of Meetings attended
Mrs. Deepa Hingorani	4
Mr. Sanjay Arte	4
Mr. Andrew Carmichael	4

### 4. Nomination & Remuneration Committee Meetings and the attendance during the year

The Committee has three members with Mr. Sanjay Arte as Chairman. The Managing Director is invited to the Committee meetings whenever required.

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

November 5, 2015 and February 11, 2016

Name of Director	No. of Meetings attended (includes participation through video conferencing)
Mrs. Deepa Hingorani	2
Mr. Sanjay Arte	2
Mr. Robert E Joyce Jr.	2

The Nomination and Remuneration Committee has the objective of formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees.

The Committee reviews the following among others:

Formulation of criteria for evaluation of Independent Directors and the Board;

Devising a policy on Board diversity;

Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal:

Various criteria including minimum and maximum age, minimum qualification, desired background, diversity evaluation and remuneration criteria for the Directors, KMPs and other employees.

### Remuneration Policy, Performance Evaluation, Policy on Board Diversity

The Objective and broad frame work of the policy is to consider various criteria for the appointment and evaluation of Independent Directors, KMPs, and other employees, minimum and maximum age, minimum qualification, desired background, diversity evaluation. Following is the broad framework established by the Committee for this purpose:

	Directors	KMP (CEO)	KMP (CFO)	KMP (CS)	Sr. Employees
<b>Min.Age</b>	35	35	35	25	30
<b>Max.Age</b>	70	DIL's Retirement Age			
<b>Min.Qualification</b>	Graduate	Graduate/ Diploma	MBA (Fin) &/or CA	CS	Graduate/Diploma
<b>Desired Background (but not limited to)</b>	Experience in Sr.Role in Related Market Segments	As set by Board		Member of ICSI	As set by CEO
	Experience in Finance Field				
	Understanding of Danish MNCs				
	Exposure at Board levels of other companies				
	Global Outlook				
	Notable Unique Achievement				
<b>Diversity</b>	Fair mix of women & men				
	Optimised mix of Functional Expertise				
<b>Evaluation</b>	Actions aligned with the Company's Interest/Image	Performance against KRAs/KPIs			
	Strategic Inputs to the Board / Management				
	Integrity				
	Compliance				
	Attendance in Board Meetings				
<b>Remuneration</b>	Within Regulatory Limits	Benchmarked to similar roles in comparable Industry			
	Comparable Industry Norms				
	No remuneration for Promoter Employee Directors				
	Performance / Involvement based differentiation allowed				

### 5. Remuneration paid to Directors

The details of remuneration paid to the Directors during the year ended March 31, 2016 are furnished below:

a) Managing Director

(Rs. in Lakhs)

Name	Salary	Performance Bonus & Incentive	Other Perquisites	PF & Superannuation	Total
Mr. Viraj Naidu	70.37	21.24	3.15	8.66	103.43

b) Non-Executive Independent Directors

(Rs. in Lakhs)

Name	Sitting fees	Commission
Mrs. Deepa Hingorani	1.40	3.00
Mr. Shyamal Kumar Sinha	0.30	3.00
Mr. Sanjay Arte*	Nil	Nil
<b>Total</b>	<b>1.70</b>	<b>6.00</b>

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

c) Non-Executive Non Independent Directors

There was no compensation paid to any of Non Executive, Non Independent Directors during the year.

The Sitting fees indicated above indicate payment for participation in the Board and Committee Meetings. The total amount of commission payable to Independent Directors is Rs.300,000/- p.a. (Rupees Three Lakhs only) in respect of any one financial year for the proportionate period of their Board membership with the Company, subject to approval by the Board and shareholders, if required. The Company reimburses all expenses incurred for participation in the Board/Committee Meetings and expenses in connection with performing the duties as a Director.

None of the Non-Executive Directors hold any equity shares or convertible instruments in the Company. The Company does not have any Stock Option Scheme.

### 6. Stakeholders' Relationship Committee:

The Stakeholders' Relationship Committee functions to consider and 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 three Directors met fourteen(14) times during the year on the following dates: May 14, 2015, June 16, 2015, June 24, 2015, July 24, 2015, August 24, 2015, August 28, 2015, September 10, 2015, October 14, 2015, November 5, 2015, November 17, 2015, November 25, 2015, December 8, 2015, January 5, 2016 and February 29, 2016.

Name of Director	No. of Meetings attended
Mr. Shyamal Kumar Sinha	14
Mr. Sanjay Arte	8
Mr. Viraj Naidu	14

There was one complaint (June Qtr- Nil, Sep Qtr-1, Dec Qtr- Nil March Qtr- Nil) received and redressed during the period ended March 31, 2016. There was no pending share transfer as on March 31, 2016.

### Name, Designation & Address of Compliance Officer

Mr. Ankit Surana  
Company Secretary  
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 1450

Fax : +91-80-2839 1661

### 7. Corporate Social Responsibility Committee

The Company has complied with the provisions of Section 135 of the Companies Act, 2013; the Corporate Social Responsibility Committee has discharged its functions during the year under review. The CSR Policy of the Company is disclosed on the website of the Company

The CSR Committee met on Feb 11, 2016 during the year.

The Committee has formulated a CSR Policy detailing the activities to be undertaken by the Company with a broad objective to create a significant positive impact in the lives of a large number of people & society – beyond its normal course of business operations. Please refer Board's Report for more detailed information on the actions taken.

### 8. Risk Management

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

## 9. CEO/CFO Certification

The Managing Director and the CFO of the Company have certified to the Board of Directors, inter alia, the accuracy of financial statements and adequacy of Internal Controls for the financial reporting for the period ended March 31, 2016.

## 10. Related Party Transactions

The Company complied with the requirements of the Companies Act, 2013 and the Listing Agreements and SEBI(LODR) Regulations, 2015 on Related Party Transactions. Prior approvals for all Related Party Transactions (RPTs) are obtained from the Audit Committee.

The Company has disclosed the Policy on dealing with Related Party Transactions on its website.

## 11. General Body Meetings

Location and time of the last three Annual General Meetings

Year	Date	Venue	Time
2012	16-05-2013	Vivanta by Taj, Yeshwanthpur, Bangalore-22	1100 Hrs
2013	08-05-2014	Vivanta by Taj, Yeshwanthpur Bangalore-22	1100 Hrs
2014	06-08-2015	Vivanta by Taj, Yeshwanthpur Bangalore-22	1100 Hrs

## 12. Disclosures

a) Transactions with the related parties are disclosed in Notes forming part of the Financial Statements under Sl. No.24.2

The Register of Contracts containing the transactions, in which Directors are interested, is placed before the Board every quarter and approved. These transactions are in the normal course of business entered at arm's length price mechanism.

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.

It is affirmed that no person has been denied access to the Audit Committee.

## 13. Means of Communication

The quarterly/half year/ annual financial results are published in leading Newspapers such as Financial Express (in English) and Sanjevani (in Kannada) and also are displayed on BSE website and the Company's website hence are not individually sent to the Shareholders. The general information about the Company and the information as required under the Companies Act 2013, and SEBI (LODR) Regulations 2015 have been uploaded on the Company's website : [http://www.disagroup.com/en/sites/disa/content/about\\_us/investor\\_relations.aspx](http://www.disagroup.com/en/sites/disa/content/about_us/investor_relations.aspx)

## 14. General Information to Shareholders

a) **AGM** : **Date: Friday, August 12, 2016**  
 Time: 11:00 Hrs  
 Venue: Vivanta by Taj, Yeshwanthpur, Bangalore - 560022  
 Period 12 months : April 2015 to March 2016  
 Date of Book Closure : August 4, 2016 to August 12, 2016 (both days inclusive)  
 Listing on Stock Exchange : BSE Ltd. Scrip code is 500068  
 Date of payment of dividend: August 29, 2016

### b) Stock Market price data for the period April 2015 to March 2016

Period	SENSEX		BSE (Rs.)	
	High	Low	High	Low
MM-YY				
Apr-15	29095	26898	5498	4000
May-15	28071	26424	5200	4560
Jun-15	27969	26307	5200	4000
Jul-15	28578	27416	4500	4101
Aug-15	28418	25298	4918	4200
Sep-15	26472	24834	4610	4000
Oct-15	27618	26169	4747	4400
Nov-15	26824	25451	5260	4260
Dec-15	26256	24868	5015	4672
Jan-16	26197	23840	5450	4400
Feb-16	25002	22495	5397	3800
Mar-16	25480	23133	4315	3555

**c) Registrar and Transfer Agents (RTA)**

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 RTA has the requisite infrastructure to process all activities related to share transfers. The system is further audited by a Practising 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 March 31 , 2016**

Range (in Rs.)	No. of Shareholders	% of Total Share Holders	Total Holding (In Rs.)	% of Total Capital
1 - 5000	2,654	98.44	1,254,190	8.30
5001 - 10000	21	0.78	155,590	1.03
10001 - 20000	8	0.30	117,520	0.78
20001 - 30000	4	0.15	103,380	0.68
30001 - 40000	2	0.07	70,310	0.47
40001 - 50000	0	0.00	0	0.00
50001 - 100000	1	0.04	60,000	0.40
100001 & above	6	0.22	13,341,060	88.34
<b>Total</b>	<b>2,696</b>	<b>100.00</b>	<b>15,102,050</b>	<b>100.00</b>

**f) Dematerialization of shares and liquidity**

About 96.74% of the 1,510,205 outstanding Equity Shares have been dematerialized upto March 31, 2016

**MODE OF HOLDINGS AS ON MARCH 31, 2016**

	NO. OF SHARES	% ON CAPITAL
NSDL	1,438,217	95.23
CDSL	22,816	1.51
PHYSICAL	49,172	3.26
<b>TOTAL</b>	<b>1,510,205</b>	<b>100</b>

**g) Shareholding pattern as on March 31, 2016**

Category	No of Shares	% of Holding
Directors	-	-
Promoter But not Director	1,132,653	75.00
Director/Promoter Relatives	-	-
<b>Sub Total</b>	<b>1,132,653</b>	<b>75.00</b>
Banks & Financial Institutions, Insurance Companies, Mutual Funds	210,934	13.97
Body Corporates	5,217	0.35
NRIs	13,079	0.87
FIs	-	-
Indian Promoters	-	-
Clearing Members	1,299	0.09
Trusts	-	-
General Public	147,023	9.74
<b>Total</b>	<b>1,510,205</b>	<b>100.00</b>



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

i) Plant Locations :

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

**15. Declaration by the Managing Director under SEBI(LODR) Regulations, 2015 regarding compliance with Code of Conduct.**

I hereby confirm that all the Directors and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct as applicable to them, for the Financial Year ended March 31, 2016.

For DISA India Limited

Place : Bangalore  
Date : May 26, 2016

Viraj Naidu  
Managing Director  
DIN : 01284452

CEO / CFO CERTIFICATION FOR YEAR ENDED MARCH 31, 2016

To  
The Board of Directors  
DISA India Limited  
Bangalore

We, Viraj Naidu, Managing Director and Amar Nath Mohanty, Chief Financial Officer of DISA India Limited, certify that:

- A. We have reviewed financial statements and cash flow for year ended March 31, 2016 and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violate of the listed entity's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit Committee
- (1) significant changes in internal control over financial reporting during the year ended March 31, 2016;
  - (2) there were no significant changes in accounting policies during the year ended March 31, 2016 and applicable accounting policies are disclosed in the notes to the financial statements; and
  - (3) there were no instances of significant fraud of which we have become aware and the involvement therein of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Place : Bangalore  
Date : May 26, 2016

Viraj Naidu  
Managing Director

Amar Nath Mohanty  
Chief Financial Officer

**ANNEXURE E**  
**Form No.MGT-9**  
**EXTRACT OF ANNUAL RETURN**

**As on the financial year ended on March 31, 2016**

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(h) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

- i) CIN: L85110KA1984PLC006116
- ii) Registration Date: 25/05/1984
- iii) Name of the Company: DISA INDIA LIMITED
- iv) Category/Sub-Category of the Company: Company limited by shares and Indian Non Government Company
- v) Address of the Registered office and contact details:  
 5th Floor, Kushal Garden Arcade, 1A Peenya Industrial Area,  
 Peenya 2nd Phase ,Bangalore - 560058, Karnataka  
 Tel. : 080-40201400/03/04  
 Fax. : 080-28391661  
 Email : [investor.relations@noricangroup.com](mailto:investor.relations@noricangroup.com)  
 Website : [www.noricangroup.com](http://www.noricangroup.com)
- vi) Whether Listed Company Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent  
 Integrated Enterprises (India) Ltd ,30, Ramana Residency, 4th Cross, Sampige Road, Malleshwaram, Bangalore - 560003, Karnataka  
 Tel. : 080 - 23460815 to 818  
 Fax : 080 – 23460819  
 Email : [corpserv@integratedindia.in](mailto:corpserv@integratedindia.in)  
 Website : [www.integratedindia.in](http://www.integratedindia.in)

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% of total turnover of the Company
1	Foundry Machinery	29292	84.76
2	Filters	29197	15.24

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :**

Sl.No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary	% of shares held	Applicable Section
1	DISA Holding AG Kasernenstrasse 1, 8184 Bachenbulach Switzerland	Foreign Company	Holding	54.22	2(46)
2	DISA Holding A/S Hojager 8, Taastrup 2630, Denmark	Foreign Company	Holding	20.78	2(46)

## Annual Report 2015-16

### IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### i) Category - wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on April 1, 2015]				No. of Shares held at the end of the year [As on March 31, 2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A) (1)</b>	-	-	-	-	-	-	-	-	-
<b>(2) Foreign</b>									
a) Individual / HUF	-	-	-	-	-	-	-	-	-
b) Bodies Corporate	1132653	-	1132653	75.00	1132653	-	1132653	75.00	-
<b>Total shareholding of Promoter (A) (2)</b>	<b>1132653</b>	-	<b>1132653</b>	<b>75.00</b>	<b>1132653</b>	-	<b>1132653</b>	<b>75.00</b>	-
<b>Total Shareholding Promoter &amp; Promoter Group (A)=(A)(1)+(A)(2)</b>	<b>1132653</b>	-	<b>1132653</b>	<b>75.00</b>	<b>1132653</b>	-	<b>1132653</b>	<b>75.00</b>	-
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	208563	200	208763	13.82	210734	200	210934	13.97	0.15
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies-	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1)</b>	<b>208563</b>	<b>200</b>	<b>208763</b>	<b>13.82</b>	<b>210734</b>	<b>200</b>	<b>210934</b>	<b>13.97</b>	<b>0.15</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	3959	701	4660	0.31	4716	501	5217	0.35	0.04
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	101900	52171	154071	10.20	98852	48171	147023	9.74	(0.46)

Category of Shareholders	No. of Shares held at the beginning of the year [As on April 1, 2015]				No. of Shares held at the end of the year [As on March 31, 2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	9184	300	9484	0.63	12779	300	13079	0.87	0.24
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	531	-	534	0.14	1299	-	1299	0.09	(0.05)
Trusts	40	-	40	0.00	-	-	-	-	0.00
Foreign Bodies -D R	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2)</b>	<b>115617</b>	<b>53172</b>	<b>168789</b>	<b>11.18</b>	<b>117646</b>	<b>48972</b>	<b>166618</b>	<b>11.05</b>	<b>(0.13)</b>
<b>Total Public Shareholding (B)=(1)+ (B)(2)</b>	<b>324180</b>	<b>53372</b>	<b>377552</b>	<b>25.00</b>	<b>328380</b>	<b>49172</b>	<b>377552</b>	<b>25.00</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>1456833</b>	<b>53372</b>	<b>1510205</b>	<b>100.00</b>	<b>1461033</b>	<b>49172</b>	<b>1510205</b>	<b>100.00</b>	<b>-</b>

## ii) Shareholding of Promoters

SI No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	DISA Holding AG	818902	54.22	-	818902	54.22	-	-
2	DISA Holding A/S	313751	20.78	-	313751	20.78	-	-
	Total	1132653	75.00	-	1132653	75.00	-	-

## (iii) Change in Promoters' Shareholding (please specify, if there is no change) -No change during the year

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Folio No. and Name	Shareholding at the beginning of the year April 1, 2015		Cumulative Shareholding during the period March 31, 2016	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	IN30016710049887D IDFC PREMIER EQUITY FUND	90000	5.96	90021	5.96
2.	IN30378610000893 SBI MAGNUM MULTIPLIER PLUS SCHEME 1993	58878	3.90	61028	4.04
3.	IN30005410028124 DSP BLACKROCK MICRO CAP FUND	36763	2.43	36763	2.43
4.	IN30005410067318 BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LIMITED A/C BIRLA SUN LIFE MNC	13641	0.90	13641	0.90
5.	IN30005410066116 BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LIMITED A/C BIRLA SUN LIFE INFR	6000	0.40	6000	0.40
6.	IN30115123013895 SUBODH NILKANTH PUROHIT	3474	0.23	3750	0.25
7.	IN30005410066446 BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LIMITED A/C BIRLA SMAL	3281	0.22	3281	0.22
8.	B000725 BHUMESH KUMAR GAUR	2800	0.19	2800	0.19
9.	IN30047642233262 SUNITA AGGARWAL	1465	0.10	2607	0.17
10.	IN30048413858034 AMIT ASHOK THAWANI	1762	0.12	2521	0.17
11.	IN30015910777678 ANMOL SEKHRI	2410	0.16	2410	0.16
12.	IN30047642762047 MAYADEVI R KHEMKA	5861	0.39	-	0.00

(v) Shareholding of Directors and Key Managerial Personnel: NIL

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment - NIL

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director

Sl. No.	Particulars of Remuneration	Name of MD	Total Amount (In Lakhs)
		Viraj Naidu	
1.	Gross salary (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites under Section 17(2) Income Tax Act, 1961 (c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	99.51 3.92	99.51 3.92
2.	Stock Option	0	0
3.	Sweat Equity	0	0
4.	Commission - as% of profit - others	0	0
5.	Others	0	0
	Total(A)	103.43	103.43

**B. Remuneration to other Directors**

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount (In Lakhs)
		Robert E Joyce Jr	Andrew Carmichael	Deepa Hingorani	Sanjay Arte	Shyamal Kumar Sinha	
1.	Independent Directors						
	• Fee for attending board / committee meetings	0	0	1.4	0	0.3	1.7
	• Commission	0	0	3.0	0	3.0	6.0
	Total(1)	0	0	4.4	0	3.3	7.7
2.	Other Non-Executive Directors						
	• Fee for attending Board / Committee Meetings	0	0	0	0	0	0
	• Commission	0	0	0	0	0	0
	Total(2)	0	0	0	0	0	0
	Total(B)=(1+2)	0	0	4.4	0	3.3	7.7
	Total Managerial Remuneration (A+B)	111.13					

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD**

Sl. No.	Particulars of Remuneration	Name of KMP			Total Amount (In Lakhs)
		S. Mohan (CFO)	Amar Nath Mohanty (CFO)	Ankit Surana (CS)	
1.	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	52.67	25.69	7.0	85.36
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	0.45	0.53	0.0	0.98
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	0	0		
2.	Stock Option	0	0	0	0
3.	Sweat Equity	0	0	0	0
4.	Commission - as% of profit - others	0	0	0	0
5.	Others	0	0	0	0
	Total(A)	53.12	26.22	7.0	86.34

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give details)
<b>A. COMPANY</b>					
Penalty			None		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			None		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			None		
Punishment					
Compounding					

**ANNEXURE -F**  
**PARTICULARS OF EMPLOYEES**

1) **Information as per Rule 5(1) of Chapter XIII, The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

The Nomination and Remuneration Committee continuously reviews the Compensation of Managing Director and Senior Executives to align the Company goals to the compensation structure linked to individual Key Result Areas set out at the beginning of the year.

Directors and KMP		Remuneration (annualised)#	Remuneration	% increase over previous year	Ratio of remuneration to MRE
		Jan 14 to Mar 15	Apr 15 to Mar 16		
Non executive Directors	Robert E Joyce Jr	-	-		0
	Andrew Carmichael	-	-		0
Independent Directors	Jan Johansen##	410,000	-		0
	Sanjay Arte	-	-		0
	Deepa Hingorani	444,000	440,000	(1%)	1
	Shyamal Sinha*	-	330,000	-	1
Managing Director	Viraj Naidu	10,639,624	10,342,559	(3%)	17
KMP	S Mohan (CFO)**	6,472,000	5,312,136	-	9
	Amar Nath Mohanty (CFO)***	-	2,621,836	-	4
	Ankit Surana (CS)****	-	700,370	-	1

Notes:

# Previous financial year was for the period of 15 months. Remuneration shown for the previous year has been annualised.

## Mr. Jan Johansen ceased to be Director w.e.f. December 22, 2014.

\* Mr. Shyamal Kumar Sinha was appointed as a Director on March 23, 2015

\*\* Mr. S Mohan retired from services w.e.f September 5, 2015

\*\*\* Mr. Amar Nath Mohanty was appointed as CFO w.e.f November 5, 2015

\*\*\*\* Mr. Ankit Surana was appointed as Company Secretary w.e.f. April 24, 2015

The median remuneration of employees (MRE) including Managing Director was Rs 583,859 for the period ended March 31, 2015 and Rs 617,213 for the year ended March 31, 2016.

The increase in MRE is 6% in year ended March 31, 2016 over PE March 31, 2015.

Number of permanent employees on roll end of March 31, 2015 and end of March 31, 2016 are 296 and 280 respectively.

The revenue growth on annualised basis is (3%). The average salary increase given to employees is 11-12%.

This was based on the recommendation of the Nomination and remuneration Committee to revise the remuneration in line with the annual revision of industry benchmarks.

Your Company's market capitalisation decreased by 24% to Rs 57,091 Lakhs, as of March 31, 2016 from Rs 75,255 Lakhs as of March 31, 2015.

The PE ratio was 54.08 as of March 31, 2016 which was an increase of 27.72% as compared to March 31, 2015.

The closing price of Company's equity share in BSE as of March 31, 2016 is Rs. 3803 per share, representing an increase of 37930% over the IPO price (BSE).

The Variable pay for the MD, CFO, CS and other managerial personnel are designed to ensure that it is competitive for attracting and retaining the best possible talent.

These variable pay structures has been approved by the Nomination and remuneration committee

During the Period ended March 31, 2016, no employee received remuneration in excess of the highest paid Director (Managing Director).

The remuneration paid out is as per remuneration policy of the Company.



2) Information as per Rule 5(2) of Chapter XIII, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sl. No.	Name & Age	Qualification	Nature of employment Contractual/ otherwise	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 48 years	B.Tech (Hons)	Permanent	22/01/2007 (25)	Managing Director	10,342,559	Tata Autocomp Systems Ltd-Interiors & Plastic Division. Chief Operating Officer
2	S Mohan 58 years*	ACA, ACWA	Permanent	23/06/2004(36)	Chief Financial Officer	5,312,136	Encore Software Limited Vice President-Finance
3	Amar Nath Mohanty 54 years**	ACA, ACWA	Permanent	05/11/2015(30)	Chief Financial Officer	2,621,936	GMM Pfaudler Ltd. Chief Financial Officer

Note :

- Gross remuneration as above includes basic salary, Bonus, LTA & Medical insurance premium House Rent Allowance & monetary value of perquisites.
- The above employee is not 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.
- None of the above employees holds equity shares of the Company.
- \*Mr. S Mohan retired from service w.e.f. Spetember 5 ,2015.
- \*\*Mr. Amar Nath Mohanty was appointed as CFO of company w.e.f. November 5 ,2015.

## Independent Auditors' Report to the members of Disa India Ltd.

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of DISA INDIA LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards prescribed under section 133 of the Act, as applicable.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Opinion

In our opinion and to the best of our information and according to the

explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
  - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.
  - e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2016 from being appointed as a Director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm Registration No. 008072S)

**Bangalore, May 26, 2016**  
SS/JKS/2016

**S. Sundaresan**  
Partner  
(Membership No.25776)

## **Annexure "A" to the Independent Auditor's Report**

(Referred to in paragraph "f" under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **DISA INDIA LIMITED** ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm Registration No. 008072S)

**Bangalore, May 26, 2016**  
SS/JKS/2016

**S. Sundaresan**  
Partner  
(Membership No.25776)

**Annexure B to the Independent Auditor’s Report**

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

- (i) (a) The Company has maintained proper records showing most of the particulars however, in case of certain assets quantitative details and situation of the fixed assets needs to be updated.
- (b) Patterns, tools and office equipment and vehicles were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us immovable properties of land and buildings whose title deeds have been pledged as security for loans are held in the name of the Company based on the confirmations received from lenders.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on March 31, 2016 on account of disputes are given below:
- (v) According to the information and explanations given to us, the Company has not accepted any deposit.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount (Rs. Lakhs)*
Central Excise Act, 1944	Central Excise	CESTAT	2009-2011	1.20
Central Excise Act, 1944	Central Excise	Commissioner (Appeals)	2014-2015	7.57
Karnataka Value Added Tax Act, 2003	Value added tax	Joint Commissioner (Appeals)	2007-2008	5.30
			2008-2009	9.16
			2010-2011	0.52
			2012-2013	0.34
Central sales Tax Act, 1956	Central sales tax	Joint Commissioner (Appeals)	2009-2010	17.26
			2010-2011	19.46
			2012-2013	38.08
			2013-2014	-
			2014-2015	281.30
Central Excise Act, 1944	Service tax	Joint Commissioner (Appeals)	2006-2007	0.71
			2007-2008	0.42
			2008-2009	1.70
			2009-2010	5.23
			2010-2011	0.20
Karnataka Tax on Entry of Goods Act, 1974	Entry tax	Joint Commissioner of Commercial Taxes (Appeals)	2012-2013	5.64

\* Net of Rs. 286.98 Lakhs paid under protest

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions and banks. The Company has not taken any loans or borrowings from government and has not issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

For **Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm Registration No. 008072S)

**Bangalore, May 26, 2016**  
SS/JKS/2016

**S. Sundaresan**  
Partner  
(Membership No.25776)

## Balance Sheet as at March 31, 2016

Rs. Lakhs

Particulars	Note No.	As at March 31, 2016	As at December 31, 2015
<b>A. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' funds</b>			
(a) Share capital	2	151	151
(b) Reserves and surplus	3	10,666	9,652
		<b>10,817</b>	9,803
<b>2. Current liabilities</b>			
(a) Trade payables	4		
(i) Total outstanding due to micro enterprises and small enterprises		73	132
(ii) Total outstanding due to creditors other than micro enterprises and small enterprises		1,717	1,702
(b) Other current liabilities	5	3,141	2,637
(c) Short-term provisions	6	205	243
		<b>5,136</b>	4,714
<b>TOTAL</b>		<b>15,953</b>	14,517
<b>B. ASSETS</b>			
<b>1. Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	7A	1,807	1,948
(ii) Intangible assets	7B	1	51
(iii) Capital work-in-progress		-	1
(b) Non-current investments	8	440	-
(c) Deferred tax assets (net)	9	42	13
(d) Long-term loans and advances	10	296	195
(e) Other non-current assets	11	9	70
		<b>2,595</b>	2,278
<b>2. Current assets</b>			
(a) Inventories	12	3,925	3,688
(b) Trade receivables	13	1,014	1,133
(c) Cash and cash equivalents	14	6,628	5,185
(d) Short-term loans and advances	15	1,512	1,996
(e) Other current assets	16	279	237
		<b>13,358</b>	12,239
<b>TOTAL</b>		<b>15,953</b>	14,517
See accompanying notes forming part of the financial statements			

In terms of our report attached

For Deloitte Haskins & Sells  
Chartered Accountants

For and on behalf of the Board of Directors

S. Sundaresan  
Partner  
Membership No. 25776Amar Nath Mohanty  
Chief Financial OfficerViraj Naidu  
Managing Director  
DIN : 01284452Deepa Hingorani  
Director  
DIN : 00206310Place : Bangalore  
Date : May 26, 2016Ankit Surana  
Company Secretary  
ACS No. 37297

**Statement of Profit & Loss for the year ended March 31, 2016**

Rs. Lakhs

Particulars		Note No.	For the year ended March 31, 2016	For 15 Months ended March 31, 2015
1	Revenue from operations (gross)	17	15,623	19,788
	Less: Excise duty	17	1,350	1,411
	Revenue from operations (net)		14,273	18,377
2	Other income	18	671	927
3	<b>Total revenue (1+2)</b>		<b>14,944</b>	<b>19,304</b>
4	<b>Expenses</b>			
	(a) Cost of raw materials and components consumed	19.a	7,348	9,467
	(b) Purchases of stock-in-trade (traded goods)	19.b	878	1,039
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	19.c	(347)	(571)
	(d) Employee benefits expense	20	2,645	3,225
	(e) Finance costs	21	2	35
	(f) Depreciation and amortisation expense	7C	285	391
	(g) Other expenses	22	2,482	2,892
	<b>Total expenses</b>		<b>13,293</b>	<b>16,478</b>
5	<b>Profit before tax (3 - 4)</b>		<b>1,651</b>	<b>2,826</b>
6	<b>Tax expense:</b>			
	(a) Current tax expense for current year		620	1,071
	(b) Current tax expense relating to prior years		-	37
	(c) Net current tax expense		620	1,108
	(d) Deferred tax		(29)	(70)
			591	1,038
7	<b>Profit for the year (5 - 6)</b>		<b>1,060</b>	<b>1,788</b>
	<b>Earnings per Equity share</b>	24.5		
	<b>(face value of Rs 10 /- each):</b>			
	(a) Basic - Rs.		70.19	118.41
	(b) Diluted - Rs.		70.19	118.41
	See accompanying notes forming part of the financial statements			

In terms of our report attached

**For Deloitte Haskins & Sells**  
 Chartered Accountants

 S. Sundaresan  
 Partner  
 Membership No. 25776

 Place : Bangalore  
 Date : May 26, 2016

 Amar Nath Mohanty  
 Chief Financial Officer

 Ankit Surana  
 Company Secretary  
 ACS No. 37297

**For and on behalf of the Board of Directors**

 Viraj Naidu  
 Managing Director  
 DIN : 01284452

 Deepa Hingorani  
 Director  
 DIN : 00206310

## Cash Flow Statement for the year ended March 31, 2016

Rs. Lakhs

Particulars	For the year ended March 31, 2016		For 15 Months ended March 31, 2015	
<b>A CASH FLOW FROM OPERATING ACTIVITIES :</b>				
Net profit before tax		1,651		2,826
Adjustments for:				
Depreciation and amortization	285		391	
Finance cost	2		35	
(Profit) / Loss on sale of assets	(8)		-	
Interest Income	(499)		(579)	
Bad debts written off	7		26	
Provision for doubtful debts	4		-	
Provision for doubtful trade receivable reversed	(25)		(7)	
Liability no longer required written back	(16)		-	
Net unrealised exchange (gain) / loss	(83)	(333)	15	(119)
<b>Operating Profit before working capital changes</b>		<b>1,318</b>		<b>2,707</b>
Adjustments for : (increase) / decrease in operating assets:				
Inventories	(237)		(814)	
Trade Receivables	253		319	
Short term loans and advances	484		(930)	
Other Current Assets	(32)		(25)	
Long term loans and advances	(1)		(9)	
Adjustments for : increase / (decrease) in operating liabilities:				
Trade payables	(66)		(682)	
Other current and non current Liabilities	542		(396)	
Provisions	(38)		8	
<b>Net changes in Working Capital</b>		<b>905</b>		<b>(2,529)</b>
<b>Cash generated from operations</b>		<b>2,223</b>		<b>178</b>
Income tax paid (net of refunds)		(726)		(1,175)
<b>Net cash flow from / (used) in operating activities</b>		<b>1,497</b>		<b>(997)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES :</b>				
Capital expenditure on fixed assets including capital advances	(104)		(256)	
Proceeds from sale of fixed assets	18		13	
Interest received	489		516	
Investment in subsidiary	(440)		-	
Investment in bank deposits	(5,192)		(6,283)	
Redemption / maturity of bank deposits	3,849		6,643	
<b>Net cash flow from / (used) investing activities</b>		<b>(1,380)</b>		<b>633</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES :</b>				
Finance cost	(2)		(35)	
Dividends paid	(38)		(38)	
Tax on dividend	(8)		(6)	
<b>Net cash used in financing activities</b>		<b>(48)</b>		<b>(79)</b>
<b>D NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS ( A+B+C)</b>		<b>69</b>		<b>(443)</b>
Cash and Cash Equivalents as at March 31, 2015 ( As per note 14)		125		568
Cash and Cash Equivalents as at March 31, 2016 ( As per note 14)		194		125
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>69</b>		<b>(443)</b>
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>				
Cash and cash equivalents (Refer Note 14)		6,628		5,185
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements:				
(i) In other deposit accounts				
- original maturity more than 3 months		6,398		4,994
(ii) In earmarked accounts (Refer Note (i) below)				
- Unpaid dividend accounts		36		66
Cash and cash equivalents at the end of the period		194		125
<b>Cash and cash equivalents at the end of the period</b>				
Comprises:				
(a) Cash on hand		1		1
(b) In current accounts		193		124
		194		125

Notes: (i) These earmarked account balances with banks can be utilized only for the specific identified purposes.

In terms of our report attached

For Deloitte Haskins &amp; Sells

Chartered Accountants

S. Sundaresan  
Partner  
Membership No. 25776Place : Bangalore  
Date : May 26, 2016Amar Nath Mohanty  
Chief Financial OfficerAnkit Surana  
Company Secretary  
ACS No. 37297

For and on behalf of the Board of Directors

Viraj Naidu  
Managing Director  
DIN : 01284452Deepa Hingorani  
Director  
DIN : 00206310



## Notes forming part of the financial statements for year ended March 31, 2016

### NOTE 1

#### Significant Accounting Policies

##### 1.1 Basis of accounting and presentation of financial statements:

The financial statements of Disa India Limited ('the Company') have been prepared in accordance with the Generally accepted accounting principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 / Companies Act, 1956, as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

##### 1.2 Use of estimates

The preparation of the financial statements are in conformity with the Indian GAAP requires the management to make 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..

##### 1.3 Fixed assets

###### a) Tangible

Tangible fixed asset are capitalized at acquisition cost which includes incidental expenses incurred to bring the asset ready for its intended use.

###### b) Intangible

Computer software, except standard utility software packages which are not integral part of the hardware are classified as Intangible assets. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the tax authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.

###### c) Capital work-in- progress

Capital work-in-progress is carried at cost.

##### 1.4 Depreciation and amortization

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 effective from April 1, 2014.

Intangible assets in form of computer software are amortized over their estimated useful life on straight line method at the rate of 25 % p.a.

##### 1.5 Inventories

Raw materials, Components, Work-in-Progress, Finished goods and Stock-in-trade are valued at lower of cost and net realizable value. Cost is ascertained on FIFO basis .Cost includes cost incurred in bringing the goods to the current location and condition. Work-in-progress and finished goods include appropriate proportion of overheads and where applicable, excise duty.

##### 1.6 Revenue recognition

Revenue from sale of machinery and parts is recognized on transfer of significant risks and rewards to the purchaser, which generally coincides with the dispatch of goods to customers. In case of

various machinery / equipment which together form part of a larger group of machinery revenue is recognized only when all significant machineries/ equipment are transferred. Sales includes excise duty and are stated net of discounts, other taxes and sales returns. Revenue from services are recognized when services are rendered. Commission Income and export incentives are recognized on accrual basis.

##### 1.7 Other income

Interest income is recognized on accrual basis.

##### 1.8 Foreign currency transactions and translations

Transactions in foreign currencies are recognized at exchange rate prevailing on the date of the transaction. All monetary assets and monetary liabilities denominated in foreign currency outstanding as at the Balance Sheet date are translated at the year end exchange rates. Non-monetary items are carried at historical cost. Exchange differences arising on settlement / re statement of foreign currency monetary assets and liabilities are recognized as income or expense in the statement of profit and loss.

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 amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss 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 in the period in which such cancellation or renewal is made.

##### 1.9 Impairment of assets

The carrying values of assets at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognized, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognized for an asset in earlier accounting periods no longer exists or may have been decreased, such reversal of impairment loss is recognized in the statement of profit and loss.

##### 1.10 Investments

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

##### 1.11 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, leave encashment etc. are recognized 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, Superannuation Fund and Employees' State

Insurance are defined contribution plans. The contribution paid/payable under the schemes is recognized 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 term of related obligations.

Actuarial gains and losses are recognized immediately in the statement of profit and loss.

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

### 1.12 Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws.

Deferred tax is recognised on timing differences, being the difference between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

### 1.13 Provisions and Contingencies

#### a) Provision for warranty

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise.

#### b) Other

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimates

required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

### 1.14 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals under such leases are charged to statement of profit and loss.

### 1.15 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The Cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

Cash for the purpose of cash flow statement comprises cash on hand and demand deposits with banks. Cash equivalents are short term (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

### 1.16 Segment reporting

The Company identifies primary segments based on the dominant source nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating / loss amounts are evaluated regularly by the Management in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expense, segment assets and segment liabilities have been identified to segment on the basis of the relationship to the operating activities of the segment.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses/assets/liabilities."

### 1.17 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share.

### 1.18 Operating cycle

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the revised Schedule III to the Companies Act, 2013. Based on the nature of activities and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Group has determined its operating cycle as twelve months for the purpose of current / non-current classification of assets and liabilities.

**Notes forming part of the financial statements for year ended March 31, 2016**
**Rs. Lakhs**

	As at March 31, 2016	As at March 31, 2015
<b>Note 2 Share Capital</b>		
(a) Authorised: 5,000,000 Equity Shares of Rs.10 each	500	500
(b) Issued, subscribed and fully paid up: 1,510,205 Equity Shares of Rs.10 each	151	151
<b>Total</b>	<b>151</b>	<b>151</b>

**Notes :**
**i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year :**

No of shares outstanding at the beginning of the year	1,510,205	1,510,205
Movement during the year	-	-
No of shares outstanding at the end of the year	-	-
<b>Total</b>	<b>1,510,205</b>	<b>1,510,205</b>
Share capital at the beginning of the year (Rs. Lakhs)	151	151
Movement during the year (Rs. Lakhs)	-	-
Share capital at the end of the year (Rs. Lakhs)	-	-
<b>Total</b>	<b>151</b>	<b>151</b>

**(ii) Details of shares held by holding company, the ultimate holding company, their subsidiaries and associates:**
**Equity Shares**

Disa Holding AG, Switzerland	818,902	818,902
Disa Holding AS, Denmark	-	-
Disa Holding AG is a fully owned subsidiary of Disa Holding AS.	313,751	313,751

**iii) Details of shares held by each shareholder holding more than 5% shares:**
**Equity Shares**

Disa Holding AG, Switzerland	818,902	818,902
	54.22%	54.22%
Disa Holding AS, Denmark	313,751	313,751
	20.78%	20.78%
Disa Holding AG is a fully owned subsidiary of Disa Holding AS.	-	-
Equity Shares are held by IDFC Premier Equity Fund	90,021	90,000
	5.96%	5.96%

**iv) Details of rights, preferences and restrictions in respect of equity shares :**

The Company has one class of Shares referred to as Equity Shares with par value of Rs 10/- per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company. The distribution will be in proportion to the number of equity shares held by the share holders.

The Equity Shareholders are entitled to receive dividend proposed by the Board of Directors which is subject to the approval of the shareholders in the ensuing Annual General meeting, except in case of Interim Dividend.

**Rs. Lakhs**

	As at March 31, 2016	As at March 31, 2015
<b>Note 3 Reserves and Surplus</b>		
(a) Capital reserve		
Opening balance	15	15
Movements during the year/period	-	-
Closing balance	15	15
(b) Securities premium account		
Opening balance	1,091	1,091
Movements during the year/period	-	-
Closing balance	1,091	1,091
(c) General reserve		
Opening balance	1,426	1,426
Movements during the year/period	-	-
Closing balance	1,426	1,426

Notes forming part of the financial statements for year ended March 31, 2016

	As at March 31, 2016	Rs. Lakhs As at March 31, 2015
<b>Note 3 Reserves and Surplus (Contd...)</b>		
(d) Surplus / (Deficit) in Statement of profit and loss		
Opening balance	7,120	5,378
Add: Profit / (Loss) for the year/period	1,060	1,788
Proposed dividend - Rs. 2.50 per share (PY -Rs. 2.50 per share)	38	38
Tax on dividend	8	8
Closing balance	<u>8,134</u>	<u>7,120</u>
<b>Total</b>	<u>10,666</u>	<u>9,652</u>
<b>Note 4 Trade Payables</b>		
(i) Total outstanding due to micro enterprises and small enterprises	73	132
(ii) Total outstanding due to creditors other than micro enterprises and small enterprises	1,717	1,702
<b>Total</b>	<u>1,790</u>	<u>1,834</u>
<b>Note 5 Other Current Liabilities</b>		
(a) Unpaid dividends	36	66
(b) Other payables		
(i) Statutory remittances	60	72
(ii) Payables on purchase of fixed assets	1	9
(iii) Contractually reimbursable expenses	43	90
(iv) Advances from customers	2,624	2,054
(v) Expenses on supervisory service contracts	101	125
(vi) Employee benefit payables (refer note 24.1)		
- Compensated absences	116	80
- Gratuity	160	141
<b>Total</b>	<u>3,141</u>	<u>2,637</u>
<b>Note 6 Short-term Provisions</b>		
<b>Provision - Others:</b>		
(i) Provision for tax (net of advance tax of Rs. 727 Lakhs , PY - Rs.950 Lakhs)	43	43
(ii) Provision for warranty	116	154
(iii) Provision for proposed equity dividend	38	38
(iv) Provision for tax on proposed dividends	8	8
<b>Total</b>	<u>205</u>	<u>243</u>

**Notes forming part of the financial statements for year ended March 31, 2016**
**Note 7a Tangible Assets**

Rs. Lakhs

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at March 31, 2015	Additions	Disposals	Balance as at March 31, 2016	Balance as at March 31, 2015	Depreciation/ amortisation expense for the year (period)	Eliminated on disposal of assets	Balance as at March 31, 2016	Balance as at March 31, 2016	Balance as at March 31, 2015
<b>Owned:</b>										
(a) Freehold land	31 (31)	-	-	31 (31)	-	-	-	-	31 (31)	31 (31)
(b) Buildings	1,649 (1,649)	-	-	1,649 (1,649)	564 (496)	50 (68)	1	613 (564)	1,036 (1,085)	1,085 (1,153)
(c) Plant and Equipment	2,450 (2,438)	44 (35)	76 (23)	2,418 (2,450)	1,824 (1,693)	115 (144)	74 (13)	1,865 (1,824)	553 (626)	626 (745)
(d) Furniture and Fixtures	128 (151)	-	-	128 (128)	99 (131)	4 (5)	-	103 (99)	25 (29)	29 (20)
(e) Vehicles	45 (32)	24 (32)	12 (19)	57 (45)	11 (22)	6 (4)	9	8 (11)	49 (34)	34 (10)
(f) Office equipment	143 (144)	6 (7)	51 (8)	98 (143)	117 (110)	10 (16)	48 (9)	79 (117)	19 (26)	26 (34)
(g) Patterns, Tools, Jigs & Fixtures	250 (275)	7 (20)	-	257 (250)	167 (185)	23 (27)	-	190 (167)	67 (83)	83 (90)
(h) Computers	217 (230)	22 (11)	8 (24)	231 (217)	183 (143)	26 (63)	5 (23)	204 (183)	27 (34)	34 (87)
<b>Total</b>	<b>4,913</b>	<b>103</b>	<b>147</b>	<b>4,869</b>	<b>2,965</b>	<b>234</b>	<b>137</b>	<b>3,062</b>	<b>1,807</b>	<b>1,948</b>
Previous period	4,950	119	156	4,913	2,780	327	142	2,965	1,948	2,170

**Note 7b Intangible Assets**

Rs. Lakhs

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at March 31, 2015	Additions	Disposals	Balance as at March 31, 2016	Balance as at March 31, 2015	Depreciation/ amortisation expense for the year (period)	Eliminated on disposal of assets	Balance as at March 31, 2016	Balance as at March 31, 2016	Balance as at March 31, 2015
Acquired Computer Software	203	-	-	203	151	51	-	202	1	51
<b>Total</b>	<b>203</b>	<b>-</b>	<b>-</b>	<b>203</b>	<b>151</b>	<b>51</b>	<b>-</b>	<b>202</b>	<b>1</b>	<b>51</b>
Previous period	203	-	-	203	88	64	-	152	51	115

**Note 7c Depreciation and Amortization Expenses**

Rs. Lakhs

Particulars	For the year ended March 31, 2016	For 15 months ended March 31, 2015
Depreciation for the year on tangible assets as per Note 7A	234	327
Amortisation for the year on intangible assets as per Note 7B	51	64
<b>Total</b>	<b>285</b>	<b>391</b>

## Notes forming part of the financial statements for year ended March 31, 2016

	As at March 31, 2016	Rs. Lakhs As at March 31, 2015
<b>Note 8 Non Current Investments</b>		
Unquoted Investment in subsidiary (at cost)	440	-
44 Lakhs equity shares ( PY - Nil ) of Rs. 10 each fully paid up in Bhardra Castalloys Private Limited		
<b>Total</b>	<b>440</b>	<b>-</b>
Aggregate Amount of unquoted investment	440	-
<b>Note 9 Deferred Tax Asset</b>		
<b>Deferred tax (liability) / asset</b>		
Tax effect of items constituting deferred tax (liability)		
On difference between book balance and tax balance of fixed assets	(95)	(108)
Tax effect of items constituting deferred tax liability	(95)	(108)
Tax effect of items constituting deferred tax assets		
Provision for compensated absences, gratuity and other employee benefits	127	104
Provision for doubtful debts / advances	10	17
Tax effect of items constituting deferred tax assets	137	121
<b>Net deferred tax (liability) / asset</b>	<b>42</b>	<b>13</b>
<b>NOTE 10 Long-term Loans and Advances</b>		
(Unsecured, considered good)		
(a)Capital advances	-	6
(b)Security deposits	102	101
(c)Advance income tax (net of provision of tax Rs. 5,089 lakhs (PY- Rs.4095 lakhs))	179	73
(d)Balance with government authorities- VAT	15	15
<b>Total</b>	<b>296</b>	<b>195</b>
<b>NOTE 11 Other Non-current Assets</b>		
Bank balances		
In deposit accounts with original maturity of more than twelve months (as margin money deposits)	9	70
<b>Total</b>	<b>9</b>	<b>70</b>
<b>NOTE 12 INVENTORIES</b>		
(At lower of cost and net realisable value)		
(a) Raw materials and Components	1,520	1,630
(Goods in Transit - Rs. 62 Lakhs, PY - Rs. 50 Lakhs)		
(b) Work-in-progress (refer note (i) below)	1,531	1,821
(c) Finished goods (other than those acquired for trading)	649	92
(d) Stock-in-trade -acquired for Trading -	225	145
(Goods in Transit - Rs.36 Lakhs, PY-Rs 18 Lakhs)		
<b>Total</b>	<b>3,925</b>	<b>3,688</b>

Note (i) The nature of Company's operations are such that individual items in work-in-progress are not significant to be disclosed separately

**Notes forming part of the financial statements for year ended March 31, 2016**

Rs. Lakhs

	As at March 31, 2016	As at March 31, 2015
<b>Note 13 Trade Receivables</b>		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	164	101
Unsecured, considered doubtful	28	46
	<u>192</u>	<u>147</u>
Less: Provision for doubtful trade receivables	28	46
<b>Sub-Total - A</b>	<u>164</u>	<u>101</u>
<b>Other trade receivables :</b>		
Secured, considered good	-	21
Unsecured, considered good	850	1,011
Unsecured, considered doubtful	-	3
	<u>850</u>	<u>1,035</u>
Less: Provision for doubtful trade receivables	-	3
Sub-Total - B	<u>850</u>	<u>1,032</u>
<b>Total -A + B</b>	<u>1,014</u>	<u>1,133</u>
<b>Note 14 Cash And Cash Equivalents</b>		
<b>A. Cash and Cash Equivalents</b>		
(a) Cash on hand	1	1
<b>(b) Balances with banks</b>		
(i) In current accounts	193	124
Sub Total - A	<u>194</u>	<u>125</u>
<b>B. Other Bank Balances</b>		
(i) In deposit accounts with original maturity of more than twelve months ( including lien and margin money deposits Rs 664 Lakhs (PY - Rs. 410 Lakhs)	1,224	827
(ii) In deposit accounts with original maturity of more than three months but less than 12 months ( including lien and margin money deposits Rs. 1159 Lakhs (PY - Rs. 735 Lakhs)	5,174	4,167
(iii) In earmarked accounts		
- Unpaid dividend accounts	36	66
Sub Total - B	<u>6,434</u>	<u>5,060</u>
<b>Total A + B</b>	<u>6,628</u>	<u>5,185</u>
<b>Note 15 Short-term Loans And Advances</b>		
(Unsecured, considered good)		
(a) Loans and advances to employees	2	11
(b) Prepaid expenses	40	39
(c) Balances with government authorities		
(i) Excise, CENVAT	75	97
(ii) VAT	1,158	1,526
(iii) Service Tax	116	213
(d) Other advances [Refer Note (i)]	121	110
<b>Total</b>	<u>1,512</u>	<u>1,996</u>
<b>Note (i)</b>		
Advance to suppliers	45	55
Duty drawback receivable	28	24
Others	48	31
<b>Total</b>	<u>121</u>	<u>110</u>
<b>Note 16 Other Current Assets</b>		
(a) Interest accrued on deposits	215	205
(b) Contractually reimbursable expenses	64	32
<b>Total</b>	<u>279</u>	<u>237</u>

## Notes forming part of the financial statements for year ended March 31, 2016

	Rs. Lakhs	
	For the year ended March 31, 2016	For 15 Months ended March 31, 2015
<b>Note 17 Revenue From Operations</b>		
(a) Sale of products (Refer note (i) below )	15,231	19,110
(b) Sale of services ( Refer note (ii) below )	181	339
(c) Other operating revenue ( Refer note (iii) below)	211	339
	15,623	19,788
Less: Excise Duty	1,350	1,411
<b>Total</b>	14,273	18,377
<b>Notes :</b>		
<b>(i) Sale of Products comprises:</b>		
Manufactured goods :		
Machinery	12,040	15,494
Parts of machinery	2,265	2,241
Sub Total -A	14,305	17,735
Traded goods :		
Parts of machinery	926	1,375
Sub Total - B	926	1,375
<b>Total - A + B</b>	15,231	19,110
<b>(ii) Sale of Service comprises:</b>		
Engineering services	119	107
Supervision of Installation services	52	155
Others	10	77
<b>Total</b>	181	339
Note : Further break down into broad heads are not disclosed as individual heads are not significant		
<b>(iii) Other operating revenue comprises :</b>		
Commission income	151	268
Sale of scrap	24	42
Export incentives	36	29
<b>Total</b>	211	339
<b>Note 18 Other Income</b>		
(a) Interest income on bank deposits	499	579
(b) Net gain on foreign currency transactions and translation	83	89
(c) Other non-operating income (Refer note (i) below)	89	259
<b>Total</b>	671	927
<b>Note (i) Other non operating income comprises of :</b>		
Royalty	3	7
Profit on sales of assets ( net )	8	-
Rental income ( Refer note 24.4 )	21	24
Write back of advance balances	-	211
Provision for doubtful trade receivable reversed	25	-
Liability no longer required written back	16	-
Others	16	17
<b>Total</b>	89	259



**Notes forming part of the financial statements for year ended March 31, 2016**

Rs. Lakhs

	For the year ended March 31, 2016	For 15 Months ended March 31, 2015
<b>Note 19.a Cost of Raw Materials and Components Consumed</b>		
Opening Stock	1,630	1,387
Add : Purchases	7,238	9,710
Less : Closing Stock	1,520	1,630
Cost of raw materials and components consumed including packing materials	<u>7,348</u>	<u>9,467</u>
Note : The nature of Company's operations are such that further breakdown into broad heads are not significant		
<b>Note 19.b Purchase of Stock in Trade (Traded Goods)</b>		
Parts of machinery	<u>878</u>	<u>1,039</u>
Note : The nature of Company's operations are such that further break down into broad heads are not significant		
<b>Note 19.c Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-trade</b>		
<u>Inventories at the end of the year :</u>		
Finished goods	649	92
Work-in-progress	1,531	1,821
Stock-in-trade	225	145
Sub Total	<u>2,405</u>	<u>2,058</u>
<u>Inventories at the beginning of the year:</u>		
Finished goods	92	31
Work-in-progress	1,821	1,259
Stock-in-trade	145	197
Sub Total	<u>2,058</u>	<u>1,487</u>
<b>Total</b>	<u>(347)</u>	<u>(571)</u>
<b>Note 20 Employee Benefits Expense</b>		
(a) Salaries and wages	2,306	2,730
(b) Contributions to provident and other funds	227	339
(c) Staff welfare expenses	112	156
<b>Total</b>	<u>2,645</u>	<u>3,225</u>
<b>Note 21 Finance Costs</b>		
Interest expense on:		
(i) Interest on deposits accepted and others	2	35
<b>Total</b>	<u>2</u>	<u>35</u>

## Notes forming part of the financial statements for year ended March 31, 2016

Rs. Lakhs

	For the year ended March 31, 2016	For 15 Months ended March 31, 2015
<b>Note 22 Other Expenses</b>		
Increase / ( decrease ) of excise duty on Inventory	70	19
Power and fuel	101	141
Rent (Refer note 24.4)	76	103
Repairs and maintenance - Buildings	35	32
Repairs and maintenance - Machinery	36	63
Repairs and maintenance - Others	43	54
Insurance	64	79
Rates and taxes	38	53
Travelling and conveyance	432	511
Legal and professional charges	109	147
Security expenses	50	56
Telephone , Postage and Courier	35	46
Printing and stationery	17	21
Freight Outwards	132	196
Commission Expenses	42	96
Recruitment and Training	37	19
Group Management fees	178	209
Bank charges and guarantee commission	15	19
Directors sitting fees and commission	8	9
Royalty	163	167
IT Costs	19	92
Group IT Costs	366	349
Expenditure on Corporate Social Responsibility (refer note (ii) below)	56	39
Payments to auditors (Refer note (i) below)	28	26
Bad Debts written off	7	19
Provision for doubtful debts	4	-
Advertisement and sales Promotion	75	107
Miscellaneous expenses	246	220
<b>Total</b>	<b>2,482</b>	<b>2,892</b>
<b>Note (i) Payments to auditors comprises</b> (Net of service tax where applicable)		
(a) auditors - Statutory audit (Including quarterly audit for SEBI filing)	17	15
Tax Audit	2	2
Other services	5	5
Reimbursement of expenses	2	2
Sub Total	<b>26</b>	<b>24</b>
(b) Cost Auditors		
Cost Audit fee	2	2
Sub Total	<b>2</b>	<b>2</b>
<b>Total</b>	<b>28</b>	<b>26</b>
<b>Note (ii) Expenditure on corporate social responsibility</b>		
(a) Gross amount required to be spent by the company	57	61
(b) Amount Paid during the year towards		
- promotion of education	56	39

**Notes forming part of the financial statements for year ended March 31, 2016**

Rs. Lakhs

Particulars	As at	As at
	March 31, 2016	March 31, 2015
<b>Note 23 Additional information to the financial statements</b>		
<b>23.1 Contingent Liabilities and Commitments</b>		
(i) Claims against company not acknowledged as debt		
- Service Tax	18	14
- CST /VAT	329	123
- Excise Duty	9	5
a) Outflow, if any, arising out of the said claim including interest would depend on the outcome of the decision of the appellate authority and the company's right for future appeal before the judiciary.		
(ii) Estimated amount of contracts remaining to be executed on capital account and not provided for tangible assets	-	35
<b>23.2 Disclosure under Micro, Small and Medium Enterprises Development Act, 2006</b>		
Amount due and remaining unpaid		
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	73	132
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amount of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-
Note : The above is determined to the extent such parties have been identified on the basis of information collected by the Management and this has been relied upon by the auditors.		
<b>23.3 Details of derivatives instruments and unhedged foreign currency exposures</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 are as under :		
<b>Currency</b>	<b>INR</b>	<b>INR</b>
a) Number of ' Buy ' Contracts	1	1
b) Aggregate currency amount ( Rs in Lakhs)	500	7
<b>Cross Currency</b>	<b>EURO</b>	<b>US\$</b>
a) Number of ' Sell ' Contracts	-	1
	(7)	-
b) Aggregate currency amount ( Rs in Lakhs)	-	5 0 0
	(708)	-
c) Aggregate currency amount in foreign currency ( Lakhs)	-	7
	(11)	-
Note: Figures in bracket relates to the previous year		

Year end foreign currency exposures not hedged by a derivative instrument or otherwise are given below:

	Currency	Amount ( Foreign Currency in Lakhs )		Amount in Rs Lakhs	
		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Receivable	EURO	4	6	269	417
	USD	-	1	26	56
Payable	EURO	5	5	409	313
	USD	5	5	328	296

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### Notes forming part of the financial statements for year ended March 31, 2016

		Rs. Lakhs	
		For the year ended March 31, 2016	For 15 Months ended March 31, 2015
<b>23.4</b>	<b>Value of Imports on CIF Basis</b>		
	Raw material	380	315
	Components and spare parts	877	992
	Traded Goods	847	1,027
	Capital Goods	-	6
	<b>Total</b>	<b>2,104</b>	<b>2,340</b>
<b>23.5</b>	<b>Expenditure in foreign currency</b>		
	Travel	10	28
	Commission on sales	8	4
	Royalty	163	167
	Service charges	122	18
	Group IT / group management charges	544	627
	<b>Total</b>	<b>847</b>	<b>844</b>
<b>23.6</b>	<b>Amounts remitted in foreign currency during the year on account of dividend</b>		
	Amount of dividend remitted in foreign currency	28	28
	Total number of non resident shareholders to whom the dividends were remitted in foreign currency	2	2
	Total number of shares held by them on which dividend was due	11	11

23.7	Details of consumption of imported and indigenous materials	Year ended	Year ended	Year ended	Year ended
		March 31, 2016	March 31, 2016	March 31, 2015	March 31, 2015
		Rs. Lakhs		Rs. Lakhs	
	Imports	1,055	14%	1,127	12%
	Indigenous	6,293	86%	8,340	88%
	<b>Total</b>	<b>7,348</b>	<b>100%</b>	<b>9,467</b>	<b>100%</b>

		Rs. Lakhs	
		Year ended March 31, 2016	For 15 Months ended March 31, 2015
<b>23.8</b>	<b>Earnings in foreign currency</b>		
	Agency commission	151	268
	Exports on FOB basis	2,097	1,865
	Royalty and engineering service fees	88	216
	<b>Total</b>	<b>2,336</b>	<b>2,349</b>
<b>23.9</b>	<b>The Company has banking facilities with Kotak Mahindra Bank Limited and the following are the details of same</b>		
	Overdraft	500	500
	Working Capital Term Loan (sublimit of overdraft)	500	500
	Term Loan	-	-
	Bank guarantee	2,500	2,500
	Letters of Credit (sublimit of bank guarantee)	500	500
	Forex Forwards	150	150

Bank deposits with Kotak Mahindra Bank limited have a lien marked to cover the margins as specified above. Also first equitable mortgage on Immovable property being land and building situated at Tumkur and Hosakote and Pune and Kolkata properties to the extent of **Rs. 3000 Lakhs** ( PY - Rs. 3000 Lakhs ) has been offered as security.

**Notes forming part of the financial statements for year ended March 31, 2016**
**Note 24. Disclosures under Accounting Standards**
**24.1 Disclosure Pursuant to AS-15 (Revised)**
**a) Defined Contribution Plans**

The Company makes Provident Fund , Employees state Insurance and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the Schemes , the company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised **Rs.106 Lakhs** (March 31, 2015:Rs.126 Lakhs) for Provident Fund contributions and **Rs.56 Lakhs** (March 31, 2015: Rs.66 Lakhs ) for Superannuation Fund contributions and **Rs. 2 Lakhs** (March 31, 2015: Rs.3 Lakhs) for Employees State insurance scheme contribution in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes) .

**b) Defined Benefit Plans**

The Company offers gratuity and encashment of leave benefit to its employees.

**(i) Gratuity**

Rs. Lakhs

	Year ended March 31, 2016	Year ended March 31, 2015
<b>Components of employer expense:</b>		
Current service cost	48	51
Interest cost	39	42
Expected return on plan assets	(31)	(34)
Actuarial losses / (gains)	(1)	44
<b>Total expense recognised in the Statement of profit and loss</b>	<b>55</b>	<b>103</b>
<b>Actual contribution and benefit payments for the year :</b>		
Actual benefit payments	(25)	-
Actual contributions	36	53
<b>Net asset / ( liability ) recognised in the Balance Sheet</b>		
Present value of defined benefit obligation	573	513
Fair Value of plan assets	413	372
<b>Funded status Surplus / (Deficit )</b>	<b>(160)</b>	<b>(141)</b>
Unrecognised past service costs	-	-
<b>Net asset / ( liability ) recognised in the Balance Sheet</b>	<b>(160)</b>	<b>(141)</b>
<b>Change in defined benefit obligation:</b>		
Present value of defined benefit obligation at beginning of year	513	376
Service cost	48	51
Interest cost	39	41
(Benefits paid)	(25)	(0)
Net transfer in / (out)	-	-
Actuarial Loss/(Gain)	(2)	45
<b>Present value of defined benefit obligation at end of year</b>	<b>573</b>	<b>513</b>
<b>Changes in fair value of Plan Assets :</b>		
Plan assets at beginning of the period	372	285
Expected return on plan assets	31	33
Actual contributions	36	53
Transfer in / (outs)	-	-
(Benefits paid)	(25)	(0)
Actuarial Gain / (Loss)	(1)	1
Plan assets at end of the year	413	372
<b>Actual return on plan assets</b>	<b>30</b>	<b>35</b>
<b>Composition of the plan assets is as follows ( Refer note(iii) ):</b>		
Government / approved security	48% / 46%	47%
NCD/Bonds	34% / 31%	35%
Equity shares	6% / 2%	4%
Fixed deposit	12% / 21%	14%
<b>Total</b>	<b>100%</b>	<b>100%</b>
<b>Reconciliation of Net Liability :</b>		
Present value of defined benefit obligations	573	513
Less : Fair value of plan assets	413	372
<b>Funded Status - ( deficit ) / surplus</b>	<b>(160)</b>	<b>(141)</b>

## Notes forming part of the financial statements for year ended March 31, 2016

Rs. Lakhs

Particulars	As at March 31, 2016	As at March 31, 2015
<b>Actuarial Assumptions :</b>		
Discount rate	8%	8%
Expected long term rate of return of assets	9%	9%
Rate of compensation increase for the first five years	12%	12%
Rate of compensation increase for the subsequent years	10%	10%
<b>Attrition</b>		
20-30 Years	15%	15%
31-45 Years	10%	10%
46-58 Years	5%	5%
Mortality : Indian Assured Lives Mortality (2006-08) Modified Ultimate		

Experience Adjustments	Year ended March 31, 2016	For 15 months ended March 31, 2015	December 31, 2013	December 31, 2012	December 31, 2011
Present value of defined benefit obligation	573	513	376	288	211
Fair value of Plan assets	413	372	285	222	174
Funded Status - ( deficit ) / surplus	(160)	(141)	(91)	(66)	(37)
Plan liabilities	1	1	54	28	9
Plan assets	1	1	4	2	3

**Note :**

- The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.
- The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.
- LIC with whom the scheme has been funded has advised that the portfolio of the scheme as at March 31, 2015, the latest date for which such information has been compiled by them.
- Estimate of amount of contribution in the immediate next year is **Rs 36.00 Lakhs** (March 31, 2015: Rs 40 Lakhs)  
**The Company offers encashment of leave to its employees.**

The following table sets out the funded status of the leave encashment scheme and the amount recognised in the financial statements.

**(ii) Leave Encashment - as per Actuarial valuation**

Rs. Lakhs

	Year ended March 31, 2016	Year ended March 31, 2015
<b>Components of employer expense</b>		
Current service cost	27	31
Interest cost	16	17
Expected return on plan assets	(11)	(11)
Actuarial losses / (gains)	20	6
<b>Total expense recognised in the Statement of profit and loss</b>	<b>52</b>	<b>43</b>
<b>Actual contribution and benefit payments for the year :</b>		
Actual benefit payments	(18)	1
Actual contributions	2	16
<b>Net asset / ( liability ) recognised in the Balance Sheet</b>		
Present value of defined benefit obligation	254	208
Fair Value of plan assets	138	128
<b>Funded status ( Surplus / (Deficit )</b>	<b>(116)</b>	<b>(80)</b>
Unrecognised past service costs	-	-
<b>Net asset / ( liability ) recognised in the Balance Sheet</b>	<b>(116)</b>	<b>(80)</b>
<b>Change in defined benefit obligation</b>		
Present value of Defined benefit obligation at beginning of year	208	158
Service cost	27	31
Interest cost	16	17
(Benefits paid)	(18)	(1)
Transfer in / (outs)	-	-
Actuarial Loss/(Gain)	21	3
<b>Present value of defined benefit obligation at end of year</b>	<b>254</b>	<b>208</b>

## Notes forming part of the financial statements for year ended March 31, 2016

Rs. Lakhs

	Year ended March 31, 2016	Year ended March 31, 2015
<b>Changes in fair value of Plan Assets :</b>		
Fair Value of plan assets at end of prior year	128	104
Expected return on plan assets	11	11
Employer contributions	2	16
Transfer (outs) / In	-	-
(Benefits paid)	(4)	(1)
Actuarial Gain / (Loss)	1	(2)
Fair value of plan assets at end of the year	138	128
<b>Actual return on plan assets</b>	12	9
<b>Composition of the plan assets is as follows ( Refer note(iii) ):</b>		
Government / approved Security	46%	47%
NCD/Bonds	37%	34%
Equity Shares	2%	5%
Fixed Deposit	15%	14%
<b>Total</b>	<b>100%</b>	<b>100%</b>
<b>Reconciliation of Net Liability</b>		
Present value of defined benefit obligations	254	208
Less : Fair value of plan assets	138	128
<b>Funded Status - ( deficit ) / surplus</b>	<b>(116)</b>	<b>(80)</b>

	Year ended March 31, 2016	For 15 months ended March 31, 2015	December 31, 2013	December 31, 2012	December 31, 2011
<b>Experience Adjustments</b>	<b>2016-2015</b>	<b>2015-2014</b>	<b>2014-2013</b>	<b>2013-2012</b>	<b>2012-2011</b>
Present value of defined Benefit Obligation	254	208	158	128	92
Fair value of Plan assets	138	128	104	91	69
<b>Funded Status - ( deficit ) / surplus</b>	<b>(116)</b>	<b>(80)</b>	<b>(54)</b>	<b>(37)</b>	<b>(23)</b>
Plan Liabilities	(83)	(16)	30	43	-
Plan Assets	1	2	-	1	-

	As at March 31, 2016	As at March 31, 2015
<b>Actuarial Assumptions</b>		
Discount rate	8%	8%
Expected long term rate of return of assets	9%	9%
Rate of compensation increase for the first five years	12%	12%
Rate of compensation increase for the subsequent years	10%	10%
<b>Attrition</b>		
20-30 Years	15%	15%
31-45 Years	10%	10%
46-58 Years	5%	5%

Mortality : Indian Assured Lives Mortality (2006-08) Modified Ultimate

**Note :**

- i) The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.
- ii) The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.
- iii) LIC with whom the scheme has been funded has advised that the portfolio of the scheme as at March 31, 2015 the latest date for which such information has been compiled by them
- iv) Estimate of amount of contribution in the immediate next year is **Rs 21 Lakhs** ( March 31, 2015: Rs 20 Lakhs)

Notes forming part of the financial statements for year ended March 31, 2016

24.2 Related Party transactions

a) Details of related parties

Description of relationship	Name of Related Parties
Holding Company	DISA HOLDING A/S NORICAN GROUP A/S DISA HOLDING A/C
Fellow Subsidiary	DISA INDUSTRIE A/C DISA TECHNOLOGIES PVT LTD DISA INDUSTRIES A/S DISA K.K. DISA (CHANGZHOU) MACH.LTD., WHEELBRATOR GROUP CMBH WHEELBRATOR SRO DISA INDUSTRIE ANJAGEN GMBH WHEELBRATOR GROUP INC WHEELBRATOR GROUP (CANADA) LTD WHEELBRATOR GROUP SAS WHEELBRATOR GROUP LTD HONGKONG NACIRON A/S DISA HOLDING INC NORICAN A/S DISA HOLDING A/C
Subsidiary	BHADRA CASTALLOYS PVT LTD (w.e.f December 30, 2015)
Key Management Personnel (KMP)	Mr. Viraj Naidu- Managing Director Mr. S.Mohan- Chief Financial Officer - (upto 05.09.2015) Mr. Amarnath Mohanty- Chief Financial Officer - (w.e.f 05.11.2015)

b) Details of Related Party Transaction

NAME OF THE RELATED PARTY	DISA INDUSTRIES AG	DISA TECH-NOLOGIES PVT LTD	DISA INDUSTRIES A/S DENMARK	DISA K.K. JAPAN	DISA (CHANGZHOU) MACH. LTD.,	WHEELBRATOR SRO	DISA HOLDING A/S	NORICAN GROUP A/S	WHEELBRATOR GROUP CMBH	WHEELBRATOR GROUP INC	WHEELBRATOR (Canada) Ltd	WHEELBRATOR Group SAS	WHEELBRATOR Group Ltd Hongkong	Norcan A/S	DISA Industries Inc.	Disa Holding A.C	Bhadra Castalloys Pvt Ltd.	Mr. Viraj Naidu, Managing Director	Mr. Amarnath Mohanty, Chief Financial Officer	Ms. S.Mohan, Chief Financial officer	TOTAL	
Royalty	18 (17)	-	106 (121)	-	-	-	-	-	39 (29)	-	-	-	-	-	-	-	-	-	-	-	163 (167)	
Service fees	-	36 (1)	-	-	-	-	-	-	120 (1)	-	-	-	-	-	-	-	-	-	-	-	156 (16)	
Group management service fees	-	-	-	-	-	-	-	(209)	-	-	-	-	-	102	-	-	-	-	-	-	178 (209)	
Group IT fees	-	-	-	-	-	-	-	(418)	-	-	-	-	-	184	-	-	-	-	-	-	366 (418)	
Import of materials	-	-	764 (1,138)	-	136 (102)	-	-	-	-	119 (70)	-	-	-	-	-	-	-	-	-	-	1,019 (1,328)	
Capital goods	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Reimbursement of expenses	-	-	8 (5)	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	31 (5)	
Managerial remuneration	-	-	(10)	-	-	-	-	-	-	-	-	-	-	-	-	-	21	-	-	-	31 (34)	
Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	103 (33)	26	53	182 (133)	
Service income	-	-	46 (120)	-	6 (1)	-	-	-	-	-	-	-	-	-	-	20	-	-	-	-	85 (128)	
Sale of goods	-	-	1,058 (702)	2 (7)	223 (339)	-	-	-	5 (2)	-	34 (42)	-	-	-	25	-	-	-	-	-	1,308 (1,048)	
Deputation charge received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Royalty received	-	-	-	-	3 (7)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3 (7)	
Commission income	-	-	107 (664)	-	-	-	-	-	-	-	-	4	23 (6)	-	-	-	-	-	-	-	134 (664)	
Order Cancellation Charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Reimbursement of warranty cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Equity contribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	440	-	-	-	440	
<b>Balances outstanding as at year end</b>																						
Trade receivables	-	-	186 (434)	-	73 (11)	-	-	-	6 (1)	-	9 (8)	-	-	-	-	-	-	-	-	-	274 (454)	
Other current assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	21	-	-	-	21	
Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Trade payables	1	-	211 (190)	-	-	23 (9)	-	-	114 (1)	52 (56)	-	-	-	-	-	-	-	-	-	-	401 (238)	
Other current liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	(90)	-	-	-	-	-	-	-	-	-	-	-	-	(90)	

Note: Figures in bracket relates to the previous year



**Notes forming part of the financial statements for year ended March 31, 2016**

- 24.3** Business segment is identified as the primary segment and after considering all relevant factors. The company is engaged in manufacture of machinery and machinery parts and is considered to constitute a single segment in the context of AS-17 on "Segment Reporting" referred to in the Companies Act, 2013.  
 The geographic segments individually contributing 10 percent or more of the Company's revenues and segment assets are shown separately:

Rs. Lakhs

Geographic Segment	Revenues For the year ended March 31, 2016	Segment assets As at March 31, 2016	Capital expenditure incurred for the year ended March 31, 2016
India	<b>11,861</b> (16,008)	<b>15,432</b> (13,897)	<b>103</b> (120)
Rest of the World	<b>2,412</b> (2,369)	<b>300</b> (534)	- -
Total	<b>14,273</b> (18,377)	<b>15,732</b> (14,431)	<b>103</b> (120)

Note: Figures in bracket relates to the previous year

Rs. Lakhs

	Year ended March 31, 2016	15 Months ended March 31, 2015
<b>24.4 Details of leasing arrangements</b>		
<b>As Lessee:</b>		
The Company has taken Office Premises on Operating Leases. There are cancellable lease arrangements ranging between 3 to 6 years. Most of the leases are renewable for further on a mutually agreeable basis and also includes escalation ranging from 5% to 10%.		
Lease payments recognised in the statement of profit and loss	<b>76</b>	103
<b>As Lessor:</b>		
The Company has entered into non cancellable lease agreement for its facilities. The tenure of lease ranges from three to five years. The lease agreements have an escalation clause wherein lease agreement is subject to an increment ranging from 5 % to 10 %		
Details of lease commitment at the year end are as follows :	<b>21</b>	24
Upto one year	<b>6</b>	12
From one to five years	-	10
Above five years	-	-
Gross carrying amount of leased asset	<b>74</b>	74
Accumulated depreciation of leased asset	<b>45</b>	44
Depreciation recognised on the leased assets in the statement of profit and loss	<b>1</b>	1
<b>24.5 Earnings per share</b>		
Net Profit for the year	<b>1,060</b>	1,788
Number of equity shares ( in Numbers)	<b>1,510,205</b>	1,510,205
Basic and diluted earnings per share (Rs.)	<b>70.19</b>	118.41
<b>24.6 Provisions</b>		
Provisions for Warranties		
Balance at the beginning	<b>154</b>	146
Provision made	<b>163</b>	192
Amounts utilized	<b>201</b>	184
Balance at the end	<b>116</b>	154

Note: Future cash outflow in respect of the above is determinable only on occurrence of uncertain future events

### Notes forming part of the financial statements for year ended March 31, 2016

- 24.7** During the previous year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014, the Company has revised the estimated useful life of some of its assets to align the useful life with those specified in Schedule II. Further, assets individually costing Rs 10,000 or less that were depreciated fully in the year of purchase are now depreciated based on the useful life considered by the Company for the respective category of assets. The details of previously applied useful life and current useful life are as follows:

<b>Asset</b>	<b>Previous useful life in years</b>	<b>Current useful life in years</b>
Buildings (other than factory buildings)	60	60
Factory Buildings	30	30
Plant and Equipment	15	15
Furniture and Fixtures	10	10
Vehicles	8	8
Motor Cycles	10	10
Office Equipments	5	5
Computers -servers and networks	6	6
Computer	3	3

The depreciation expense in the Statement of profit and Loss for the period is lower by Rs.75 lakhs consequent to the change in the useful lives of assets.

- 25** Previous financial year is for a period of 15 months commencing from 1st Jan 2014 and ended 31st March 2015 and are not directly comparable with the current year number. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

Signatures to the Statement of Significant Accounting Policies and Notes to the Financial Statements.

#### For and on behalf of the Board of Directors

Ankit Surana  
Company Secretary

Amar Nath Mohanty  
Chief Financial Officer

Viraj Naidu  
Managing Director

Deepa Hingorani  
Director

Place : Bangalore  
Date : May 26, 2016

## Independent Auditor's Report to the Members of Disa India Limited

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of DISA INDIA LIMITED (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary Company together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with Accounting Standards prescribed under Section 133 of the Act, as applicable. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit

evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

### Other Matters

We did not audit the financial statements of one subsidiary whose financial statements reflect total assets of Rs. 843 Lakhs as at March 31, 2016, total revenues of Rs. Nil, net cash flows amounting to Rs. 65 Lakhs for the year ended on that date, as considered in the consolidated financial statements. This financial statements has been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.
  - e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls,

refer to our Report in "Annexure A", which is based on the auditors' reports of the Holding company, subsidiary company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company's/ subsidiary company's incorporated in India internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.

ii. The Group did not have any material foreseeable losses on

long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India.

For **Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm Registration No. 008072S)

**S. Sundaresan**  
Partner  
(Membership No.25776)

**Bangalore, May 26, 2016**  
SS/JKS/2016

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## Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph "f" under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

### Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of **DISA INDIA LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary company which are companies incorporated in India, as of that date.

#### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the

Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor of the subsidiary company, which is a company incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary

company, which is a company incorporated in India, has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

#### **Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one subsidiary company, which is a company incorporated in India, is based on the corresponding reports of the auditors of such company incorporated in India.

For **Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm Registration No. 008072S)

**Bangalore, May 26, 2016**  
SS/JKS/2016

**S. Sundaresan**  
Partner  
(Membership No.25776)

## Consolidated Balance sheet as at March 31, 2016

Rs. Lakhs

Particulars		Note No.	As at March 31, 2016
<b>A</b>	<b>EQUITY AND LIABILITIES</b>		
1	Shareholders' funds		
	(a) Share capital	2	151
	(b) Reserves and surplus	3	10,666
			<b>10,817</b>
2	Non-current liabilities		
	(a) Other long-term liabilities	4	292
			<b>292</b>
3	Current liabilities		
	(a) Trade payables	5	
	(i) Total outstanding due to micro enterprises and small enterprises		73
	(ii) Total outstanding due to creditors other than micro enterprises and small enterprises		<b>1,756</b>
	(b) Other current liabilities	6	<b>3,190</b>
	(c) Short-term provisions	7	205
			<b>5,224</b>
	<b>TOTAL</b>		<b>16,333</b>
<b>B</b>	<b>ASSETS</b>		
1	Non-current assets		
	(a) Fixed assets		
	(i) Tangible assets	8A	<b>2,359</b>
	(ii) Intangible assets	8B	61
	(b) Deferred tax assets (net)	9	<b>42</b>
	(c) Long-term loans and advances	10	<b>308</b>
	(d) Other non-current assets	11	9
			<b>2,779</b>
2	Current assets		
	(a) Inventories	12	<b>3,947</b>
	(b) Trade receivables	13	<b>1,143</b>
	(c) Cash and cash equivalents	14	<b>6,693</b>
	(d) Short-term loans and advances	15	<b>1,513</b>
	(e) Other current assets	16	<b>258</b>
			<b>13,554</b>
	<b>TOTAL</b>		<b>16,333</b>
See accompanying notes forming part of the financial statements			

In terms of our report attached

For Deloitte Haskins & Sells  
Chartered Accountants

S. Sundaresan  
Partner  
Membership No. 25776

Place : Bangalore  
Date : May 26, 2016

Amar Nath Mohanty  
Chief Financial Officer

Ankit Surana  
Company Secretary  
ACS No. 37297

For and on behalf of the Board of Directors

Viraj Naidu  
Managing Director  
DIN : 01284452

Deepa Hingorani  
Director  
DIN : 00206310

**Consolidated Statement of Profit & Loss for the year ended March 31, 2016**

Rs. Lakhs

Particulars		Note No.	For the year ended March 31, 2016
1	Revenue from operations (gross)	17	15,623
	Less: Excise duty	17	1,350
	Revenue from operations (net)		14,273
2	Other income	18	671
3	<b>Total revenue (1+2)</b>		<b>14,944</b>
4	<b>Expenses</b>		
	(a) Cost of raw materials and components consumed	19.a	7,348
	(b) Purchases of stock-in-trade (traded goods)	19.b	878
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	19.c	(347)
	(d) Employee benefits expense	20	2,645
	(e) Finance costs	21	2
	(f) Depreciation and amortisation expense	8C	285
	(g) Other expenses	22	2,482
	<b>Total expenses</b>		<b>13,293</b>
5	<b>Profit before tax (3 - 4)</b>		<b>1,651</b>
6	<b>Tax expense:</b>		
	(a) Current tax expense for current year		620
	(b) Deferred tax		(29)
			591
7	<b>Profit for the year (5 - 6)</b>		<b>1,060</b>
	<b>Earnings per Equity share (face value of Rs 10 /- each):</b>	24.5	
	(a) Basic - Rs.		70.19
	(b) Diluted - Rs.		70.19
	See accompanying notes forming part of the financial statements		

In terms of our report attached

**For Deloitte Haskins & Sells**  
 Chartered Accountants

 S. Sundaresan  
 Partner  
 Membership No. 25776

 Place : Bangalore  
 Date : May 26, 2016

 Amar Nath Mohanty  
 Chief Financial Officer

 Ankit Surana  
 Company Secretary  
 ACS No. 37297

**For and on behalf of the Board of Directors**

 Viraj Naidu  
 Managing Director  
 DIN : 01284452

 Deepa Hingorani  
 Director  
 DIN : 00206310

## Consolidated Cash Flow Statement for the year ended March 31, 2016

(Rs. Lakhs)

		For the year ended March 31, 2016	
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES :</b>		
	Net profit before tax		1,651
	<b>Adjustments for</b>		
	Depreciation and amortization	285	
	Finance cost	2	
	(Profit) / Loss on sale of assets	(8)	
	Interest Income	(499)	
	Bad debts written off	7	
	Provision for doubtful debts	4	
	Provision for doubtful trade receivable reversed	(25)	
	Liability no longer required written back	(16)	
	Net unrealised exchange (gain) / loss	(83)	(333)
	<b>Operating Profit before working capital changes</b>		1,318
	<u>Adjustments for : (increase) / decrease in operating assets:</u>		
	Inventories	(248)	
	Trade Receivables	197	
	Short term loans and advances	4,83	
	Other Current Assets	(10)	
	Long term loans and advances	(7)	
	<u>Adjustments for : increase / (decrease) in operating liabilities:</u>		
	Trade payables	(39)	
	Other current and non current Liabilities	541	
	Provisions	(38)	
	<b>Net changes in Working Capital</b>		879
	<b>Cash generated from operations</b>		2,197
	Income tax paid (net of refunds)		(726)
	<b>Net cash flow from / (used) in operating activities</b>		1,471
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES :</b>		
	Capital expenditure on fixed assets including capital advances	(104)	
	Proceeds from sale of fixed assets	18	
	Interest received	4,89	
	Purchase consideration paid pursuant to assets purchase agreement (refer - Note 25)	(349)	
	Investment in bank deposits	(5,192)	
	Redemption / maturity of bank deposits	3,849	
	<b>Net cash flow from / (used) investing activities</b>		(1,289)
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>		
	Finance cost	(2)	
	Dividends paid	(38)	
	Tax on dividend	(8)	
	<b>Net cash used in financing activities</b>		(48)
<b>D</b>	<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS ( A+B+C)</b>		134
	Cash and Cash Equivalents as at March 31, 2015 ( As per note 14)		125
	Cash and Cash Equivalents as at March 31, 2016 ( As per note 14)		259
	<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		134
	<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>		
	Cash and cash equivalents (Refer Note 14)		6,693
	Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements:		
	(i) In other deposit accounts		
	- original maturity more than 3 months		6,398
	(ii) In earmarked accounts (Refer Note (i) below)		
	- Unpaid dividend accounts		36
	Cash and cash equivalents at the end of the period		259
	<b>Cash and cash equivalents at the end of the period</b>		
	Comprises:		
	(a) Cash on hand		1
	(b) In current accounts		258
			259

Notes: (i) These earmarked account balances with banks can be utilized only for the specific identified purposes.

In terms of our report attached

For Deloitte Haskins & Sells  
Chartered AccountantsS. Sundaresan  
Partner  
Membership No. 25776Place : Bangalore  
Date : May 26, 2016Amar Nath Mohanty  
Chief Financial OfficerAnkit Surana  
Company Secretary  
ACS No. 37297

For and on behalf of the Board of Directors

Viraj Naidu  
Managing Director  
DIN : 01284452Deepa Hingorani  
Director  
DIN : 00206310



## Notes forming part of the Consolidated financial statements for year ended March 31, 2016

### NOTE 1

#### Significant Accounting Policies on Consolidated Accounts

##### 1.1 Basis of accounting and preparation of consolidated financial statements

The consolidated financial statements of the DISA India Limited (company) and its subsidiary entity (together the 'Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"). The consolidated financial statements have been prepared on accrual basis under the historical cost convention. The group is presenting consolidated financial statements for the first time and accordingly comparative figures for the previous year have not been presented.

##### 1.2 Principles of consolidation

The consolidated financial statements relate to DISA India Limited ('the Company') and its subsidiary company. The consolidated financial statements have been prepared on the following basis:

- a) The financial statements of the subsidiary company used in the consolidation are drawn up to the same reporting date as that of the Company i.e., March 31, 2016.
- b) The financial statements of the Company and its subsidiary company are combined on a line-by-line basis by adding together

- f) Following subsidiary company has been considered in the preparation of the consolidated financial statements:

Name of the entity	Relationship	Country of Incorporation	Ownership held by	% of Holding and voting power in subsidiary as at March 31, 2016
Bhadra Castalloys Private Limited (refer note (i) below)	100% Wholly Owned Subsidiary	India	DISA India Limited	100

Note(i) Bhadra Castalloys Pvt. Ltd. is incorporated on December 30, 2015

##### 1.3 Use of estimates

The preparation of the financial statements are in conformity with the Indian GAAP requires the management to make 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.

##### 1.4 Fixed assets

###### a) Tangible

Tangible fixed asset are capitalized at acquisition cost which includes incidental expenses incurred to bring the asset ready for its intended use.

###### b) Intangible

Computer software, except standard utility software packages which are not integral part of the hardware are classified as Intangible assets. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the tax authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.

the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements"

- c) The excess of cost to the Group of its investments in the subsidiary company over its share of equity of the subsidiary company at the dates on which the investments in the subsidiary company were made, is recognised as 'Goodwill' being an asset in the consolidated financial statements and is tested for impairment on annual basis.
- d) Minority Interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary company were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit / loss for the year of the subsidiary attributable to minority interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to shareholders of the Company.
- e) The consolidated financial statements has been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

##### c) Capital work-in- progress

Capital work-in-progress is carried at cost.

##### 1.5 Depreciation and amortization

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 effective from April 1, 2014.

Intangible assets in form of computer software are amortized over their estimated useful life on straight line method at the rate of 25 % p.a.

##### 1.6 Inventories

Raw materials, Components, Work-in-Progress, Finished goods and Stock-in-trade are valued at lower of cost and net realizable value. Cost is ascertained on FIFO basis. Cost includes cost incurred in bringing the goods to the current location and condition. Work-in-progress and finished goods include appropriate proportion of overheads and where applicable, excise duty.

##### 1.7 Revenue recognition

Revenue from sale of machinery and parts is recognized on transfer of significant risks and rewards to the purchaser, which generally coincides with the dispatch of goods to customers. In case of various machinery / equipment which together form part of a larger group of machinery revenue is recognized only when all significant machineries/ equipment are transferred. Sales includes excise duty and are stated net of discounts, other taxes and sales

## Notes forming part of the Consolidated financial statements for year ended March 31, 2016

returns. Revenue from services are recognized when services are rendered. Commission Income and export incentives are recognized on accrual basis.

### 1.8 Other income

Interest income is recognized on accrual basis.

### 1.9 Foreign currency transactions and translations

Transactions in foreign currencies are recognized at exchange rate prevailing on the date of the transaction. All monetary assets and monetary liabilities denominated in foreign currency outstanding as at the Balance Sheet date are translated at the year end exchange rates. Non-monetary items are carried at historical cost. Exchange differences arising on settlement / re statement of foreign currency monetary assets and liabilities are recognized as income or expense in the statement of profit and loss.

The Group 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 amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss 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 in the period in which such cancellation or renewal is made

### 1.10 Impairment of assets

The carrying values of assets at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognized, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognized for an asset in earlier accounting periods no longer exists or may have been decreased, such reversal of impairment loss is recognized in the statement of profit and loss.

### 1.11 Investments

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

### 1.12 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, leave encashment etc. are recognized in the period in which the employee renders the related service.

#### (b) Post – employment benefits

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

**ii. Defined Benefit Plans:** The Group has taken a Group Gratuity Policy and Group Leave Encashment Scheme with LIC of India. These constitute the Defined Benefit Plans of the Group.

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 Group. 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 term of related obligations.

Actuarial gains and losses are recognized immediately in the statement of profit and loss.

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

### 1.13 Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws.

Deferred tax is recognised on timing differences, being the difference between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Group has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

### 1.14 Provisions and Contingencies

#### a) Provision for warranty

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise.

#### b) Other

A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimates required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

### 1.15 Leases

Leases in which a significant portion of the risks and rewards of

## Notes forming part of the Consolidated financial statements for year ended March 31, 2016

ownership are retained by the lessor are classified as operating leases. Lease rentals under such leases are charged to statement of profit and loss.

### 1.16 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The Cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

Cash for the purpose of cash flow statement comprises cash on hand and demand deposits with banks. Cash equivalents are short term (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

### 1.17 Segment reporting

The Group identifies primary segments based on the dominant source nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating / loss amounts are evaluated regularly by the Management in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Group. Segment revenue, segment expense, segment assets and segment liabilities have been

identified to segment on the basis of the relationship to the operating activities of the segment.

Revenue, expenses, assets and liabilities which relate to the Group as a Whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses/assets/liabilities.

### 1.18 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss ) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share.

### 1.19 Operating cycle

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the revised Schedule III to the Companies Act, 2013. Based on the nature of activities and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Group has determined its operating cycle as twelve months for the purpose of current / non-current classification of assets and liabilities.

## Notes forming part of the Consolidated financial statements for year ended March 31, 2016

Rs. Lakhs  
As at  
March 31, 2016

**Note 2 Share Capital**

(a) Authorised:	5,000,000 Equity Shares of Rs.10 each	500
(b) Issued, subscribed and fully paid up:	1,510,205 Equity Shares of Rs.10 each	151
	<b>Total</b>	<b>151</b>

**Notes :****i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year :**

No of shares outstanding at the beginning of the year		1,510,205
Movement during the year		-
No of shares outstanding at the end of the year		-
	<b>Total</b>	<b>1,510,205</b>
Share capital at the beginning of the year (Rs. Lakhs)		151
Movement during the year (Rs. Lakhs)		-
Share capital at the end of the year (Rs. Lakhs)		-
	<b>Total</b>	<b>151</b>

**ii) Details of shares held by holding company, the ultimate holding company, their subsidiaries and associates:****Equity Shares**

Disa Holding AG, Switzerland		818,902
Disa Holding AS, Denmark		313,751
Disa Holding AG is a fully owned subsidiary of Disa Holding AS.		

**iii) Details of shares held by each shareholder holding more than 5% shares:****Equity Shares**

Disa Holding AG, Switzerland		818,902
		54.22%
Disa Holding AS, Denmark		313,751
Disa Holding AG is a fully owned subsidiary of Disa Holding AS.		
		20.78%
Equity Shares are held by IDFC Premier Equity Fund		90,021
		5.96%

**iv) Details of rights, preferences and restrictions in respect of equity shares :**

The Company has one class of Shares referred to as Equity Shares with par value of Rs 10/- per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company. The distribution will be in proportion to the number of equity shares held by the share holders.

The Equity Shareholders are entitled to receive dividend proposed by the Board of Directors which is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of Interim Dividend.

Rs. Lakhs  
As at  
March 31, 2016

**Note 3 Reserves and Surplus**

(a) Capital reserve	Opening balance	15
	Movements during the year	-
	Closing balance	15
(b) Securities premium account	Opening balance	1,091
	Movements during the year	-
	Closing balance	1,091
(c) General reserve	Opening balance	1,426
	Movements during the year	-
	Closing balance	1,426

## Notes forming part of the Consolidated financial statements for year ended March 31, 2016

	Rs. Lakhs
	As at
	March 31, 2016
<b>Note 3 Reserves and Surplus (Contd...)</b>	
(d) Surplus / (Deficit) in Statement of profit and loss	
Opening balance	7,120
Add: Profit for the year/period	1,060
Proposed dividend - Rs. 2.50 per share	38
Tax on dividend	8
Closing balance	<u>8,134</u>
<b>Total</b>	<u>10,666</u>
<b>Note 4 Non-current Liabilities</b>	
Other Payables	
payable on purchase of undertaking (refer note 25)	292
<b>Total</b>	<u>292</u>
<b>Note 5 Trade Payables</b>	
(i) Total outstanding due to micro enterprises and small enterprises	73
(ii) Total outstanding due to creditors other than micro enterprises and small enterprises	1,756
<b>Total</b>	<u>1,829</u>
<b>Note 6 Other Current Liabilities</b>	
(a) Unpaid dividends	36
(b) Other payables	
(i) Statutory remittances	59
(ii) Payables on purchase of fixed assets (refer note 25)	51
(iii) Contractually reimbursable expenses	43
(iv) Advances from customers	2,624
(v) Expenses on supervisory service contracts	101
(vi) Employee benefit payables (refer note 24.1)	
- Compensated absences	116
- Gratuity	160
<b>Total</b>	<u>3,190</u>
<b>NOTE 7 SHORT-TERM PROVISIONS</b>	
<b>Provision - Others:</b>	
(i) Provision for tax (net of advance tax of Rs. 727 Lakhs)	43
(ii) Provision for warranty	116
(iii) Provision for proposed equity dividend	38
(iv) Provision for tax on proposed dividends	8
<b>Total</b>	<u>205</u>

## Notes forming part of the Consolidated financial statements for year ended March 31, 2016

## Note 8a Tangible Assets

Rs. Lakhs

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at March 31, 2015	Additions	Asset acquired during the year (refer note 25)	Disposals	Balance as at March 31, 2016	Balance as at March 31, 2015	Depreciation/ amortisation expense for the year (period)	Disposal of assets	Balance as at March 31, 2016	Balance as at March 31, 2015
<b>Owned:</b>										
(a) Freehold land	31	40	279	-	350	-	-	-	-	350
(b) Buildings	1,649	14	97	-	1,760	564	50	1	613	1,147
(c) Plant and Equipment	2,450	51	98	76	2,523	1,824	115	74	1,865	658
(d) Furniture and Fixtures	128	-	-	-	128	99	4	-	103	25
(e) Vehicles	45	25	16	12	74	11	6	9	8	66
(f) Office equipment	143	6	-	51	98	117	10	48	79	19
(g) Patterns, Tools, Jigs & Fixtures	250	7	-	-	257	167	23	-	190	67
(h) Computers	217	22	-	8	231	183	26	5	204	27
<b>Total</b>	<b>4,913</b>	<b>165</b>	<b>490</b>	<b>147</b>	<b>5,421</b>	<b>2,965</b>	<b>234</b>	<b>137</b>	<b>3,062</b>	<b>2,359</b>

## Note 8b Intangible Assets

Rs. Lakhs

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at March 31, 2015	Additions	Asset acquired during the year (refer note 25)	Disposals	Balance as at March 31, 2016	Balance as at March 31, 2015	Depreciation/ amortisation expense for the year (period)	Disposal of assets	Balance as at March 31, 2016	Balance as at March 31, 2015
<b>Owned:</b>										
Acquired Computer Software	203	-	-	-	203	151	51	-	202	1
Acquired Goodwill	0	0	60	0	60	0	0	0	-	60
<b>Total</b>	<b>203</b>	<b>0</b>	<b>60</b>	<b>0</b>	<b>263</b>	<b>151</b>	<b>51</b>	<b>0</b>	<b>202</b>	<b>61</b>

## Note 8c Depreciation and Amortization Expenses

Rs. Lakhs

Particulars	For the year ended March 31, 2016
Depreciation for the year on tangible assets as per Note 8A	234
Amortisation for the year on intangible assets as per Note 8B	51
<b>Total</b>	<b>285</b>

## Notes forming part of the Consolidated financial statements for year ended March 31, 2016

 Rs. Lakhs  
 As at  
 March 31, 2016

**NOTE 9 DEFERRED TAX ASSET**
**Deferred tax (liability) / asset**
Tax effect of items constituting deferred tax (liability)

On difference between book balance and tax balance of fixed assets

(95)
Tax effect of items constituting deferred tax liability
(95)
Tax effect of items constituting deferred tax assets

Provision for compensated absences, gratuity and other employee benefits

127

Provision for doubtful debts / advances

10

Tax effect of items constituting deferred tax assets
137
**Net deferred tax (liability) / asset**
42
**NOTE 10 LONG-TERM LOANS AND ADVANCES**

(Unsecured, considered good)

(a) Security deposits

114

(b) Advance income tax (net of provision of tax Rs. 5,089 lakhs )

179

(c) Balance with government authorities- VAT

15

**Total**
308
**NOTE 11 OTHER NON-CURRENT ASSETS**

Bank balances

 In deposit accounts with original maturity of more than twelve months  
 (as margin money deposits)

9

**Total**
9
**NOTE 12 INVENTORIES**

(At lower of cost and net realisable value)

(a) Raw materials and Components

1,542

 (Goods in Transit - **Rs. 62 Lakhs**)

(b) Work-in-progress (refer note (i) below)

1,531

(c) Finished goods (other than those acquired for trading)

649

(d) Stock-in-trade -acquired for Trading -

225

 (Goods in Transit - **Rs.36 Lakhs**)

**Total**
3,947

Note (i) The nature of Company's operations are such that individual items in work-in-progress are not significant to be disclosed separately

## Notes forming part of the Consolidated financial statements for year ended March 31, 2016

	Rs. Lakhs
	As at March 31, 2016
<b>Note 13 Trade Receivables</b>	
<b>Trade receivables outstanding for a period exceeding six months from the date they were due for payment</b>	
Unsecured, considered good	293
Unsecured, considered Doubtful	28
	<u>321</u>
Less: Provision for doubtful trade receivables	28
	<u>293</u>
Sub-Total - A	<u>293</u>
<b>Other trade receivables :</b>	
Unsecured, considered good	850
	<u>850</u>
Sub-Total - B	<u>850</u>
<b>Total -A + B</b>	<u>1,143</u>
<b>Note 14 Cash and Cash Equivalents</b>	
<b>A. Cash and Cash Equivalents</b>	
(a) Cash on hand	1
(b) Balances with banks	
(i) In current accounts	258
	<u>258</u>
Sub Total - A	<u>259</u>
<b>B. Other Bank Balances</b>	
(i) In deposit accounts with original maturity of more than twelve months ( including lien and margin money deposits <b>Rs 664 Lakhs</b> )	1,224
(ii) In deposit accounts with original maturity of more than three months but less than 12 months ( including lien and margin money deposits <b>Rs. 1,159 Lakhs</b> )	5,174
(iii) In earmarked accounts	
- Unpaid dividend accounts	36
	<u>6,434</u>
Sub Total - B	<u>6,434</u>
<b>Total A + B</b>	<u>6,693</u>
<b>Note 15 Short-term Loans and Advances</b>	
(Unsecured, considered good)	
(a) Loans and advances to employees	2
(b) Prepaid expenses	40
(c) Balances with government authorities	
(i) Excise, CENVAT	76
(ii) VAT	1,158
(iii) Service Tax	116
(d) Other advances (Refer Note (i) below)	121
	<u>1,513</u>
<b>Total</b>	<u>1,513</u>
<b>Note (i)</b>	
Advance to suppliers	45
Duty drawback receivable	28
Others	48
	<u>121</u>
<b>Total</b>	<u>121</u>
<b>Note 16 Other Current Assets</b>	
(a) Interest accrued on deposits	215
(b) Contractually reimbursable expenses	43
	<u>258</u>
<b>Total</b>	<u>258</u>



**Notes forming part of the Consolidated financial statements for year ended March 31, 2016**

Rs. Lakhs

 For the year ended  
 March 31, 2016

**Note 17 Revenue from Operations**

(a) Sale of products (Refer note (i) below )	15,231
(b) Sale of services ( Refer note (ii) below )	181
(c) Other operating revenue ( Refer note (iii) below)	211
	<u>15,623</u>
Less: Excise Duty	<u>1,350</u>
<b>Total</b>	<u><u>14,273</u></u>

**Note (i) Sale of Products comprises:**

Manufactured goods :	
Machinery	12,040
Parts of machinery	2,265
	<u>14,305</u>
Sub Total -A	
Traded goods :	
Parts of machinery	926
	<u>926</u>
Sub Total - B	
<b>Total - A + B</b>	<u><u>15,231</u></u>

**Note (ii) Sale of Service comprises:**

Engineering services	119
Supervision of Installation services	52
Others	10
	<u>181</u>
<b>Total</b>	<u><u>181</u></u>

Note : Further break down into broad heads are not disclosed as individual heads are not significant

**Note (iii) Other operating revenue comprises :**

Commission income	151
Sale of scrap	24
Export incentives	36
	<u>211</u>
<b>Total</b>	<u><u>211</u></u>

**Note 18 Other Income**

(a) Interest income on bank deposits	499
(b) Net gain on foreign currency transactions and translation	83
(c) Other non-operating income (Refer note (i) below)	89
	<u>671</u>
<b>Total</b>	<u><u>671</u></u>

**Note (i) Other non operating income comprises of :**

Royalty	3
Profit on sales of assets ( net )	8
Rental income ( Refer note 24.4 )	21
Provision for doubtful trade receivable reversed	25
Liability no longer required written back	16
Others	16
	<u>89</u>
<b>Total</b>	<u><u>89</u></u>

Notes forming part of the Consolidated financial statements for year ended March 31, 2016

Rs. Lakhs  
For the year ended  
March 31, 2016

**Note 19.a Cost of Raw Materials and Components Consumed**

Opening Stock	1,630
Add : Purchases	7,238
Add : Included on purchase of assets (ref note 25)	22
Less : Closing Stock	1,542
Cost of raw materials and components consumed including packing materials	7,348

Note : The nature of Company's operations are such that further breakdown into broad heads are not significant

**Note 19.b Purchase of Stock in Trade (Traded Goods)**

Parts of machinery	878
--------------------	-----

Note : The nature of Company's operations are such that further break down into broad heads are not significant

**Note 19.c Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-trade**

Inventories at the end of the year :

Finished goods	649
Work-in-progress	1531
Stock-in-trade	225

Sub Total 2405

Inventories at the beginning of the year:

Finished goods	92
Work-in-progress	1821
Stock-in-trade	145

Sub Total 2058

**Total** (347)

**Note 20 Employee Benefits Expense**

(a) Salaries and wages	2,306
(b) Contributions to provident and other funds	227
(c) Staff welfare expenses	112

**Total** 2,645

**Note 21 Finance Costs**

Interest expense on:

(i) Interest on deposits accepted and others	2
--	---

**Total** 2

**Notes forming part of the Consolidated financial statements for year ended March 31, 2016**

Rs. Lakhs

 For the year ended  
 March 31, 2016

**Note 22 Other Expenses**

Increase / ( decrease ) of excise duty on Inventory	70
Power and fuel	101
Rent (Refer note 24.4)	76
Repairs and maintenance - Buildings	35
Repairs and maintenance - Machinery	36
Repairs and maintenance - Others	43
Insurance	64
Rates and taxes	38
Travelling and conveyance	432
Legal and professional charges	109
Security expenses	50
Telephone , Postage and Courier	35
Printing and stationery	17
Freight Outwards	132
Commission Expenses	42
Recruitment and Training	37
Group Management fees	178
Bank charges and guarantee commission	15
Directors sitting fees and commission	8
Royalty	163
IT Costs	19
Group IT Costs	366
Expenditure on Corporate Social Responsibility	56
Payments to auditors (Refer note (i) below)	28
Bad Debts written off	7
Provision for doubtful debts	4
Advertisement and sales Promotion	75
Miscellaneous expenses	246
<b>Total</b>	<b>2,482</b>

**Note (i) Payments to auditors comprises**

(Net of service tax where applicable)	
(a) auditors - Statutory audit (Including quarterly audit for SEBI filing)	17
Tax Audit	2
Other services	5
Reimbursement of expenses	2
Sub Total	<b>26</b>
(b) Cost Auditors	
Cost Audit fee	2
Sub Total	<b>2</b>
<b>Total</b>	<b>28</b>

## Notes forming part of the Consolidated financial statements for year ended March 31, 2016

Rs. Lakhs  
As at  
March 31, 2016**Note 23 Additional information to the financial statements****23.1 Contingent Liabilities and Commitments**

(i) Claims against company not acknowledged as debt - Service Tax	18
- CST /VAT	329
- Excise Duty	9

Note : Outflow, if any, arising out of the said claim would depend on the outcome of the decision of the appellate authority and the company's right for future appeal before the judiciary.

Note : a) Outflow, if any, arising out of the said claim including interest would depend on the outcome of the decision of the appellate authority and the company's right for future appeal before the judiciary.

(ii) Estimated amount of contracts remaining to be executed on capital account and not provided for tangible assets	-
---	---

**23.2 Details of derivatives instruments and unhedged foreign currency exposures**

The Group 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 are as under :

<b>Currency</b>	<b>INR</b>
a) Number of ' Buy ' Contracts	1
	<b>500</b>
b) Aggregate currency amount ( Rs in Lakhs)	-
	-
<b>Cross Currency</b>	<b>US\$</b>
a) Number of ' Sell ' Contracts	1
	-
b) Aggregate currency amount ( Rs in Lakhs)	5 0 0
	-
c) Aggregate currency amount in foreign currency ( Lakhs)	7
	-

Year end foreign currency exposures not hedged by a derivative instrument or otherwise are given below:

	Currency	Amount ( Foreign Currency in Lakhs )	INR in Lakhs
Receivable	EURO	4	269
	USD	-	26
Payable	EURO	5	409
	USD	5	328

**23.3 Additional information, as required under schedule III of the Companies Act, 2013, of enterprises consolidated as subsidiaries**

Name of entity	Net assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount ( Rs. Lakhs )	As % of consolidated net	Amount ( Rs. Lakhs )
Parent				
DISA India Limited	100%	10,817	100%	1,060
<b>Subsidiary ( Indian )</b>				
Bhadra Castalloys Private Limited	4%	440	0%	-
Total	-	11,257	-	1,060
Elimination	(4%)	(440)	0%	-
<b>Total</b>	<b>100</b>	<b>10,817</b>	<b>100%</b>	<b>1,060</b>

**Notes forming part of the Consolidated financial statements for year ended March 31, 2016**
**Note 24. Disclosures under Accounting Standards**
**24.1 Disclosure Pursuant to AS-15 (Revised)**
**a) Defined Contribution Plans**

The Company makes Provident Fund , Employees State Insurance and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the Schemes , the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised **Rs.106 Lakhs** (March 31, 2015:Rs.126 Lakhs) for Provident Fund contributions and **Rs.56 Lakhs** (March 31, 2015: Rs.66 Lakhs ) for Superannuation Fund contributions and **Rs. 2 Lakhs** (March 31, 2015: Rs.3 Lakhs) for Employees State insurance scheme contribution in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes) .

**b) Defined Benefit Plans**

The Company offers gratuity and encashment of leave benefit to its employees.

**(i) Gratuity**

Rs. Lakhs

	Year ended March 31, 2016
<b>Components of employer expense:</b>	
Current service cost	48
Interest cost	39
Expected return on plan assets	(31)
Actuarial losses / (gains)	(1)
<b>Total expense recognised in the Statement of profit and loss</b>	<b>55</b>
<b>Actual contribution and benefit payments for the year :</b>	
Actual benefit payments	(25)
Actual contributions	36
<b>Net asset / ( liability ) recognised in the Balance Sheet</b>	
Present value of defined benefit obligation	573
Fair Value of plan assets	413
<b>Funded status Surplus / (Deficit )</b>	<b>(160)</b>
Unrecognised past service costs	-
<b>Net asset / ( liability ) recognised in the Balance Sheet</b>	<b>(160)</b>
<b>Change in defined benefit obligation:</b>	
Present value of defined benefit obligation at beginning of year	513
Service cost	48
Interest cost	39
(Benefits paid)	(25)
Net transfer in / (out)	-
Actuarial Loss/(Gain)	(2)
<b>Present value of defined benefit obligation at end of year</b>	<b>573</b>
<b>Changes in fair value of Plan Assets :</b>	
Plan assets at beginning of the year	372
Expected return on plan assets	31
Actual contributions	36
Transfer in / (outs)	-
(Benefits paid)	(25)
Actuarial Gain / (Loss)	(1)
Plan assets at end of the year	413
<b>Actual return on plan assets</b>	<b>30</b>
<b>Composition of the plan assets is as follows ( Refer note(iii) ):</b>	
Government / approved security	48% / 46%
NCD/Bonds	34% / 31%
Equity shares	6% / 2%
Fixed deposit	12% / 21%
<b>Total</b>	<b>100%</b>
<b>Reconciliation of Net Liability :</b>	
Present value of defined benefit obligations	573
Less : Fair value of plan assets	413
<b>Funded Status - ( deficit ) / surplus</b>	<b>(160)</b>

## Notes forming part of the Consolidated financial statements for year ended March 31, 2016

Rs. Lakhs

Particulars	As at March 31, 2016
<b>Actuarial Assumptions :</b>	
Discount rate	8%
Expected long term rate of return of assets	9%
Rate of compensation increase for the first five years	12%
Rate of compensation increase for the subsequent years	10%
<b>Attrition</b>	
20-30 Years	15%
31-45 Years	10%
46-58 Years	5%
Mortality : Indian Assured Lives Mortality (2006-08) Modified Ultimate	

Experience Adjustments	Year ended March 31, 2016	For 15 months ended March 31, 2015	December 31, 2013	December 31, 2012	December 31, 2011
Present value of defined benefit obligation	573	513	376	288	211
Fair value of Plan assets	413	372	298	222	174
<b>Funded Status - ( deficit ) / surplus</b>	<b>(160)</b>	<b>(141)</b>	<b>(91)</b>	<b>(66)</b>	<b>(37)</b>
Plan liabilities	1	1	54	28	9
Plan assets	1	1	4	2	3

**Note :**

- The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.
- The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.
- LIC with whom the scheme has been funded has advised that the portfolio of the scheme as at March 31, 2015, the latest date for which such information has been compiled by them.
- Estimate of amount of contribution in the immediate next year is **Rs 36.00 Lakhs**  
**The Company offers encashment of leave to its employees.**

The following table sets out the funded status of the leave encashment scheme and the amount recognised in the financial statements.

**(ii) Leave Encashment - as per Actuarial valuation**

Rs. Lakhs

Particulars	For the year ended March 31, 2016
<b>Components of employer expense</b>	
Current service cost	27
Interest cost	16
Expected return on plan assets	(11)
Actuarial losses / (gains)	20
<b>Total expense recognised in the Statement of profit and loss</b>	<b>52</b>
<b>Actual contribution and benefit payments for the year :</b>	
Actual benefit payments	(18)
Actual contributions	2
<b>Net asset / ( liability ) recognised in the Balance Sheet</b>	
Present value of defined benefit obligation	254
Fair Value of plan assets	138
<b>Funded status ( Surplus / (Deficit )</b>	<b>(116)</b>
Unrecognised past service costs	-
<b>Net asset / ( liability ) recognised in the Balance Sheet</b>	<b>(116)</b>
<b>Change in defined benefit obligation</b>	
Present value of Defined benefit obligation at beginning of year	208
Service cost	27
Interest cost	16
(Benefits paid)	(18)
Transfer in / (outs)	-
Actuarial Loss/(Gain)	21
<b>Present value of defined benefit obligation at end of year</b>	<b>254</b>

**Notes forming part of the Consolidated financial statements for year ended March 31, 2016**

Rs. Lakhs

Particulars	As at March 31, 2016
<b>Changes in fair value of Plan Assets :</b>	
Fair Value of plan assets at end of prior year	128
Expected return on plan assets	11
Employer contributions	2
Transfer (outs) / In	-
(Benefits paid)	(4)
Actuarial Gain / (Loss)	1
Fair value of plan assets at end of the year	138
<b>Actual return on plan assets</b>	<b>12</b>
<b>Composition of the plan assets is as follows ( Refer note(iii) ):</b>	
Government / approved Security	46%
NCD/Bonds	37%
Equity Shares	2%
Fixed Deposit	15%
<b>Total</b>	<b>100%</b>
<b>Reconciliation of Net Liability</b>	
Present value of defined benefit obligations	254
Less : Fair value of plan assets	138
<b>Funded Status - ( deficit ) / surplus</b>	<b>(116)</b>

	Year ended March 31, 2016	For 15 months ended March31, 2015	December 31, 2013	December 31, 2012	December 31, 2011
<b>Experience Adjustments</b>	<b>2016-2015</b>	<b>2015-2014</b>	<b>2014-2013</b>	<b>2013-2012</b>	<b>2012-2011</b>
Present value of defined Benefit Obligation	254	208	158	128	92
Fair value of Plan assets	138	128	104	91	69
Funded Status - ( deficit ) / surplus	(116)	(80)	(54)	(37)	(23)
Plan Liabilities	(83)	(16)	30	43	-
Plan Assets	1	2	-	1	-

Rs. Lakhs

	As at March 31, 2016
<b>Actuarial Assumptions</b>	
Discount rate	8%
Expected long term rate of return of assets	9%
Rate of compensation increase for the first five years	12%
Rate of compensation increase for the subsequent years	10%
<b>Attrition</b>	
20-30 Years	15%
31-45 Years	10%
46-58 Years	5%

Mortality : Indian Assured Lives Mortality (2006-08) Modified Ultimate

**Note :**

- i) The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.
- ii) The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.
- iii) LIC with whom the scheme has been funded has advised that the portfolio of the scheme as at March 31, 2015 the latest date for which such information has been compiled by them.
- iv) Estimate of amount of contribution in the immediate next year is **Rs 21 Lakhs**.

### Notes forming part of the Consolidated financial statements for year ended March 31, 2016

**24.2 Related Party transactions**
**a) Details of related parties**

Description of relationship	Name of Related Parties
Holding Company	DISA HOLDING A/S NORCAN GROUP A/P/S DISA HOLDING A/C
Fellow Subsidiary	DISA INDUSTRIE A/C DISA TECHNOLOGIES PVT LTD DISA INDUSTRIES A/S DISA K.K. DISA (CHANGZHOU) MACH LTD., WHEELBRATOR SRO WHEELBRATOR GROUP CMBH DISA INDUSTRIE ANLAGEN CMBH WHEELBRATOR GROUP INC WHEELBRATOR GROUP (CANADA) LTD WHEELBRATOR GROUP S/S WHEELBRATOR GROUP LTD HONGKONG NAORON A/S DISA HOLDING INC NORCAN A/S DISA HOLDING A/C
Key Management Personnel (KMP)	Mr. Vijai Nadia- Managing Director Mr. S. Mohan- Chief Financial Officer - (upto 09.09.2015) Mr. Anamath Mohan- Chief Financial Officer - (w.e.f. 09.12.2015)

**b) Details of Related Party Transaction**

NAME OF THE RELATED PARTY	DISA INDUSTRIE A/C	DISA TECHNOLOGIES PVT LTD	DISA INDUSTRIES A/S DENMARK	DISA K.K JAPAN	DISA (CHANGZHOU) MACH LTD.	WHEELBRATOR SRO	DISA HOLDING A/S	NORCAN GROUP A/P/S	WHEELBRATOR GROUP CMBH	DISA INDUSTRIE ANLAGEN CMBH	WHEELBRATOR GROUP INC	WHEELBRATOR GROUP (CANADA) Ltd	WHEELBRATOR GROUP S/S	WHEELBRATOR GROUP Ltd Hongkong	Necron A/S	DISA Industries Inc	Norican A/S	Disa Holding A G	Mr. Vijai Nadia, Managing Director	Mr. Anamath Mohan, Chief Financial Officer	Mr. S. Mohan, Chief Financial Officer	TOTAL	Rs. Lakhs
Royalty	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	163	
Service fees	-	36	-	-	-	-	-	-	39	-	-	-	-	-	-	-	-	-	-	-	-	156	
Group management service fees	-	-	-	-	-	-	-	-	120	-	-	-	-	-	-	-	-	-	-	-	-	178	
Group IT fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	76	-	102	-	-	-	-	366	
Import of materials	-	-	764	-	-	136	-	-	-	-	119	-	-	-	182	-	184	-	-	-	-	1,019	
Capital goods	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Reimbursement of expenses	-	-	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10	
Managerial remuneration	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	103	26	182	
Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Service Income	-	-	46	-	-	-	-	-	5	-	-	34	-	-	-	-	-	-	-	-	-	85	
Sale of goods	-	-	1,058	2	223	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,308	
Deputation charge received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	25	-	-	-	-	-	-	
Royalty received	-	-	-	-	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Commission income	-	-	107	-	-	-	-	-	-	-	-	-	4	23	-	-	-	-	-	-	-	3	
Reimbursement of warranty cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	134	

**c) Balances outstanding as at year end**

Tradereceivables	-	-	186	-	73	-	-	-	6	-	-	9	-	-	-	-	-	-	-	-	-	-	274
Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade payables	1	-	211	-	-	23	-	-	114	-	52	-	-	-	-	-	-	-	-	-	-	-	401
Other current liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-



**Notes forming part of the Consolidated financial statements for year ended March 31, 2016**

- 24.3 Business segment is identified as the primary segment and after considering all relevant factors. The company is engaged in manufacture of machinery and machinery parts and is considered to constitute a single segment in the context of AS-17 on "Segment Reporting" referred to in the Companies Act, 2013.  
 The geographic segments individually contributing 10 percent or more of the Company's revenues and segment assets are shown separately:

Rs. Lakhs

Geographic Segment	Revenues For the year ended March 31, 2016	Segment assets As at March 31, 2016	Capital expenditure incurred for the year ended March 31, 2016
India	11,861 (16,008)	15,438 (13,910)	103 (120)
Rest of the World	2,412 (2,369)	300 (534)	- -
Total	14,273 (18,377)	15,738 (14,444)	103 (120)

Note: Figures in bracket relates to the previous year

Rs. Lakhs

 For the year ended  
 March 31, 2016

**24.4 Details of leasing arrangements**
**As Lessee:**

The Company has taken Office Premises on Operating Leases. There are cancellable lease arrangements ranging between 3 to 6 years. Most of the leases are renewable for further on a mutually agreeable basis and also includes escalation ranging from 5% to 10%.

Lease payments recognised in the statement of profit and loss

76

**As Lessor:**

The Company has entered into non cancellable lease agreement for its facilities. The tenure of lease ranges from three to five years. The lease agreements have an escalation clause wherein lease agreement is subject to an increment ranging from 5 % to 10 %

21

**Details of lease commitment at the year end are as follows :**

Upto One year

6

From one to five years

-

Above five years

-

Gross carrying amount of leased asset

74

Accumulated depreciation of leased asset

45

Depreciation recognised on the leased assets in the statement of profit and loss

1

**24.5 Earnings per share**

Net Profit for the year

1,060

Profit for the year without Extraordinary income & net of Tax

1,060

Number of equity shares ( in Numbers)

1,510,205

Basic and diluted earnings per share (Rs.)

70.19

**24.6 Provisions**

Provisions for Warranties

Balance at the beginning

154

Provision made

163

Amounts utilized

201

Balance at the end

116

Note : Future cash outflow in respect of the above is determinable only on occurrence of uncertain future events

Notes forming part of the Consolidated financial statements for year ended March 31, 2016

25 In accordance with the Asset Purchase Agreement between Bhadra Castalloys Private Limited ("BCPL") and Sree Rajarajeshwari Foundry ("foundry"), BCPL acquired certain assets and current liabilities of the Foundry, without assigning individual values thereof, for a total consideration of Rs.700 lakhs subject to adjustments in case of non-achievement of certain conditions. The details of assets mentioned here under are considered in the books of account based on the fair market valuation as on March 31, 2016 done by independent valuers

		Rs. Lakhs
<b>a. Fixed Assets</b>		490
Land	279	
Building	97	
Plant & Machinery	98	
Vehicles	16	
<b>b. Net working capital</b>		141
Inventories	22	
Trade receivables	129	
Loans and advances	12	
Other current assets	1	
Trade payables	(23)	
<b>c. Capital reserve / Goodwill</b>		60
<b>d. Purchase consideration</b>		691
Purchase consideration - Paid		349
Purchase consideration - Payable		342

26 The group is presenting consolidated financial statement on the first occasion and hence comparative figure of the previous year are not presented.

Signatures to the Statement of Significant Accounting Policies and Notes to the Financial Statements.

For and on behalf of the Board of Directors

Ankit Surana  
Company Secretary

Amar Nath Mohanty  
Chief Financial Officer

Viraj Naidu  
Managing Director

Deepa Hingorani  
Director

Place : Bangalore  
Date : May 26, 2016

**DISA INDIA LIMITED****CIN: L85110KA1984PLC006116**

Registered Office: 5th Floor, Kushal Garden Arcade, 1A, Peenya Industrial Area, Peenya 2nd Phase, Bangalore - 560058

Telephone: +91 80 40201403/04 Email: investor.relations@noricangroup.com Web: www.noricangroup.com

May 26, 2016

Dear Shareholder,

The Ministry of Corporate Affairs, Government of India ("MCA") has, by its circular dated April 21, 2011 announced a "Green Initiative in the Corporate Governance" by allowing paperless compliance by companies. In terms of the said circular, service of notice/documents by a Company to its shareholders required to be made under the provisions of the Companies Act, 2013 can be made through the electronic mode.

In line with the above initiative of the MCA, the Company proposes to send documents such as the Notice of the Annual General Meeting, Audited financial statements, Board's Report, Independent Auditors' Report, Secretarial Audit Report, Poll Papers etc., henceforth to all its esteemed shareholders, including your good self, in electronic form, through e-mail. To facilitate the same, we request you to furnish our e-mail id, quoting your folio number/DPID/Client ID to our Registrar and share Transfer Agent at the following address:

**Integrated Enterprises (India) Limited**

No. 30, Ramana Residency,

4th Cross, Sampige Road,

Malleswaram, Bangalore – 560 003.

Phone : 080-23460815-18, Fax : 080-23460819,

E-mail : irg@integratedindia.in

We are sure you would appreciate this welcome initiative taken by the MCA to reduce consumption of paper and thereby, protect the environment. We expect to receive your support and co-operation in helping the Company to contribute its share to the said initiative.

Thanking you

Yours faithfully

For DISA India Limited

Ankit Surana

Company Secretary

## DISA INDIA LIMITED

CIN: L85110KA1984PLC006116

Registered Office: 5th Floor, Kushal Garden Arcade, 1A, Peenya Industrial Area, Peenya 2nd Phase, Bangalore - 560058  
Telephone: +91 80 40201403/04 Email: investor.relations@noricangroup.com Web: www.noricangroup.com

### ECS MANDATE FORM

#### Members Holding Shares in Demat Form

Please inform ;  
Integrated Enterprises (India) Limited  
No. 30, Ramana Residency,  
4th Cross, Sampige Road, Malleswaram, Bangalore – 560 003.

#### Members Holding Shares in Physical Mode

Please inform : Your DPs directly  
(if not done earlier)

I hereby consent to have the amount of Dividend on my Equity Shares credited through the Electronic Clearing Service (Cash Clearing) (ECS) The particulars are:

1. Folio No. /Certificate No.	
2. Name of the 1st Holder	
3. Name of the Bank	
4. Full Address of the Branch	
5. Account number	
6. Account Type (Please tick the relevant account)	Savings /Current/Cash Credit
7. 9 Digit Code Number of the Bank appearing on the MICR cheque issued by the Bank (Please attach a photocopy of a cheque for verifying the accuracy of the Code Number )	

I hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I will not hold the Company responsible.

Signature of the 1st Holder

As per the

Specimen signature with the Company

Name : .....

Address : .....

Date : .....

# DISA INDIA LIMITED

CIN: L85110KA1984PLC006116

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

Telephone: +91 80 40201403/04 Email: investor.relations@noricangroup.com Web: www.noricangroup.com

31st Annual General Meeting on August 12, 2016

Form No. MGT-12

Polling Paper

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]

Name of the Company: <b>DISA India Limited</b>				
Registered Office: 5th Floor, Kushal Garden Arcade, 1A, Peenya Industrial Area, Peenya 2nd Phase, Bangalore – 560 058				
<b>BALLOT PAPER</b>				
S No	Particulars	Details		
1.	Name of the First Named Shareholder (In block letters)			
2.	Postal address			
3.	Registered folio No. / *Client ID No. (*Applicable to investors holding shares in dematerialized form)			
4.	Class of Share			
I hereby exercise my vote in respect of Ordinary/ Special resolution enumerated below by recording my assent or dissent to the said resolution in the following manner:				
No	Item No.	No. of shares held by me	I assent to the resolution	I dissent from the resolution
<b>ORDINARY BUSINESS</b>				
1.	Adoption of Financial Statements for the year ended March 31, 2016.			
2.	Appointment of Mr. Andrew Thomas Carmichael, Director who retires by rotation.			
3.	Declaration of dividend.			
4.	Ratification of Appointment of Statutory Auditors of the Company.			
<b>SPECIAL BUSINESS</b>				
5.	Ratification of Cost Auditors' remuneration.			
6.	Appointment of Mr. Viraj Naidu as Managing Director.			

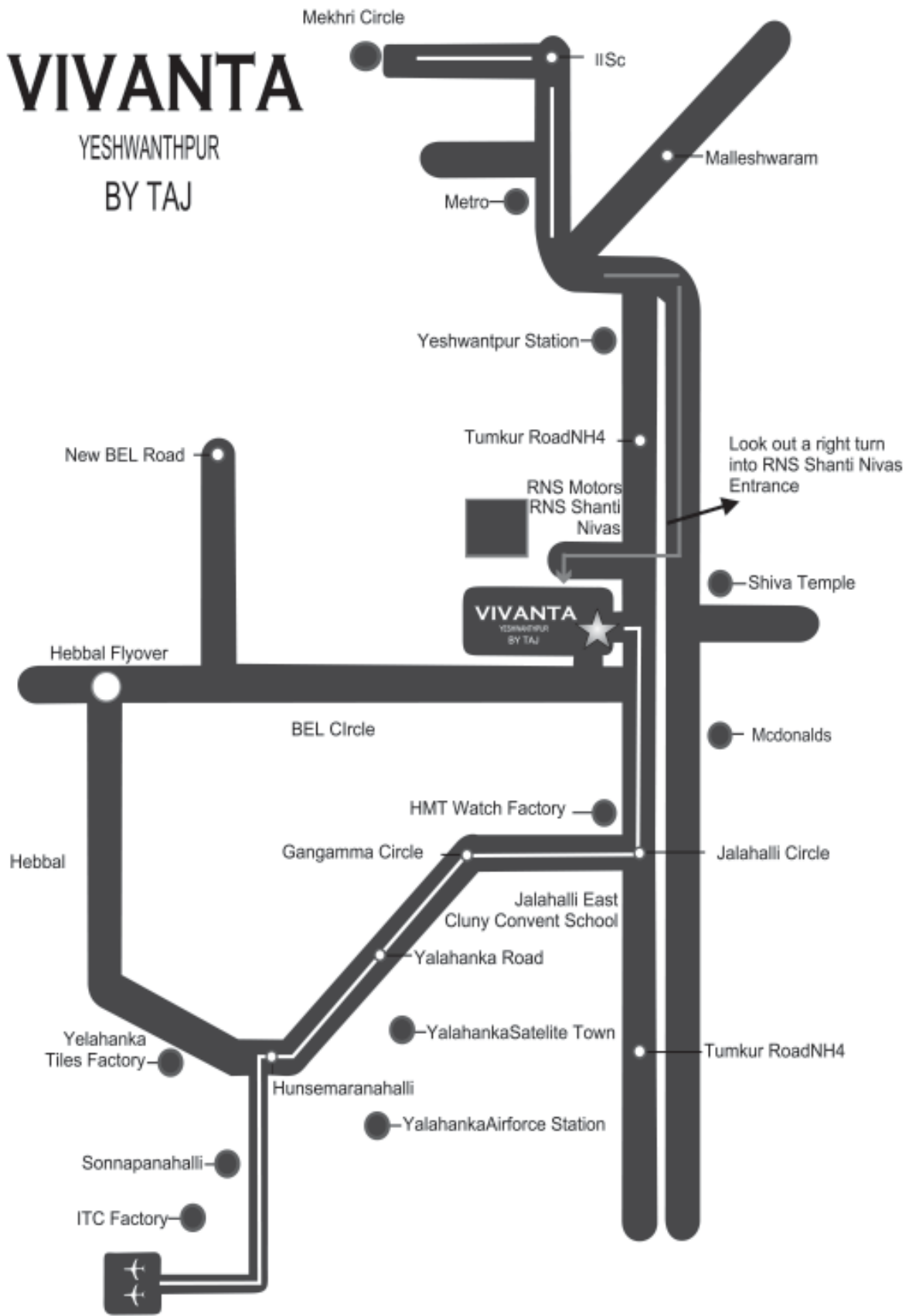
Place:

Date:

(Signature of the shareholder)

# VIVANTA

YESHWANTHPUR  
BY TAJ



## IFEX 2016, Coimbatore, 29-31 January 2016



## DISA India Symposiums



Jalandhar



Kolhapur



Rajkot



Shimoga

## Cast-Right 2.0, An Ashok Leyland Initiative



# Contacts

## DISA India

### Regd. & Corp. Office:

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

### Manufacturing:

DISA India Limited  
No. 28-32, Satyamangala Industrial Area  
Tumkur-572 104  
Tel: +91 816 6602000/01  
E: tumkur@noricangroup.com

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

### Branch Office:

New Delhi  
E: delhi@noricangroup.com

Pune  
E: pune@noricangroup.com

Kolkata  
E: kolkata@noricangroup.com

Rajkot  
E: rajkot@noricangroup.com

### DISA Representative:

F Care, Coimbatore  
E: elango@fcare.net

### Customer distribution centre (parts and services)

E: cdc.india@noricangroup.com



DISA\* is a registered trademark of DISA Holding A/S.  
DISAMATIC® is a registered trademark of DISA Industries A/S.  
Wheelabrator® is the registered trademark of Wheelabrator Technologies (UK) Limited  
Noricangroup is the parent company of DISA and Wheelabrator.

[www.disagroup.com](http://www.disagroup.com)

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