DISA India Limited

33rd Annual Report 2017 - 2018

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

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

Norican Group
Shaping Industry

DISA India CSR Initiative

Scholarships

Improving Infrastructure

Career Guidance Programmes

BOARD OF DIRECTORS	MR. ANDREW THOMAS CARMICHAEL - Chairman MS. DEEPA HINGORANI MR. SANJAY ARTE MR. SHYAMAL KUMAR SINHA MR. VIRAJ NAIDU MR. LOKESH SAXENA - Managing Director (From 21-06-2017)	
CHIEF FINANCIAL OFFICER	MR. AMAR NATH MOHANTY	
COMPANY SECRETARY	MR. G. PRASANNA BAIRY	

BANKERS
KOTAK MAHINDRA BANK LTD.
HDFC BANK LTD.

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

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

STOCK EXCHANGE
BSE Ltd.
Mumbai

AUDITORS
Deloitte Haskins & Sells
Bangalore

INTERNAL AUDITORS
M.K. Dandekar & Co.
Chennai

SECRETARIAL AUDITOR
Mr. Vijayakrishna KT
Bangalore

SOLICITORS
Chander Kumar & Associates
Bangalore

NOTICE

NOTICE is hereby given that the Thirty Third Annual General Meeting of DISA India Limited will be held at Hotel Taj, Yeshwanthpur, Bangalore - 560 022 at 11.00 Hrs on Thursday, the 9th day of August, 2018 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2018, together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Viraj Naidu (DIN: 01284452), who retires by rotation at this Annual General Meeting and being eligible, offers himself for reappointment.
3. To declare a Dividend of Rs. 2.50/- per Equity Share of Rs. 10/- each (25%) for the financial year ended March 31, 2018.
4. To appoint the Statutory Auditors of the Company:

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

   "RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014, [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and based on the recommendation of the Audit Committee and of the Board of Directors, Messrs Deloitte Haskins & Sells, Chartered Accountants, (FRN 008072S), who have offered themselves for reappointment and have confirmed their eligibility to be appointed as Statutory Auditors, in terms of the provisions of Section 141 of the Act, and Rule 4 of the Rules, be and are hereby reappointed as Statutory Auditors of the Company for a second term of 5 (five) years starting from the Company's financial year 2018-19 to 2022-23 to hold office from the conclusion of this Annual General Meeting until the conclusion of Thirty-Eighth Annual General Meeting of the Company on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to applicable taxes and reimbursement of out of pocket expenses incurred by them in connection with the audit of Accounts of the Company."

SPECIAL BUSINESS:

5. Ratification of remuneration of Cost Auditors:

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

   "RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof], Messrs. Rao, Murthy & Associates, Cost Accountants, Bangalore (Reg. No.000065), appointed as Cost Auditors of the Company for conducting the cost audit of the accounts and records for the financial year ended March 31, 2018 with a remuneration of Rs.1,50,000/- (Rupees One Lakh Fifty Thousand only) plus applicable taxes and reimbursement of out of pocket expenses, at actuals, as approved by the Board of Directors, be and is hereby ratified."
6. Commission payable to Independent Directors:

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

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

By Order of the Board of Directors

For DISA India Limited

Date: June, 18, 2018
Place: Bangalore

G Prasanna Bairy
Company Secretary
Membership No. : ACS 35584

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and such proxy need not be a member. Proxies, in order to be effective, must be received by the Company not less than forty-eight (48) hours before the meeting.

   A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. If a person holding more than 10% of the total share capital of the Company is proposed to be appointed as a proxy for a member, such person shall not act as proxy for any other person or shareholder.
2. The Register of Members and the Share Transfer books of the Company will remain closed from August 2, 2018 to August 9, 2018 (both days inclusive).
3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the Meeting, is annexed hereto.
4. The Shares of the Company are now traded compulsorily in dematerialized form as per the directions of the Stock Exchange. Accordingly, members who have not opted for dematerialization of shares are once again reminded to take steps to dematerialize their holdings.
5. Members are requested to communicate the changes, if any, in their addresses to the Company's Registrar and Share Transfer Agents, Integrated Registry Management Services Private Limited, 30, Ramana Residency, IV Cross, Sampige Road, Malleswaram, Bangalore-560 003.
6. Subject to the provisions of Section 123 of the Companies Act, 2013, Dividend as recommended by the Board of Directors, if declared at the Annual General Meeting, will be disbursed on or before September 8, 2018 to those members whose name appear on the

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

7. As per Section 124 of the Companies Act, 2013, the amount of Dividend remaining unpaid or unclaimed within 30 days from the date of declaration shall be transferred to 'unpaid dividend account' of the Company. Amount transferred to 'unpaid dividend account', which remains unpaid or unclaimed for a period of seven years from the date of transfer, is required to be transferred to the Investor Education and Protection Fund of the Central Government. Similarly, all the Shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to the Investor Education and Protection Fund.

8. In view of the above, members who have not so far encashed the Dividend warrant(s) for any of the dividends declared earlier, are requested to make their claims to the Company immediately. Please note that as per Section 125 of the Companies Act, 2013, no claim shall lie against the Company, in respect of individual amounts which remain unclaimed or unpaid for a period of seven years from the date of payment and no payment shall be made in respect of any such claims by the Company. Any such claims shall be lodged with the Fund as above.

9. Shareholders are requested to utilize ECS facility to enable direct transfer of dividends to their bank accounts.

10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding Shares in physical form may submit their PAN details to the Company.

11. Annual Report for the financial year 2017-18 along with Notice of the 33rd Annual General Meeting of the Company inter alia indicating the process and manner of e-Voting along with Attendance Slip and Proxy Form will be sent through electronic mode to the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same.

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

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

    The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Bangalore for inspection during normal business hours (10.00 am to 12.00 noon) on all working days (except Saturdays) up to the date of the Annual General Meeting. Even after registering for e-communication, members are entitled to receive such communication in physical form free of cost, upon making a request for the same. For any communication, the shareholders may also send requests to the Company's investor relations email ID: investor.relations@noricangroup.com.

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

12. Voting Through Electronic Means:

    In compliance with the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (LODR) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote at the 33rd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

The instructions for Shareholders voting electronically are as under:

(i) The voting period begins on August 6, 2018 (9.00 AM IST) and ends on August 8, 2018 (5.00 PM IST). During this period, Shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of August 1, 2018 may cast their votes electronically. The e-Voting module shall be disabled by CDSL for voting thereafter.

(ii) The Shareholders should log on to the e-Voting website www.evotingindia.com.

(iii) Click on Shareholders/Members.

(iv) Now Enter your User ID

    a. For CDSL: 16 digits beneficiary ID,

    b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

    c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com 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)
	• 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. • 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.
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. • 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).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding Shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login and password in the new password field. Kindly note that this password is to be also used by the demat account holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-Voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the Resolutions contained in this Notice.

(xi) Click on the EVSN relevant to 'DISA India Limited' on which you choose to vote.

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

(xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same, the option "YES/NO" is available for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiv) After selecting the resolution, if you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a demat account holder has forgotten the changed login password, then enter the User ID and the image verification code and click on 'Forgot Password' and enter the details as prompted by the system.

(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com 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.
- 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 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, under help section or write an email to helpdesk.evoting@cdslindia.com.

Other instructions:

(i) The voting rights of shareholders shall be in proportion to their Shares of the Paid up Equity Share Capital of the Company as on the cut-off date of August 1, 2018.

(ii) The Board of Directors has appointed Mr. Vijayakrishna K T, Practising Company Secretary, (Membership No. FCS 1788) as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. Mr. Vijayakrishna K T has conveyed to the Company his willingness to act as such.

(iii) The Scrutinizer shall within 48 hours of the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman or designated Director or KMP of the Company.

(iv) The Results shall be declared within 48 hours of the conclusion of the AGM. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website at https://www.disagroup.com/en-in/investor-relations/downloads and on the website of CDSL e-Voting within 48 hours of passing of the Resolutions at the AGM of the Company and communicated to the Stock Exchange, where the equity shares of the Company are listed.

(v) Further, members may note the following:

a. Remote e-voting shall not be allowed beyond the said date and time.

b. The Company is providing facility to vote on a poll to the members present at the meeting.

c. The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.

d. A person whose name is recorded in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting or voting in the General Meeting.

e. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal hours (10.00 am to 12.00 noon) on all working days (except Saturdays), up to and including the date of the Annual General Meeting of the Company.

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

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

Agenda Item - 2

Appointment of Mr. Viraj Naidu, retiring by rotation:

Name: Viraj Naidu

Age : 49 years

Qualification: Mechanical Engineering graduate from Indian Institute of Technology.

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

Group Company Directorships/Positions: None

Committee Memberships: None

Shareholding: NIL

By Order of the Board of Directors

For DISA India Limited

Date: June, 18, 2018 G Prasanna Bairy
Place: Bangalore Company Secretary
Membership No. : ACS 35584

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

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

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

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

The Company has received a Certificate from the Cost Auditors confirming their independence and arm's length relationship with the Company and their willingness to act as Cost Auditors of the Company. The Board recommends the proposed Resolution for approval by the Shareholders.

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

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

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

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

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

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

Ms. Deepa Hingorani, Mr. Sanjay Arte and Mr. Shyamal Kumar Sinha, Independent Directors, being the recipients of above Commission are concerned or interested in the Resolution set out at item no. 6 of the Notice. None of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the said Resolution.

By Order of the Board of Directors

For DISA India Limited

Date: June, 18, 2018 G Prasanna Bairy
Place: Bangalore Company Secretary
Membership No. : ACS 35584

BOARD'S REPORT

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

FINANCIAL RESULTS

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

(Rs. in Million)

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

*Weighted average, post Buy Back of Shares.

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

PERFORMANCE OF THE COMPANY

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

CHANGE IN THE NATURE OF BUSINESS

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

DIVIDEND

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

RESERVE

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

SHARE CAPITAL

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

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

ECONOMIC SCENARIO AND OUTLOOK

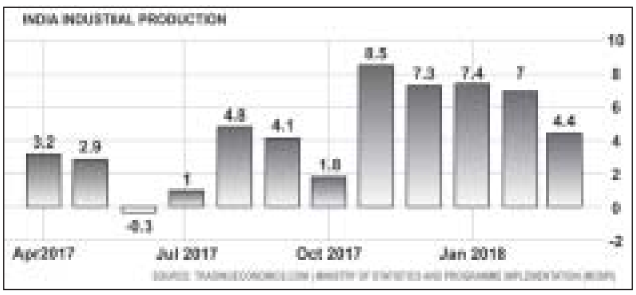
The Indian economy is in a recovery phase, and your Company is witnessing positive developments over the last few quarters. The GDP growth is back after a short aberration due to the implementation of GST. India has jumped to 100th rank in 'Ease of Doing Business Index', FDI inflows are impressive, so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

INDUSTRY OUTLOOK AND OPPORTUNITIES

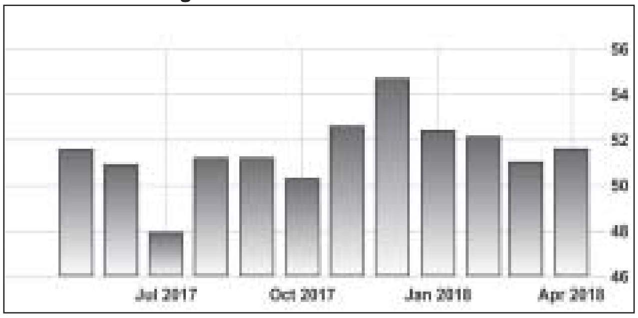
IIP and PMI have historically been good indicators for business sentiments in capital goods order intake.

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

- **The Index of Industrial Production (IIP):**



- Manufacturing PMI :



MARKET DEVELOPMENT

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

a) With global and local knowhow on High Pressure Molding machines, and the global experience in green and brown field foundries, your Company offers completely customized solutions to automate and to mechanize the current set-ups. This helps the customers to improve the overall productivity and lower the "cost per casting" in the foundry industry.

b) To meet the need and demand for genuine spare and wear parts, DISA aftermarket has started a unique partnership initiative "Parts Partnership Program" with customers. This is a simple way to understand the customer requirements well in advance and plan for availability at the right time.

c) DISA Services team works closely with maintenance team of the Company's customers to improve the overall reliability of the operation, by addressing repetitive issues on unplanned downtime through a root cause analysis program.

CORPORATE SOCIAL RESPONSIBILITY

Your Company is committed to comply with Corporate Social Responsibility as a good corporate citizen.

The Directors are pleased to report that the Company has further enhanced its efforts to support the community circles in which it operates. The Company's CSR program titled "DISA Wheelabrator Scholarship" has helped in providing financial assistance to less privileged students up to standard twelve as well to students seeking diplomas in Engineering.

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

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

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

RISK MANAGEMENT

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

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

As an established practice, at each Meeting of the Board, the Directors are updated on risks identification and steps taken to mitigate the same. Risk Management Policy is hosted on the Company's website at https://www.disagroup.com/en-in/investor-relations/policies.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

DIRECTORS AND KMP

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

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

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

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

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

INDEPENDENT DIRECTORS

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

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

MEETINGS OF THE BOARD OF DIRECTORS

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

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

BOARD EVALUATION

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that year;

(c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the Directors had prepared the annual accounts on a going concern basis; and

(e) the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.

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

INTERNAL FINANCIAL CONTROL

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

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

DEPOSITS

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

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

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

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

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

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

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

RELATED PARTY TRANSACTIONS

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

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

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

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

The Policy on related party transactions as approved by the Board is uploaded on the Company's website and the details of all the related party transactions are disclosed in the financials. The 'Related Party Transaction Policy' is available on website of the Company at https://www.disagroup.com/en-in/investor-relations/policies.

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.	WGH Holding Corp	British Virgin Islands
2	Wheelabrator Group (Canada) ULC	Canada
3	DISA (Changzhou) Machinery Ltd.	China
4	DISA Trading (Shanghai) Co. Ltd.	China
5	Kunshan Italpresse Die-Casting Equipment Co. Ltd.	China
6	Italpresse Industrie (Shanghai) Co. Ltd.	China
7	StrikoWestofen Thermal Equipment (Taicang) Ltd.	China
8	Wheelabrator Czech s.r.o.	Czeck Republic
9	Norican A/S	Denmark
10	Norican Global A/S	Denmark
11	Norican Group ApS	Denmark
12	DISA Holding A/S	Denmark
13	DISA Industries A/S	Denmark
14	Matrasur Composites SAS	France
15	Wheelabrator Group SAS	France
16	Wheelabrator Group GmbH	Germany
17	Wheelabrator Group Holding GmbH	Germany
18	LMCS Group Holding GmbH	Germany
19	Light Metal Casting Solutions Group GmbH	Germany
20	SWO Holding GmbH	Germany
21	Norican Digital GmbH	Germany
22	Light Metal Casting Equipment GmbH	Germany
23	StrikoWestofen GmbH	Germany
24	DISA Limited Hong Kong	Hong Kong
25	DISA India Ltd.	India
26	DISA Technologies Private Ltd.	India
27	Italpresse Industrie S.r.l.	Italy
28	Gauss Automazione S.p.A.	Italy
29	DISA K.K.	Japan
30	WG Plus de Mexico S de RL de CV	Mexico
31	StrikoWestofen de Mexico, S.A. de C.V.	Mexico
32	IP Mexico Die Casting S.A. de C.V.	Mexico
33	Wheelabrator Schlick Sp. Z.o.o.	Poland
34	SWO Polska Sp. Z.o.o.	Poland
35	Wheelabrator Group SLU	Spain
36	DISA Industrie AG	Switzerland
37	DISA Holding AG	Switzerland
38	WGH UK Holdings Limited	United Kingdom
39	WGH UK Ltd.	United Kingdom
40	Wheelabrator Technologies (UK) Ltd.	United Kingdom
41	Wheelabrator Group Ltd.	United Kingdom
42	Striko UK Ltd.	United Kingdom
43	DISA Industries, Inc.	United States
44	WG Global LLC	United States
45	DISA Holding LLC	United States
46	Wheelabrator Group, Inc.	United States
47	Wheelabrator (Delaware) LLC	United States
48	StrikoWestofen Dynarad Furnace Corp.	United States

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

Your Company has made an investment of Rs.44 Million in the Equity Share Capital of its Wholly Owned Subsidiary Company, Bhadra Castalloy Private Limited. It has extended an interest-bearing intercompany demand loan of Rs.8.5 Million to the subsidiary in May 2018 for the purpose of financing the purchase considerations to be paid for acquisition of the foundry by the subsidiary. This loan is in addition to Rs 17.5 Million given by the Company during the last financial year for the same purpose. The Company had also given a Corporate Guarantee of Rs.35.0 Million to Kotak Mahindra Bank on behalf of its subsidiary for providing bank guarantees for the acquisition. Out of Rs. 35 Million, only Rs 12.5 Million guarantee was outstanding as on the end of the financial year, which expired at the end of May 2018. The above Investment in equity, loan extended and guarantees given are well within limits prescribed under the provisions of Section 186 of the Companies Act, 2013.

AUDITORS

Messrs Deloitte Haskins & Sells, Chartered Accountants, Bangalore retire at the ensuing Annual General Meeting. The Company has received a Certificate under Section 141 of the Companies Act, 2013 stating that their appointment, if approved, would be within the limits specified therein. The Board proposes to appoint Messrs Deloitte Haskins & Sells, Chartered Accountants, as statutory auditors of the Company for the second term of five years from the financial year 2018-19 to 2022-23.

COST AUDITORS

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the cost records maintained by the Company in respect of its activity are required to be audited. Your Directors have, in their meeting held on May 25, 2017, based on the recommendation of the Audit Committee, appointed Messrs Rao, Murthy & Associates, Bangalore as Cost Auditors of the Company for the financial year ended 31st March 2018.

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 Whole Time Practice to undertake the Secretarial Audit of the Company. 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 explanations are provided.

CORPORATE GOVERNANCE

As required under SEBI (LODR) Regulations, 2015, a report on Corporate Governance and a Certificate from Mr. Vijayakrishna KT, Practising Company Secretary, regarding compliance of conditions of Corporate Governance are annexed as Annexure C and Annexure D.

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 responsibilities of Internal Audit of the Company and periodically reporting their findings of systems, procedures and management practices.

INDUSTRIAL RELATIONS

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

RESEARCH AND DEVELOPMENT, CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

CONSERVATION OF ENERGY

Your Company gives highest priority to conservation of energy through better supervision and training of employees to reduce 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 Principal's factories and design offices abroad for training and updating their skills.

FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company earned Rs.121.1 Million of foreign exchange and expended Rs. 373.4 Million foreign exchange during the financial year under review.

EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, Extract of Annual Return is provided as Annexure E to this Report.

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 Tribunal during the year under review which impacts going concern status of the Company.

DISCLOSURE RELATING TO REMUNERATION OF EMPLOYEES

The particulars of employees as required by Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in 'Annexure – F' forming part of this Report.

During the year, there were no employees receiving remuneration more than Rs. 1,02,00,000/- (Rupees One Crore Two Lakhs) per annum and/ or Rs.8,50,000/- (Rupees Eight Lakhs Fifty Thousand) per month. Hence, details as required by Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are not furnished.

There were no employees posted and working in a country outside India, not being Directors or relatives, drawing more than the amount prescribed under the Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Hence, the details are not required to be circulated to the Members and also not required to be attached to this Annual Report.

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

The Company has 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 following is a summary of sexual harassment complaints received and disposed off during the year 2017-18:

No of complaints received: NIL. No of complaints disposed off: NIL.

ACKOWLEDGEMENT

Your Directors place on record the appreciation for valuable contribution made by employees at all levels, active support and encouragement received from the Government of India, the 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

Date: June 18, 2018
Place: Altrincham, UK

Andrew Thomas Carmichael
Chairman
DIN: 03634151

AFFIRMATION REGARDING COMPLIANCE WITH CODE OF CONDUCT

The Board has laid down a code of conduct for all Directors and Senior Management Personnel of the Company. The code of conduct is available on the website of the Company at https://www.disagroup.com/en-in/investor-relations/policies.

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, 2018.

For and on behalf of the Board of Directors

Date: June 18, 2018
Place: Bangalore

Lokesh Saxena
Managing Director
DIN: 07823712

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

(Rs. in Million)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	Bhadra Castalloy 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
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	44.00
5	Reserves & surplus	6.00
6	Total assets	104.40
7	Total Liabilities	104.40
8	Investments	0.00
9	Turnover	98.90
10	Profit before taxation	6.10
11	Provision for taxation	1.90
12	Profit after taxation	4.20
13	Proposed Dividend	0.00
14	% of shareholding	100%

During the year, Company's name was changed by removing "S" from "CASTALLOYS" to "CASTALLOY" in order to align with the CASTALLOY business of the Norican Group, (being the ultimate Parent Company).

FORM NO. AOC-2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis: N.A.
2. Details of material contracts or arrangement or transactions at arm's length basis:

Date of the Board Meeting in which transactions were approved: May 25, 2017, August 11, 2017, November 9, 2017 & February 8, 2018.

Sl. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Rupees in Million
1	DISA Industry AG	Royalty Paid	Ongoing	Transactions based on information placed before Audit Committee while seeking 'Omnibus Approval'.	2.40
2	DISA Industry AG	Service Income	Ongoing	Transactions based on information placed before Audit Committee while seeking 'Omnibus Approval'.	0.10
3	DISA Industry AG	Sale of Goods	Ongoing	Transactions based on information placed before Audit Committee while seeking 'Omnibus Approval'.	3.50
4	DISA Industry AG	Reimbursement of Expenses	Ongoing	Transactions based on information placed before Audit Committee while seeking 'Omnibus Approval'.	0.10
5	DISA Industry AG	Commission Received	Ongoing	Transactions based on information placed before Audit Committee while seeking 'Omnibus Approval'.	1.50
6	DISA Technologies Pvt Ltd	Service Fees Paid	Ongoing	Transactions based on information placed before Audit Committee while seeking 'Omnibus Approval'.	4.70
7	DISA Technologies Pvt Ltd	Sale of Capital Goods	Ongoing	Transactions based on information placed before Audit Committee while seeking 'Omnibus Approval'.	0.10
8	DISA Industries A/S Denmark	Royalty Paid	Ongoing	Transactions based on information placed before Audit Committee while seeking 'Omnibus Approval'.	17.30
9	DISA Industries A/S Denmark	Service Fees Paid	Ongoing	Transactions based on information placed before Audit Committee while seeking 'Omnibus Approval'.	3.70
10	DISA Industries A/S Denmark	Import of Materials	Ongoing	Transactions based on information placed before Audit Committee while seeking 'Omnibus Approval'.	176.70
11	DISA Industries A/S Denmark	Reimbursement of Expenses	Ongoing	Transactions based on information placed before Audit Committee while seeking 'Omnibus Approval'.	0.70
12	DISA Industries A/S Denmark	Sale of Goods	Ongoing	Transactions based on information placed before Audit Committee while seeking 'Omnibus Approval'.	43.20
13	DISA Industries A/S Denmark	Service Income	Ongoing	Transactions based on information placed before Audit Committee while seeking 'Omnibus Approval'.	4.30
14	DISA Industries A/S Denmark	Reimbursement of Expenses	Ongoing	Transactions based on information placed before Audit Committee while seeking 'Omnibus Approval'.	10.30
15	DISA Industries A/S Denmark	Commission Received	Ongoing	Transactions based on information placed before Audit Committee while seeking 'Omnibus Approval'.	26.00
16	DISA K K Japan	Sale of Goods	Ongoing	Transactions based on information placed before Audit Committee while seeking 'Omnibus Approval'.	0.30

Sl. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Rupees in Million
17	DISA (Changzhou) Machinery Ltd	Import of Materials	Ongoing	Transactions based on information placed before Audit Committee while seeking 'Omnibus Approval'.	12.30
18	DISA (Changzhou) Machinery Ltd	Sale of Goods	Ongoing	Transactions based on information placed before Audit Committee while seeking 'Omnibus Approval'.	3.70
19	DISA (Changzhou) Machinery Ltd	Royalty Received	Ongoing	Transactions based on information placed before Audit Committee while seeking 'Omnibus Approval'.	0.90
20	Wheelabrator Czech s.r.o.	Import of Materials	Ongoing	Transactions based on information placed before Audit Committee while seeking 'Omnibus Approval'.	19.10
21	Wheelabrator Group GMBH	Royalty Paid	Ongoing	Transactions based on information placed before Audit Committee while seeking 'Omnibus Approval'.	3.60
22	Wheelabrator Group GMBH	Service Income	Ongoing	Transactions based on information placed before Audit Committee while seeking 'Omnibus Approval'.	1.60
23	Wheelabrator Group GMBH	Reimbursement of Expenses	Ongoing	Transactions based on information placed before Audit Committee while seeking 'Omnibus Approval'.	0.10
24	Wheelabrator Group INC	Import of Materials	Ongoing	Transactions based on information placed before Audit Committee while seeking 'Omnibus Approval'.	9.70
25	Wheelabrator Group INC	Service Income	Ongoing	Transactions based on information placed before Audit Committee while seeking 'Omnibus Approval'.	4.40
26	DISA Industries Inc	Sale of Goods	Ongoing	Transactions based on information placed before Audit Committee while seeking 'Omnibus Approval'.	0.60
27	Norican A/S	Group Management services Fees	Ongoing	Transactions based on information placed before Audit Committee while seeking 'Omnibus Approval'.	23.80
28	Norican A/S	Group IT Fees	Ongoing	Transactions based on information placed before Audit Committee while seeking 'Omnibus Approval'.	46.00
29	Norican A/S	Reimbursement of Expenses	Ongoing	Transactions based on information placed before Audit Committee while seeking 'Omnibus Approval'.	0.80
30	Bhadra Castalloys Pvt Ltd	Purchases	Ongoing	Transactions based on information placed before Audit Committee while seeking 'Omnibus Approval'.	8.40
31	Bhadra Castalloys Pvt Ltd	Sale of Goods	Ongoing	Transactions based on information placed before Audit Committee while seeking 'Omnibus Approval'.	0.20
32	Bhadra Castalloys Pvt Ltd	Reimbursement of Expenses	Ongoing	Transactions based on information placed before Audit Committee while seeking 'Omnibus Approval'.	1.10
33	Bhadra Castalloys Pvt Ltd	Interest on Loan Received	Ongoing	Transactions based on information placed before Audit Committee while seeking 'Omnibus Approval'.	1.70

By the order of the Board

Date: June 18, 2018
Place: Altrincham, UK.

Andrew Thomas Carmichael
Chairman
DIN: 03634151

ANNEXURE A

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

As part of its initiatives under "Corporate Social Responsibility" (CSR), the Company has undertaken project in the area of Education. This project is in accordance with Schedule VII of the Companies Act, 2013.

During the financial year ending March 2018, the Company's CSR efforts successfully supported 240 Students across Karnataka. Direct scholarships (DISA & Wheelabrator scholarships) were provided to 181 meritorious students at the identified institutions in and around Tumkur and Hosakote Manufacturing Plants. These scholarships were directly awarded to the students by the Company's CSR Implementation team with the help of the Institution heads. Apart from the direct scholarships, the Company also organized career guidance awareness session through an NGO by name Academy of counseling & Guidance- for the 9th,10th, 11th & 12th grade students at Tumkur & Hosakote Schools. Around 250 Students are benefited out of this awareness program. The Company also supported 59 Engineering students by providing Scholarship across Karnataka & neighboring states through an NGO, Foundation for Excellence India Trust.

ANNUAL REPORT ON CORPORATE SOACIAL RESPONSIBILITY (CSR) ACTIVITIES

1. Company's CSR Policy – is available in Company's website at https://www.disagroup.com/en-in/investor-relations/policies.
2. Composition of the CSR Committee:
   Mr. Andrew Thomas Carmichael: Norican Group COO & Chairman of DISA India Limited
   Ms. Deepa Hingorani: Independent Director on DISA India Limited Board, and
   Mr. Lokesh Saxena: DISA India Limited, Managing Director.
3. Average net Profit of the Company for last three financial years.
   Average net profit: Rs. 209.8 Million
4. Prescribed CSR Expenditure (Two percent of the amount as in item 3 above):
   The Company is required to spend Rs 4.196 Million.
5. Details of CSR spend for the financial year:
   a. Total amount spent for the financial year: Rs 4.20 Million.
   b. Amount unspent if any: Nil
   c. Manner in which the amount spent during the financial year is detailed below:
6. Reasons of amount unspent: NA

   Note: During the financial year 2016-17, there was a shortfall in CSR spend to the tune of Rs. 0.34 Million. This is primarily due to inadvertent error in calculation of average profits for last 3 years due to change in accounting year from calendar year to financial year during 2014-15. The Company intends to spend this shortfall during the financial year 2018-19.

Manner in which CSR amount was spent during the financial year 2017-18:

(Rs Million)

Sl. No.	CSR Project / Activity identified	Sector	Location	Amount Outlay (budget) Program wise	Amount Spent on the program	Cumulative Expenditure up to reporting period	Amount spent Directly or through implementing agency
1	Scholarship	Scholarship to Meritorious School Students– "DISA & Wheelabrator Scholarship"	Tumkur & Hosakote (Karnataka)	1.72	1.68	1.68	Direct
2	Facilities Improvement at the Institutions	Promotion of Education	Tumkur & Hosakote (Karnataka)	0.40	0.48	0.48	Direct
3	Scholarship	Scholarship to Meritorious Engineering Students– "DISA & Wheelabrator Scholarship"	Across Karnataka & part of Tamilnadu (Coimbatore)	2.01	2.01	2.01	Through agency – Foundation For Excellence India Trust
4	Career Guidance	Students	Tumkur & Hosakote	0.06	0.04	0.04	Direct
	TOTAL			4.19	4.20	4.20	

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 31ST MARCH, 2018

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial 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 (CIN: L85110KA1984PLC006116) (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, 2018 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 31.03.2018 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 industry 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
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:

Secretarial Standards issued by the Institute of Company Secretaries of India on the Board and General Meetings i.e. SS - 1 and SS – 2.

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, the Company has been advised to further strengthen adherences to the Secretarial Standards.

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.

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 Memorandum and Articles of Association of the Company.

Place: Bangalore
Date: 24.05.2018

Vijayakrishna KT
FCS No.: 1788
C P No.: 980

Note: This report is to be read with our letter of even date which is annexed as Annexure and forms an integral part of this report.

'Annexure'

My report of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. I believe that the processes and practices, I have followed provide a reasonable basis for our opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company including records under Income Tax Act, Central Excise Act, Customs Act, Central and State Sales Tax Act.

4. Where ever required, the Company has represented about the compliance of laws, rules and regulations and happening of events etc as applicable from time to time.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. My examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Place: Bangalore
Date: 24.05.2018

Vijayakrishna KT
FCS No.: 1788
C P No.: 980

ANNEXURE C

AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS PER 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 31st March, 2018 as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations') for the period 1st April, 2017 to 31st March, 2018.

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 under 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 24, 2018

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 endeavors to ensure that highest standards of ethical and responsible conduct are met throughout the organization.

The Company has adhered to the SEBI (LODR) Regulations, 2015.

2. Board of Directors:

Composition & Size of the Board

As on March 31, 2018, the Board comprised of six Directors including three Non-Executive Independent Directors, two Non-Executive Directors who are professionals from varied fields and have high levels of education and in depth corporate experience and one Executive Director.

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

As at the financial year ended March 31, 2018, 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 SEBI (LODR) Regulations, 2015.

All the Independent Directors of the Company are in compliance with the Companies Act, 2013 and 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 11th Aug, 2017	No. of other Directorships	Memberships of other Board Committees	Category
Deepa Hingorani	00206310	5	Present	8	NIL	Independent Non-Executive
Sanjay Arte	01000716	3	Absent	2	NIL	Independent Non-Executive
Shyamal Kumar Sinha	00335840	5	Present	NIL	NIL	Independent Non-Executive
Robert E Joyce Jr*	03633176	1	NA	NIL	NIL	Non-Independent Non-Executive
Andrew Thomas Carmichael	03634151	5	Present	2	NIL	Non-Independent Non-Executive
Viraj Naidu**	01284452	5	Present	NIL	NIL	Non-Independent Non-Executive
Lokesh Saxena***	07823712	4	Present	2	NIL	Executive

* Mr. Robert E Joyce Jr resigned as Chairman and Director of the Company with effect from June 21, 2017.
** Mr. Viraj Naidu resigned as Managing Director of the Company with effect from May 25, 2017.
*** Mr. Lokesh Saxena was appointed as Managing Director of the Company with effect from June 21, 2017.

The outside Directorships and Committee memberships are within the limits 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 has issued letters 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 at https://www.disagroup.com/en-in/investor-relations/policies.

The Company's familiarization program for Independent Directors is available on the website of the Company at https://www.disagroup.com/en-in/investor-relations/policies.

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

As required by law, brief profiles and other particulars of the Directors seeking appointment/re-appointment are given in the Notice convening the 33rd Annual General Meeting.

Board Meetings held during the financial year 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 approval of the quarterly financial results of the Company. Detailed agenda with suitable explanatory notes of the Meetings are circulated to the Directors in advance.

During the period, the Board met 5 (five) times on the following dates:

May 25, 2017, June 21, 2017, August 11, 2017, November 9, 2017 and February 8, 2018.

During the financial year, a separate Meeting of the Independent Directors was held on February 8, 2018 without the attendance of Non-Independent Directors and members of the Management.

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

On need basis, the Directors also considered and passed Resolutions by Circulation in full compliance with the applicable laws.

Compliance with the Code of Conduct

The Company has adopted "Norican 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 at https://www.disagroup.com/en-in/investor-relations/policies.

3. Audit Committee

The Audit Committee with powers, role and terms of reference as per 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 Ms. 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 financial year

The Committee met 4 (four) times during the financial year on the following dates:

May 25, 2017, August 11, 2017, November 9, 2017 and February 8, 2018.

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	2
Mr. Andrew Thomas Carmichael	4

The Company Secretary of the Company acts as Secretary to the Committee.

4. Nomination & Remuneration Committee

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

Meetings and the attendance during the financial year

The Committee met 3 (three) times during the financial year on the following dates:

May 25, 2017, June 21, 2017 and February 8, 2018.

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

Name of Director	No. of Meetings attended
Mr. Sanjay Arte	2
Ms. Deepa Hingorani	3
Mr. Robert E Joyce Jr	1
Mr. Andrew Thomas Carmichael	1

Since Mr. Robert E Joyce Jr has resigned from the office of Chairman as well as Director with effect from June 21, 2017, Nomination and Remuneration Committee was reconstituted by inducting Mr. Andrew Thomas Carmichael as a member of the Committee.

The Nomination and Remuneration Committee has the objective of formulation of the criteria for determining qualifications, positive attributes and independence of the Directors 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:

1. Formulation of criteria for evaluation of Independent Directors and the Board;
2. Devising a Policy on Board diversity;
3. 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;
4. Various criteria including minimum and maximum age, minimum qualification, desired background, diversity, evaluation and remuneration criteria for the Directors, KMPs and other employees.

The Company has complied with Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI) i.e., SS-1 (Meetings of the Board of Directors) and SS-2 (General Meetings) while calling, convening and conducting the Meetings.

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 etc. Following is the broad framework established by the Committee for this purpose:

<table>
<tr><th></th><th>Directors</th><th>KMP (CEO)</th><th>KMP (CFO)</th><th>KMP (CS)</th><th>Sr.Employees</th></tr>
<tr><td>Min.Age</td><td>35</td><td>35</td><td>35</td><td>25</td><td>30</td></tr>
<tr><td>Max.Age</td><td>70</td><td colspan="4">DIL's Retirement Age</td></tr>
<tr><td>Min.Qualification</td><td>Graduate</td><td>Graduate/ Diploma</td><td>MBA (Fin) &/or CA</td><td>CS</td><td>Graduate/Diploma</td></tr>
<tr><td rowspan="6">Desired Background (but not limited to)</td><td>Experience in Sr.Role in Related Market Segments</td><td colspan="2" rowspan="6">As set by Board</td><td>Member of ICSI</td><td rowspan="6">As set by CEO</td></tr>
<tr><td>Experience in Finance Field</td><td rowspan="5"></td></tr>
<tr><td>Understanding of Danish MNCs</td></tr>
<tr><td>Exposure at Board levels of other companies</td></tr>
<tr><td>Global Outlook</td></tr>
<tr><td>Notable Unique Achievement</td></tr>
<tr><td rowspan="2">Diversity</td><td>Fair mix of women & men</td><td colspan="4" rowspan="2"></td></tr>
<tr><td>Optimised mix of Functional Expertise</td></tr>
<tr><td rowspan="5">Evaluation</td><td>Actions aligned with the Company's Interest/Image</td><td colspan="4" rowspan="5">Performance against KRAs/KPIs</td></tr>
<tr><td>Strategic Inputs to the Board / Management</td></tr>
<tr><td>Integrity</td></tr>
<tr><td>Compliance</td></tr>
<tr><td>Attendance in Board Meetings</td></tr>
<tr><td rowspan="4">Remuneration</td><td>Within Regulatory Limits</td><td colspan="4" rowspan="4">Benchmarked to similar roles in comparable Industry</td></tr>
<tr><td>Comparable Industry Norms</td></tr>
<tr><td>No remuneration for Promoter Employee Directors</td></tr>
<tr><td>Performance / Involvement based differentiation allowed</td></tr>
</table>

5. Remuneration paid to Directors

The details of remuneration paid to the Directors during the financial year 1st April 2017 to 31st March 2018 are furnished below:

a) Managing Director (Rs. in Million)

Name	Salary	Performance Bonus & Incentives	Other Perquisites	PF & Superannuation	Total
Mr. Viraj Naidu (Till 25-05-17)	2.58	1.80	0.01	0.14	4.53
Mr. Lokesh Saxena	5.76	0.00	0.03	0.69	6.48

b) Non-Executive Independent Directors (Rs. in Million)

Name	Sitting fees	Commission
Mrs. Deepa Hingorani	0.14	0.30
Mr. Shyamal Kumar Sinha	0.05	0.30
Mr. Sanjay Arte*	Nil	Nil
Total	0.19	0.60

*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

No remuneration was paid to any of the Non-Executive, Non-Independent Directors during the year. The remuneration paid to Mr. Viraj Naidu is pertaining to the period during which he was the Managing Director.

The Sitting fees mentioned 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 the approval by the Board and Shareholders, if required. The commission as above is proposed to be increased to Rs. 400,000/- p.a. (Rupees Four Lakhs only) with effect from financial year 2018-19 subject to the approval of the Shareholders. Relevant details in this connection are included in the AGM Notice. 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 considers and approves Share transfers, transmissions, transposition of name, issue of split/duplicate certificates etc. It also ratifies demat requests received by the Company and reviews the status report on redressal of shareholders' complaints received by the Company/ share transfer agents.

Meetings and the attendance during the financial year

The Committee met 4 (four) times during the year on the following dates:

May 25, 2017, August 11, 2017, November 9, 2017 and February 8, 2018.

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

Name of Director	No. of Meetings attended
Mr. Shyamal Kumar Sinha	4
Mr. Sanjay Arte	2
Mr. Viraj Naidu	1
Mr. Lokesh Saxena	3

One complaint (June Qtr-NIL, Sep Qtr-1, Dec Qtr-NIL and March Qtr-NIL) was received and redressed during the financial year ended 31st March, 2018. There were no pending share transfers as on 31st March, 2018.

Since Mr. Viraj Naidu resigned from the Office of Managing Director with effect from May 25, 2017, Stakeholders' Relationship Committee was reconstituted on June 21, 2017 by inducting Mr. Lokesh Saxena as a member of the Committee in place of Mr. Naidu.

Name, Designation & Address of Compliance Officer

Mr. G Prasanna Bairy
General Manager - Finance & 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- 40201523
Fax: 91-80-28391661

7. Corporate Social Responsibility Committee

The Company has complied with the provisions of Section 135 of the Companies Act, 2013 and the Corporate Social Responsibility Committee has discharged its functions during the financial year under review.

The CSR Policy of the Company is disclosed on the website of the Company at https://www.disagroup.com/en-in/investor-relations/policies.

The Committee met once during the financial year on February 8, 2018.

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.

In view of resignation of Mr. Viraj Naidu as Managing Director with effect from May 25, 2017 and Mr. Robert E Joyce's resignation as Chairman and Director with effect from June 21, 2017, CSR Committee was reconstituted on June 21, 2017 by inducting Mr. Lokesh Saxena and Mr. Andrew Thomas Carmichael as Members of the Committee.

8. Related Party Transactions

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

Approval of Shareholders has been obtained in the previous AGM for 'Material Related Party Transactions'.

The Company has disclosed the Policy on dealing with Related Party Transactions on its website at https://www.disagroup.com/en-in/investor-relations/policies.

9. Risk Management

As an established practice, at each Meeting of the Board, the Directors are updated on Risk Identification and steps taken to mitigate the same.

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

Risk Management Policy is hosted on the Company's Website at https://www.disagroup.com/en-in/investor-relations/policies.

10. CEO/CFO Certification

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 year ended 31st March, 2018. CEO/CFO Certification is part of this report.

11. a) Details of non-Compliance, if any

There are no non-compliances.

b) Details of establishment of Vigil mechanism/ Whistle Blower Policy

The Company has adopted "Norican 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 at https://www.disagroup.com/en-in/investor-relations/policies.

c) Details of compliance with mandatory requirements:

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 of SEBI (LODR) Regulations, 2015. This Corporate Governance Report of the Company for the financial year 2017-18 as on March 31, 2018 are in compliance with the requirements of SEBI (LODR) Regulations, 2015, as applicable.

d) Adoption of the Non-Mandatory Requirements:

i. Nomination & Remuneration Committee has duly been constituted.

ii. The Company is in the regime of unqualified financial statements.

iii. The Company consistently trains its Board members, on an on-going basis, in the business model of the Company as well as the risk profile of the business parameters of the Company, their responsibilities as Directors, and the best ways to discharge them.

iv. The Company has a procedure of bringing to the notice of management, any matter/s regarding concerns about unethical behaviour, actual or suspected fraud or violation of Company's Code of Conduct or ethics Policy.

v. Corporate Governance Voluntary Guidelines 2009:

- Whole-time Directors of the Company are not holding any position as Non- Executive Directors or Independent Directors of any other public limited companies or private companies that are either holding or subsidiary companies of public companies. The voluntary guidelines allow holding such positions in seven such companies in aggregate.
- Independent Directors of the Company have the option and freedom to meet Company Management regularly. They are provided with all information sought by them to perform their duty effectively and efficiently.
- Non-whole time Directors are remunerated with an appropriate percentage of the net profits of the Company as allowed under the provisions of the Companies Act, 2013, for their valuable contributions by way of guidance, directions and time devoted to the activities of your Company. Such remunerations paid is uniform among all Non-whole time Directors.
- Nomination and Remuneration Committee has duly been constituted to discuss issues, as detailed elsewhere in this report.
- Audit Committee has duly been constituted, and its scope and functions has already detailed elsewhere in this report.
- Matters referred to Audit Committee, as detailed elsewhere in the report include, inter alia, recommendation to Board, on appointment of Statutory, Internal and Cost Auditor/s.
- Internal Auditor of the Company is an independent Chartered Accountant firm.
- Reconciliation of Share Capital Audit is conducted every financial quarter and the report is placed before the Audit Committee and the Board for review.

12. General Body Meetings

Location and time of the last three Annual General Meetings

Financial Year	Date	Venue	Time
2014-15	06-08-2015	Hotel Vivanta by Taj, Yashwanthpur, Bangalore	11.00 AM
2015-16	12-08-2016	Hotel Vivanta by Taj, Yashwanthpur, Bangalore	11.00 AM
2016-17	11-08-2017	Hotel Vivanta by Taj, Yashwanthpur, Bangalore	11.00 AM

Special Resolutions passed in the previous three Annual General Meetings:

Financial Year	Special Resolutions
2014-15	Nil
2015-16	Re-appointment of Mr. Viraj Naidu as Managing Director of the Company.
2016-17	(1) Appointment of Mr. Lokesh Saxena as Managing Director of the Company. (2) Alteration of 'Objects Clause' of Memorandum of Association of the Company. (3) Alteration of Articles of Association of the Company.

Special Resolution passed through Postal Ballot:

Financial Year	Special Resolution
2016-17	Postal Ballot notice dated 12th August, 2016 for Buy Back of Shares.

13. Disclosures

Transactions with the related parties are disclosed in Notes forming part of the Financial Statements under Sl. No: 40.

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.

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.

14. Means of Communication

The Quarterly/Half Yearly/ 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 at https://www.disagroup.com/en-in/investor-relations/downloads.

15. General Information to Shareholders

a) **AGM Date : Thursday, August 9, 2018**

Time : 11:00 Hrs

Venue : Hotel Taj, Yeshwanthpur, Bangalore

Period 12 months : April 2017 to March 2018

Date of Book Closure : August 2 to August 9, 2018 (both days inclusive)

Listing on Stock Exchange : BSE Limited. Scrip code is 500068

Date of payment of dividend : September 8, 2018 (Subject to shareholders' approval)

b) **Stock Market price data for the period April 2017 to March 2018**

Period	**BSE-Sensex**		**Market Price** (Rs.)	
MM-YY	High	Low	High	Low
Apr-17	30184	29241	5300	5000
May-17	31255	29804	5195	4665
Jun-17	31523	30681	5375	4611
Jul-17	32673	31017	5410	4841
Aug-17	32686	31128	5700	5001
Sep-17	32524	31082	5869	5400
Oct-17	33340	31440	7000	5555
Nov-17	33866	32683	6649	5700
Dec-17	34138	32565	6400	5725
Jan-18	36444	33703	7500	5924
Feb-18	36257	33483	6700	5700
Mar-18	34279	32484	6900	5920

c) Registrar and Transfer Agents (RTA)

Integrated Registry Management Services Private Limited, No. 30, Ramana Residency, Ground Floor, IV Cross, Sampige Road, Malleswaram, Bangalore -560 003, Telephone : 23460815/816 is the Company's Registrar and Share Transfer Agents (RTA). They have the requisite registration with SEBI.

d) Share Transfer System

The Company's Stakeholders' Relationship 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 listed.

The Company's shares are compulsorily traded in the demat form and the ISIN No. allotted is INE131C01011.

e) Distribution of shareholding as on 31st March, 2018

Range (in Rs.)	No. of Shareholders	% of Total Share Holders	Total Holding (In Rs.)	% of Total Capital
1 - 5000	2689	98.25	1,294,330	8.90
5001 - 10000	21	0.77	159,860	1.10
10001 - 20000	11	0.40	164,590	1.13
20001 - 30000	5	0.18	123,940	0.85
30001 - 40000	3	0.11	101,290	0.70
40001 - 50000	1	0.04	40,850	0.28
50001 - 100000	2	0.07	154,610	1.06
100001 & above	5	0.18	12,502,580	85.98
Total	**2737**	**100.00**	**14,542,050**	**100.00**

f) Dematerialization of shares and liquidity

About 96.88% of the 14,54,205 outstanding Equity Shares have been dematerialized up to March 31, 2018.

g) Shareholding pattern as on March 31, 2018

Category	No of Shares	% of Holding
Directors	-	-
Promoter but not Director	1,088,056	74.82
Director/Promoters Relatives	-	-
Sub Total	**1,088,056**	**74.82**
Banks & Financial Institutions, Insurance Companies, Mutual Funds	169,802	11.68
Body Corporate	27,346	1.88
NRI	16,021	1.10
FII	1,800	0.12
Indian Promoter	-	-
Clearing Member	943	0.06
Trust	-	-
General Public	150,237	10.34
Total	**1,454,205**	**100.00**

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

For DISA India Limited

Date: June 18, 2018
Place: Altrincham, UK.

Andrew Thomas Carmichael
Chairman
DIN: 03634151

CEO / CFO CERTIFICATION FOR YEAR ENDED MARCH 31, 2018

To
The Board of Directors
DISA India Limited
Bangalore

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

A. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2018 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 Company'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 Company during the year which are fraudulent, illegal or violative of the Company'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 Company 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) there were no significant changes in internal control over financial reporting during the year ended March 31, 2018;

   (2) significant changes in accounting policies during the year ended March 31, 2018 arising from the adoption of the Indian Accounting Standards have been discussed with the auditors and applicable accounting policies have been 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, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Bangalore	Lokesh Saxena	Amar Nath Mohanty
Date : May 14, 2018	Managing Director	Chief Financial Officer

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

As on the financial year ended on March 31, 2018

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) 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
Website : https://www.disagroup.com/en-in

vi) Whether Listed Company Yes

vii) Name, Address and Contact details of Registrar and Transfer Agent
Integrated Registry Management Services Private Limited, 30, Ramana Residency, 4th Cross, Sampige Road, Malleshwaram, Bangalore - 560003, Karnataka
Tel. : 080 - 23460815 to 818
Fax : 080 – 23460819
Email : irg@integratedindia.in
Website : 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	85.36
2	Filters	29197	14.64

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	54.10	2(46)
2	DISA Holding A/S Hojager 8, Taastrup 2630 Denmark	Foreign Company	Holding	20.73	2(46)
3	Bhadra Castalloy Private Limited, 5th Floor, Kushal Garden Arcade, 1A Peenya Industrial Area, Bangalore – 560058.	U27200KA2015 PTC084976	Subsidiary	100.00	2(87)

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, 2017]				No. of Shares held at the end of the year [As on March 31, 2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) IIndividual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt. or State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	-	-	-	-	-	-	-	-	-
d) Bank/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
SUB TOTAL:(A) (1)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
(2) Foreign									
a) NRI- Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-		-	-	-	-
c) Bodies Corp.	1088056	-	1088056	74.82	1088056	-	1088056	74.82	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other...	-	-	-	-	-	-	-	-	-
SUB TOTAL (A) (2)	**1088056**	**-**	**1088056**	**74.82**	**1088056**	**-**	**1088056**	**74.82**	**-**
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	**1088056**	**-**	**1088056**	**74.82**	**1088056**	**-**	**1088056**	**74.82**	**-**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	183339	200	183539	12.62	169602	200	169802	11.68	(0.94)
b) Banks/FI	-	-	-	-	-	-	-	-	-
C) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	1500	-	1500	0.10	1800	-	1800	0.12	0.02
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	**184839**	**200**	**185039**	**12.72**	**171402**	**200**	**171602**	**11.80**	**(0.92)**
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	14048	501	14549	1.00	26845	501	27346	1.88	0.88
ii) Overseas	-	-	-	-	-	-	-	-	
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	103911	47165	151076	10.39	105871	44366	150237	10.34	(0.05)

Category of Shareholders	No. of Shares held at the beginning of the year [As on April 1, 2017]				No. of Shares held at the end of the year [As on March 31, 2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	-	-	-	-	-	-	-	-	
c) Others (specify)									
Non-Resident Indians	14082	300	14382	0.99	15721	300	16021	1.10	0.11
Clearing Member	1103	-	1103	0.08	943	-	943	0.06	(0.02)
Trust	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(2)	133144	47966	181110	12.46	149380	45167	194547	13.38	0.92
Total Public Shareholding (B)= (B)(1)+(B)(2)	317983	48166	366149	25.18	320782	45367	366149	25.18	0.00
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	1406039	48166	1454205	100.00	1408838	45367	1454205	100.00	0.00

ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year 01-04-2017			Shareholding at the end of the year 31-03-2018			% 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 ofthe company	% of Shares Pledged / encumbered to total shares	
1	DISA Holding AG	786657	54.10	-	786657	54.10	-	-
2	DISA Holding A/S	301399	20.73	-	301399	20.73	-	-
	Total	1088056	74.82	-	1088056	74.82	-	-

(iii) Change in Promoters' Shareholding

There is no change in Promoters' Shareholding during the year.

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

Sl. No.		Shareholding at the beginning of the year 01-04-2017		Cumulative Shareholding during the year 31-03-2018	
	For Each of the Top 10 Shareholders	No.of shares	% of total shares of the Company	No.of shares	% of total shares of the Company
1.	IN30016710049887 IDFC PREMIER EQUITY FUND	81998	5.64	78605	5.41
2.	IN30378610001929 SBI SMALL AND MIDCAP FUND	-	-	57365	3.94
3.	IN30005410028124 DSP BLACKROCK MICRO CAP FUND	35316	2.43	26232	1.80
4.	IN30012611261919 BANDA REAL ESTATE PRIVATE LIMITED	2497	0.17	8061	0.55
5.	IN30005410067318 ADITYA BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE MNC FUND	7400	0.51	7400	0.51
6.	IN30047642233262 SUNITA AGGARWAL	4085	0.28	4085	0.28
7.	IN30115123013895 SUBODH NILKANTH PUROHIT	3750	0.26	3750	0.26
8.	IN30012611255786 SIDDESH CAPITAL MARKET SERVICES PVT LTD	1006	0.07	3296	0.23
9.	IN30115113309547 DIPTI DATTARAJ SALGAOCAR	3083	0.21	3083	0.21
10.	B000725 BHUMESH KUMAR GAUR	2800	0.19	2800	0.19

(v) Shareholding of Directors and Key Managerial Personnel:

Mr. Lokesh Saxena, Managing Director	10 shares
Mr. G Prasanna Bairy, Company Secretary	2 shares

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		Total Amount (Rs. in Million)
		Mr. Viraj Naidu (MD)	Mr. Lokesh Saxena (MD)	
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	4.38 0.01 -	5.76 0.26 -	10.14 0.27
2.	Stock Option	0	0	
3.	Sweat Equity	0	0	
4.	Commission - as% of profit - others	0	0	
5.	Others	0.14	0.46	0.60
	Total(A)	4.53	6.48	11.01

B. Remuneration to other Directors

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount (In Million)
		Mr. Viraj Naidu	Mr. Andrew Carmichael	Ms. Deepa Hingorani	Mr. Sanjay Arte	Mr. Shyamal Kumar Sinha	
1.	Independent Directors • Fee for attending board / committee meetings • Commission	0 0	0 0	0.14 0.30	0 0	0.05 0.30	0.19 0.60
	Total(1)	0	0	0.44	0	0.35	0.79
2.	Other Non-Executive Directors • Fee for attending Board / Committee Meetings • Commission	0 0	0 0	0 0	0 0	0 0	0 0
	Total(2)	0	0	0	0	0	0
	Total(B)=(1+2)	0	0	0.44	0	0.35	0.79
	Total Managerial Remuneration (A+B)						11.80

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

Sl. No.	Particulars of Remuneration	Name of KMP		Total Amount (In Million)
		Amar Nath Mohanty (CFO)	G.Prasanna Bairy (CS)	
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 Section17(3) Income Tax Act, 1961	8.67 0.25 0	2.67 0 0	11.34 0.25
2.	Stock Option	0	0	0
3.	Sweat Equity	0	0	0
4.	Commission - as% of profit - others	0	0	0
5.	Others	0.43	0.26	0.69
	Total(A)	9.35	2.93	12.28

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)
A. COMPANY					
Penalty			None		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			None		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
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 (In Rs) Apr 16 to Mar 17	Remuneration (In Rs) Apr 17 to Mar 18	% increase over previous year	Ratio of remuneration to MRE
Non executive Directors	Robert E Joyce Jr*	-	-		0
	Andrew Thomas Carmichael	-	-		0
Independent Directors	Sanjay Arte	-	-		0
	Deepa Hingorani	450,000	440,000	-2.22%	0.62
	Shyamal Kumar Sinha	430,000	350,000	-18.60%	0.49
Managing Director	Viraj Naidu**	8,871,629	4,524,074	-49.01%	6.38
KMP	Lokesh Saxena***	-	6,478,061	100.00%	9.13
	Amar Nath Mohanty (CFO)	5,599,226	9,352,953	67.04%	13.19
	G.Prasanna Bairy****	808,522	2,929,812	262.37%	4.13

Notes:

* Mr.Robert E Joyce resigned on June 21, 2017

** Mr.Viraj Naidu resigned from the post of Managing Director and became Non-whole Time Director w.e.f. May 25, 2017

*** Mr. Lokesh Saxena was appointed as Managing Director on June 21, 2017

**** Mr. G Prasannna Bairy joined on December 5, 2016

The median remuneration of employees (MRE) including Managing Director was Rs. 701,071 for the period ended March 31, 2017 and Rs. 709,315 for the year ended March 31, 2018.

The increase in MRE is 1.17% in the year ended March 31, 2018 over PE March 31, 2017.

Number of permanent employees on roll at the end of March 31, 2017 and March 31, 2018 are 281 and 278 respectively.

The revenue growth on annualised basis is 24.36%. The average salary increase given to employees is 7%-10%.

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 capaitalisation increased by 20% to Rs. 8,725 Million as of March 31, 2018 from Rs. 7,270 Million as of March 31, 2017.

The PE ratio was 53.76 as of March 31, 2018 which is a decrease of 18% as compared to March 31, 2017.

The closing price of Company's equity share in BSE as of March 31, 2018 is Rs. 6,000.20 per share, representing an increase of 59,902% 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 have been approved by the Nomination and remuneration committee

During the Period ended March 31, 2018, two employees received remuneration in excess of the highest paid Director (Managing Director). This is due to the fact that Mr. Lokesh Saxena, Managing Director joined the Company from June 19, 2017.

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

2) **Information pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

Top 10 Employees of the Company based on the remuneration drawn during FY 2017-18.

Sl. No.	Name	Age	Designation	Gross Remuneration Drawn (Rs.)	Qualification	Experience (years)	Date of commencement of Employment	Previous employment
1	Amar Nath Mohanty	56	Chief Financial Officer	9,352,953	ACA, GRAD. CMA	32	30/Oct/2015	GMM Pfaudler Limited
2	Jagadish Kulkarni	54	VP - Sales (W&A)	6,756,956	BE (Mech)	32	25/Feb/1991	Bemco Hydraulics Limited
3	Lokesh Saxena	48	Managing Director	6,478,061	BE (Mech), MBA (Marketing)	23	19/Jun/2017	SKF India Limited
4	Joydip Ghosh	54	VP- Sales (Filters)	6,229,081	M.Tech, Executive MBA	31	25/Apr/2007	Timken Engineering & RES India Private Limited
5	Satyanarayana V N	48	VP- Sales (Foundry)	5,810,295	BE (Mech) & PG in Mfg.Technology	23	16/Oct/2006	RICO Auto Industries Limited
6	Viraj Naidu	49	Managing Director (Up to May 25, 2017)	4,524,074	B. Tech	27	22/Jan/2007	TATA Auto Components System Limited
7	Jayachandran R	48	AVP- After Market Sales	3,849,678	BE (Electronics & Comm)	25	18/Jun/2007	Ingersoll Rand (I) Limited
8	Desai B G	59	AVP- Operations) (Hosakote Plant	3,464,689	DME, MBA	36	27/Aug/1987	Standford Engineering Limited
9	Uday Kulkarni	57	AVP- Operations (Tumkur Plant)	3,372,996	DME	36	10/Jul/1987	Metal Lamp Caps (India) Limited
10	G Prasanna Bairy	46	General Manager - Finance & Company Secretary	2,929,812	ACA, ACS, ACMA	21	5/Dec/2016	DPK Engineers Private Limited

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

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of DISA INDIA LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity 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 Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

In conducting 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 issued under section 143(11) of the Act.

We conducted our audit of the standalone Ind AS 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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit, total comprehensive income, the changes in equity 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, based on our audit, 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 including Other Comprehensive Income, Statement of Changes in Equity 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 Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

e) On the basis of the written representations received from the directors of the Company as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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, as amended, 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 standalone Ind AS 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 were no amounts which were 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)

S. Sundaresan
Partner
(Membership No.25776)

Bangalore
May 24, 2018

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section 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, 2018 in conjunction with our audit of the standalone Ind AS 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 of the Company 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, 2018, 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)

S. Sundaresan
Partner
(Membership No.25776)

Bangalore
May 24, 2018

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)

Report of even date on Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all 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 the 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 confirmation received from lender.

(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) According to the information and explanations given to us, the Company has granted 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, in respect of which:

(a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.

(b) The schedule of repayment of principal and payment of interest has been stipulated and repayment or receipt of principal amounts and interest have been regular as per stipulations.

(c) There is no overdue amount remaining outstanding as at the year-end.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public to which directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2014, as amended, would apply. Hence reporting under clause (v) of the Order is not applicable.

(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 generally 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, Goods & Services 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, Goods & Services Tax, cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

(c) Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax, which have not been deposited as on March 31, 2018 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved and Unpaid* (Rs. In Millions)
Central Excise Act, 1944	Excise Duty	CESTAT	F.Y. 2009-2011	0.12
Central Excise Act, 1944	Excise Duty	Commissioner (Appeals)	F.Y. 2014-2016	1.19
Karnataka Value Added Tax Act, 2003	Value Added Tax	Joint Commissioner (Appeals)	F.Y. 2010-2011	0.05
Central Sales Tax Act, 1956	Central Sales Tax	Joint Commissioner (Appeals)	F.Y. 2007-2011	5.12
Central Sales Tax Act, 1956	Central Sales Tax	Karnataka Appellate Tribunal	F.Y. 2012-2013	4.15
Karnataka Tax on Entry of Goods Act, 1974	Entry Tax	Karnataka Appellate Tribunal	F.Y. 2012-2013	0.11
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	A.Y. 2013-14	5.65

There are no dues of duty of custom duty and Goods and Services Tax that have not been deposited as at March 31, 2018 on account of disputes.
* Net of Rs.15.86 millions paid under protest.

(viii) The company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3(viii) of the Order is not applicable to the Company.

(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 3(ix) of the Order is not applicable to the Company.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no 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 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 188 and 177 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 the Order is not applicable.

(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 persons connected with him 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-IA of the Reserve Bank of India Act, 1934.

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

S. Sundaresan
Partner
(Membership No.25776)

Bangalore
May 24, 2018

Standalone Balance Sheet as at March 31, 2018

Rs. Million

	Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
A	**ASSETS**				
1	Non-current assets				
	(a) Property, plant and equipment	4	**152.9**	164.7	177.7
	(b) Investment property	5	**2.8**	2.9	3.0
	(c) Other intangible assets	6	**1.1**	-	0.1
	(d) Financial assets				
	(i) Investments in subsidiary company	7	**44.0**	44.0	44.0
	(ii) Other financial assets	8a	**28.6**	8.0	4.8
	(e) Deferred tax assets (Net)	9	**2.8**	4.5	4.4
	(f) Other non-current assets	10a	**17.5**	9.8	2.5
	Total non-current assets		**249.7**	233.9	236.5
2	Current assets				
	(a) Inventories	11	**464.2**	359.3	392.5
	(b) Financial assets				
	(i) Trade receivables	12	**123.7**	83.5	100.9
	(ii) Cash and cash equivalents	13	**47.7**	11.3	19.4
	(iii) Bank balance other than (ii) above	14	**747.0**	526.3	644.3
	(iv) Loans	15	**17.5**	17.5	-
	(v) Other financial assets	8b	**25.7**	20.7	32.5
	(c) Current tax assets (Net)	16	**11.4**	11.0	13.6
	(d) Other current assets	10b	**145.9**	142.2	151.0
	Total current assets		**1,583.1**	1,171.8	1,354.2
	Total assets		**1,832.8**	1,405.7	1,590.7
B	**EQUITY AND LIABILITIES**				
	1 Equity				
	(a) Equity share capital	17	**14.5**	14.5	15.1
	(b) Other equity	18	**1,071.1**	912.1	1,070.9
	Total Equity		**1,085.6**	926.6	1,086.0
	2 Liabilities				
	2.1 Current liabilities				
	(a) Financial liabilities				
	(i) Trade payables	19	**317.1**	201.9	178.6
	(ii) Other financial liabilities	20	**33.6**	15.7	8.4
	(b) Provisions	21	**30.8**	35.6	39.2
	(c) Other current liabilities	22	**365.7**	225.9	278.5
	Total current liabilities		**747.2**	479.1	504.7
	Total equity and liabilities		**1,832.8**	1,405.7	1,590.7
	See accompanying notes to 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 24, 2018

For and on behalf of the Board of Directors

Amar Nath Mohanty
Chief Financial Officer

G. Prasanna Bairy
Company Secretary

Deepa Hingorani
Director
DIN : 00206310

Lokesh Saxena
Managing Director
DIN : 07823712

Standalone Statement of Profit & Loss for the year ended March 31, 2018

Rs. Million

	Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
I	Revenue from operations	23	1,990.8	1,729.3
II	Other income	24	50.7	51.6
III	**Total revenue (I+II)**		2,041.5	1,780.9
IV	**Expenses**			
	(a) Cost of materials consumed	25	1,061.1	734.8
	(b) Purchases of stock-in-trade	26	129.9	137.6
	(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	27	(33.1)	43.3
	(d) Excise duty on sale of goods	28	32.2	154.4
	(e) Employee benefits expense	29	301.6	272.8
	(f) Finance costs	30	1.3	1.4
	(g) Depreciation and amortisation expense	31	19.1	20.0
	(h) Other expenses	32	276.4	238.2
	Total expenses (IV)		1,788.5	1,602.5
V	**Profit before tax (III-IV)**		253.0	178.4
VI	**Tax expense:**	33a		
	(a) Current tax		89.5	69.0
	(b) Deferred tax		1.2	(1.7)
	Total tax expenses (a+b)		90.7	67.3
VII	**Profit for the year (V-VI)**		162.3	111.1
VIII	**Other comprehensive income, net of taxes**	33b		
	(A) (i) Items that will not be reclassified to profit or loss:			
	(a) Re-measurement gains on defined benefit plans		1.6	4.5
	(A) (ii) Income tax relating to items that will not be reclassified to profit or loss:			
	(a) Re-measurement losses on defined benefit plans		(0.5)	(1.6)
	Total other comprehensive income (A((i)+(ii))		1.1	2.9
	Total comprehensive income for the year (VII+VIII)		163.4	114.0
	Earnings per equity share (Face value of Rs 10 /- each):	34		
	(a) Basic - Rs.		111.61	74.52
	(b) Diluted - Rs.		111.61	74.52
	See accompanying notes to 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. 25776

Amar Nath Mohanty
Chief Financial Officer

Deepa Hingorani
Director
DIN : 00206310

Lokesh Saxena
Managing Director
DIN : 07823712

Place : Bangalore
Date : May 24, 2018

G. Prasanna Bairy
Company Secretary

Standalone statement of changes in equity
For the year ended March 31, 2018

Rs. Million

a. Equity Share Capital:

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Balance as at the beginning of the reporting period	**1,454,205**	**14.50**	1,510,205	15.10	1,510,205	15.10
Changes in the equity share capital during the year						
Buyback of shares	-	-	(56,000)	(0.60)	-	-
Balance at the end of the reporting period	**1,454,205**	**14.50**	1,454,205	14.50	1,510,205	15.10

b. Other equity

Particulars	Reserves & Surplus					Items of OCI	Total Equity
	Share premium	Capital Reserve	Capital Redemption reserve	General Reserve	Retained earnings	Remeasurements of defined benefit plans	
Balance as at April 1,2016	109.1	1.5	-	142.6	817.7	-	1,070.9
Profit for the period	-	-	-	-	111.1	-	111.1
Other comprehensive income	-	-	-	-	-	2.9	2.9
Total Comprehensive Income for the year	109.1	1.5	-	142.6	928.8	2.9	1,184.9
Buy back of Shares	(109.1)	-	-	(142.6)	(16.5)	-	(268.2)
Transferred to Capital redemption reserve	-	-	0.6	-	(0.6)	-	-
Dividends	-	-	-	-	(3.8)	-	(3.8)
Tax on dividend	-	-	-	-	(0.8)	-	(0.8)
Balance as at March 31, 2017	-	1.5	0.6	-	907.1	2.9	912.1
Profit for the period	-	-	-	-	162.3	-	162.3
Other comprehensive income	-	-	-	-	-	1.1	1.1
Dividends	-	-	-	-	(3.7)	-	(3.7)
Tax on dividend	-	-	-	-	(0.7)	-	(0.7)
Balance as at March 31, 2018	-	1.5	0.6	-	1,065.0	4.0	1,071.1

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. 25776

Amar Nath Mohanty
Chief Financial Officer

Deepa Hingorani
Director
DIN : 00206310

Lokesh Saxena
Managing Director
DIN : 07823712

Place : Bangalore
Date : May 24, 2018

G. Prasanna Bairy
Company Secretary

Standalone Cash Flow Statement for the year ended March 31, 2018

Rs. Million

	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
A	CASH FLOW FROM OPERATING ACTIVITIES :		
	Profit before tax	253.0	178.4
	Adjustments for:		
	Depreciation and amortisation	19.1	20.0
	Finance cost	1.3	1.4
	Profit on sale of property, plant and equipment	(0.3)	(0.3)
	Interest income	(44.2)	(43.5)
	Bad trade receivables written off	0.1	0.3
	Provision for doubtful trade receivable reversed	(0.3)	(0.3)
	Liabilities no longer required written back	(2.3)	-
	Rental income	(1.6)	(1.7)
	Net unrealised exchange gains/(losses)	5.9	(2.4)
	Re-measurement of gains on difined benefit plans	1.6	4.5
	Operating profit before changes in working capital	232.3	156.4
	Changes in working capital		
	Adjustments for (increase)/decrease in non-current assets:		
	Other financial assets	(0.6)	(3.2)
	Other non-current assets	(7.7)	(7.3)
	Adjustments for (increase)/decrease in current assets:		
	Inventories	(104.9)	33.2
	Trade receivables	(40.7)	17.4
	Other financial assets	(1.0)	3.4
	Other current assets	(3.7)	8.8
	Adjustments for increase/(decrease) in current liabilities:		
	Trade payables	112.3	25.7
	Other financial liabilities	18.0	7.6
	Short term provisions	(4.8)	(3.6)
	Other current liabilities	139.8	(52.6)
	Cash generated from operating activities	339.0	185.8
	Income tax paid	(89.9)	(66.4)
	Net cash generated from operating activities (A)	249.1	119.4
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	Payment for purchase of property, plant and equipment	(8.4)	(7.0)
	Proceeds from disposal of property, plant and equipment	0.4	0.4
	Loan given to subsidiary company	-	(17.5)
	Redemption/maturity of bank deposits	373.8	478.2
	Investment in bank deposits	(614.6)	(360.4)
	Interest received	40.2	51.9
	Rental income	1.6	1.7
	Net Cash generated from/(used) investing activities (B)	(207.0)	147.3
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Finance cost	(1.3)	(1.4)
	Buyback of equity shares	-	(268.8)
	Dividend paid	(3.7)	(3.8)
	Tax on dividend	(0.7)	(0.8)
	Net Cash used financing activities (C)	(5.7)	(274.8)
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	36.4	(8.1)
	Cash and cash equivalents as at March 31, 2017	11.3	19.4
	Cash and cash equivalents as at March 31, 2018	47.7	11.3
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	36.4	(8.1)
	Cash and cash equivalents at the end of the year		
	Comprises		
	(a) In cash in hand	0.1	0.1
	(b) In current accounts	42.6	11.2
	(c) deposit accounts	5.0	-
		47.7	11.3
	See accompanying notes to 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. 25776

Amar Nath Mohanty
Chief Financial Officer

Deepa Hingorani
Director
DIN : 00206310

Lokesh Saxena
Managing Director
DIN : 07823712

Place : Bangalore
Date : May 24, 2018

G. Prasanna Bairy
Company Secretary

Notes forming part of the Standalone financial statements for year ended March 31, 2018

NOTE 1

1. General information

1.1 DISA India Limited ('the Company') is a public limited company incorporated in India in 1984 under the Companies Act 1956.It is listed on Bombay Stock Exchange and headquartered in Bangalore. Its Promoters are DISA Holding AG of Switzerland and DISA Holding A/S of Denmark which hold 54.10% and 20.72% of share capital of the Company respectively. The Company's ultimate holding company is Norican Global A/S, Denmark.

The Company is a leading equipment manufacturer with advanced foundry and surface preparation process technology. It supplies complete foundry systems with DISA range of moulding machines, sand mixers with combination of sand plant equipment, surface preparation machines and environmental control systems to customers across the country with its network of sales offices in New Delhi, Pune, Kolkata and Bangalore with its two manufacturing plants located in Tumkur and Hosakote in Bangalore, Karnataka.

1.2. The Company's standalone financial statements were approved by the Company's Board of Directors on May 24, 2018.

2. Significant accounting policies

2.1. The financial statements of Disa India Limited have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015. Up to the year ended March 31, 2017 the Company prepared its financial statements in accordance with Standards notified under the Companies (Accounting Standards) Rules, 2006. Financial Statements for the current financial year 2017-18 are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2016. Refer Note 3.20 for the details of first-time adoption exemptions availed by the Company.

2.2. Basis of Preparation and Presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/ or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

2.3. Functional currency

Financial statements are presented in Indian Rupees, which is the functional currency of the Company, and the currency of primary economic environment in which the Company operates. All the financial information presented in Indian Rupees has been rounded to the nearest million except shares and earning per share data which are presented in absolute terms.

2.4. Use of estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities & disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognized in the period in which the estimate is revised, and future periods affected.

Critical estimates and judgments:

Areas involving critical judgments are

i) Note 35 - Estimation of defined benefit obligations

ii) Note 21 - Estimation for provisions of warranty claims

3. Summary of significant accounting policies

3.1. Revenue Recognition

Revenue is measured at the fair value of consideration received or receivable and is net of goods & service tax, returns, discounts, sales incentives and other similar allowances. The Company recognizes revenue when the amount of revenue and its related cost can be reliably measured, and it is probable that future economic benefits will flow to the entity and specific criteria in relation to significant risk and reward and degree of managerial involvement associated with ownership or effective control have been met for each of the Company's activities as described below.

3.1.1. Sale of goods:

Domestic and export sales are accounted on transfer of significant risks and rewards to the customer which generally coincides with the dispatch of goods from the factory or the port, as appropriate, and no continuing involvement of management to the degree associated with ownership nor effective control over the goods sold. In case of machinery / equipment which together form part of a contract for a larger group of machinery, revenue is recognized only when all significant machinery/ equipment is transferred.

3.1.2. Services

Revenue from a contract to provide services is recognized by reference to the stage of completion of the contract.

3.1.3. Export Entitlements

Export entitlements from government authorities are recognized in the statement of profit & loss when the right to receive credit as per the terms of the scheme is established in respect of exports made by the Company and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

3.1.4. Interest Income

Interest Income is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable. Dividend Income is recognized in the statement of profit and loss when the right to receive dividends is established.

3.1.5. Commission Income

Commission Income is recognized on accrual basis as per the terms of the agreement.

3.2. Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other Leases are classified as operating leases.

3.2.1. **As Lessor :** Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease.

Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognized in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

3.2.2. **As Lessee:** Rental expenses from operating leases are recognized on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Lessor's expected inflationary cost increases, such increases are recognized in the year in which such benefits accrue.

3.3. Foreign currency transactions & translations

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions.

Monetary items denominated in foreign currencies are restated at the rates prevailing on the balance sheet date. Exchange differences on monetary items are recognized in the statement of profit or loss in the period in which those arise.

Non-monetary items denominated in foreign currencies that are measured at fair value are restated to the functional currency at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not restated.

3.4. Employee benefits

Defined Contribution Plans:

3.4.1. Provident Fund, Superannuation Fund & ESIC

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.

3.4.2. Defined Benefit Plans

Gratuity

The Company has taken a Group Gratuity Policy and Group Leave Encashment Scheme with an insurance company. These constitute the Defined Benefit Plans of the Company.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur.

Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognized in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

3.4.3. Short term & Other Long-Term Employee benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

3.5. Taxation

Income tax expense for the year comprises of current and deferred tax using rates at the balance sheet date.

3.5.1. Current Tax

The current tax payable is based on taxable profit for the year and any adjustment to tax payable in respect of previous years, computed as per Income Tax Act 1961. The current tax is calculated using effective tax rates that have been enacted by the end of the reporting period.

3.5.2. Deferred Tax

Deferred tax is recognized on temporary timing differences between the carrying amounts of assets and liabilities in the financial statements using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period.

3.6. Property, plant and equipment

Property, plant & equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost (i.e., Purchase cost, Net of duties), less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price, non - refundable taxes & duties, freight and other directly attributable costs to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. Freehold land is not depreciated.

Items such as spare parts, stand-by equipment and servicing equipment are recognized as property, plant and equipment if it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably.

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Depreciation on Property, plant and equipment 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.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in statement of profit and loss.

3.7. Investment Properties

Investment properties are properties held to earn rentals and / or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 40 requirements for cost model.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

3.8. Other Intangible Assets

3.8.1. Recognition

Intangible assets that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses, if any. 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.

Intangible assets, with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives of four years.

Computer software, except standard utility software packages which are not integral part of the hardware are classified as Intangible assets.

3.8.2. Derecognition of intangible assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

3.9. Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs. Corporate assets are also allocated to individual cash generating units when a reasonable and consistent basis of allocation can be identified, or otherwise corporate assets are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in statement of profit and loss.

3.10. 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 direct materials and where applicable direct labor costs and overhead costs that have been 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.

3.11. Provisions

Provisions are recognized when the Company has a present obligation as a result of a past event that it is probable will result in an outflow of economic benefits that can be reasonably estimated.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

3.11.1. Warranties

Provisions for the expected cost of warranty obligations are recognized at the date of sale of the relevant products, based on the best estimate 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.

3.12. Investment in subsidiaries

Investment in subsidiaries are carried at cost less impairment if any.

3.13. Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments and are recognized initially at fair value, and subsequently measured at either amortized cost or fair value through profit and loss or other comprehensive income. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (Other than financial assets recorded at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction cost directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

3.14. Financial Assets

Recognition: Financial assets include investments, trade receivables, advances, security deposits, cash & cash equivalents.

Measurement: At initial recognition, the Company measures a financial asset at its fair value. In the case of financial assets which are recognized at fair value through profit or loss(FVTPL), its transaction costs are recognized in the statement of profit & loss. In other cases, the transaction costs are attributed to the acquisition value of the financial assets.

All recognized financial assets are subsequently measured in their entirety at either amortized cost or at fair value depending on the classification of the financial assets.

Effective interest method: The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Classification: The Company determines the classification of assets at initial recognition depending on the purpose for which the assets were acquired. The subsequent measurement of financial assets depends on such classification. Financial assets are classified as those measured at:

a. Amortized cost, where the financial assets are held solely for collection of cash flows arising from payments of principal and or interest.

b. Fair value through other comprehensive income(FVTOCI)where the financial assets are held not only for collection of cash flow arising from payment of principal and interest but also from sale of such assets. Such assets are subsequently measured at fair value with unrealized gains or losses arising from changes in the fair value being recognized in other comprehensive income.

c. Fair value through profit and loss(FVTPL)where the assets are managed in accordance with an approved investment strategy that triggers purchase and sale decisions based on the fair value of such assets. Such assets are subsequently measured at fair value with unrealized gains and losses arising from changes in the fair value being recognized in the statement of profit and loss in the period in which they arise.

   Trade receivables, advances, security deposits, cash & cash equivalents etc are classified for measurement at amortized cost while investment may fall under any one of the aforesaid classes.

Impairment: The Company assesses at each reporting date whether a financial asset such as investment, trade receivables, advances and security deposits held at amortized cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or efforts. Expected credit losses are assessed and loss allowances recognized if the credit quality of the financial asset has deteriorated significantly since initial recognition.

Derecognition: A financial asset is derecognized only when the contractual rights to the cash flows from the asset expire or when the Company transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

3.15. Financial liabilities

Borrowings, trade payables and other financial liabilities are initially recognized at the value of the respective contractual obligations.

Classification: Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liability and an equity instrument. All financial liabilities are subsequently measured at amortized cost using the effective interest method or FVTPL.

Financial liabilities at FVTPL: Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising in measurement recognized in profit or loss. Net gain or loss recognized in the profit or loss on the financial liability is included in the Other income or Finance cost line item.

Derecognition: A financial liability is derecognized only when the Company's obligations are discharged, cancelled or have expired.

Derivative financial instruments

Derivative financial instruments such as foreign exchange forward contracts, if any, are held to mitigate the risk of changes in foreign exchange rates on foreign currency assets or liabilities. Derivatives are recognized and measured at fair value. Attributable transaction costs are recognized in the statement of Profit & Loss.

3.16. 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 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.

3.17. Segment reporting

Operating segments are components of the Company whose operating results are regularly reviewed by the Chief Operating Decision Maker [CODM] to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

Manufacturing and selling of foundry machinery and machinery parts is identified as single operating segment for the purpose of making decision on allocation of resources and assessing its performance (refer note 41).

3.18. 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.

3.19. Recent accounting pronouncements

Ind AS 21- Foreign currency transactions and advance consideration: On March 28,2018, MCA has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

This rule will come into force from April 1, 2018. The Company has evaluated the effect of this on the financial statements and it is not material.

Ind AS 115 - Revenue from Contract with Customers: The Ministry of Corporate Affairs (MCA) has notified Ind AS 115 Revenue from Contracts with Customers vide its notification dated March 28, 2018.The standard replaces Ind AS 11 Construction Contracts and Ind AS 18 Revenue. The said notification is applicable to contracts with customers and is effective for annual periods beginning on or after 1 April 2018.

The core principle of the standard is to identify performance obligations and assess the satisfaction of the performance obligations for the purpose of recognising revenue. An entity shall recognise revenue when (or as) the entity satisfies a performance obligation by transferring a promised goods or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset. The new standard offers certain transition options. An entity can choose to apply the new standard to its historical transactions and retrospectively adjust each comparative period. Alternatively, an entity can recognize the cumulative effect of applying the new standard at the date of initial application - and make no adjustments to its comparative information.

The Company is currently evaluating the requirements of Ind AS 115, and is in the process of determining the impact on the financial statements.

3.20. First-time adoption – mandatory exceptions, optional exemptions

Overall principle

These financial statements are the first financial statements of the Company under Ind AS. The date of transition to Ind AS is April 1, 2016. The transition is carried out from Indian GAAP (previous GAAP) to Ind AS, notified under Section 133 of the Companies Act, 2013 [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. The Company has applied exceptions and exemptions in accordance with Ind AS 101 "First-time Adoption of Indian Accounting Standards".

Exceptions:

1. **Estimates:** Ind AS estimates on the date of transition are consistent with the estimates as at the same date made in conformity with previous GAAP.
2. **Derecognition of financial assets & liabilities:** The Company has applied the de-recognition requirements of Ind AS 109 prospectively from the date of transition to Ind AS.
3. **Classification and measurement of financial assets:** The Company has assessed classification and measurement of financial assets based on facts and circumstances prevalent on the date of transition to Ind AS.
4. **Impairment of financial assets:** The Company has applied impairment requirements of Ind AS 109 retrospectively to financial instruments and concluded that there is no need to recognize any additional loss allowance on financial assets.

Exemptions:

1. **Investment in subsidiary company in separate financial statement:** The Company has measured investment in subsidiary company at previous GAAP carrying amount as deemed cost on transition to Ind AS in the separate financial statements.
2. **Deemed cost for property, plant and equipment, intangible assets and investment in property:** The Company has elected to continue with the carrying value of all of its plant and equipment's recognized as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Notes forming part of the standalone financial statements

Rs. Million

4 Property, Plant and Equipment

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Carrying amounts of:			
Freehold land*	3.1	3.1	3.1
Buildings*	90.7	95.5	100.6
Plant and machinery	41.4	47.3	55.3
Furniture and fixtures	1.7	2.1	2.5
Office equipment	1.9	1.8	1.9
Patterns	5.4	6.2	6.7
Vehicles	3.6	4.3	4.9
Computers	5.1	4.4	2.7
	152.9	164.7	177.7

Particulars	Freehold land	Buildings	Plant and machinery	Furniture and fixtures	Office equipment	Patterns	Vehicles	Computers	Total
Cost or deemed cost									
Balance as on April 1, 2016	3.1	157.5	241.8	12.8	9.8	25.7	5.7	23.1	479.5
Additions	-	-	1.4	-	0.9	1.7	-	3.0	7.0
Deletions	-	-	1.0	1.9	0.2	-	-	2.2	5.3
Balance as on March 31, 2017	3.1	157.5	242.2	10.9	10.5	27.4	5.7	23.9	481.2
Additions	-	-	1.7	-	0.9	1.3	-	3.3	7.2
Deletions	-	-	0.4	-	-	-	-	3.8	4.2
Balance as on March 31, 2018	3.1	157.5	243.5	10.9	11.4	28.7	5.7	23.4	484.2

Particulars	Freehold land	Buildings	Plant and machinery	Furniture and fixtures	Office equipment	Patterns	Vehicles	Computers	Total
Accumulated depreciation									
Balance as on April 1, 2016	-	56.9	186.5	10.3	7.9	19.0	0.8	20.4	301.8
Depreciation expense for the year	-	5.1	9.3	0.4	1.0	2.2	0.6	1.3	19.9
Deletions	-	-	0.9	1.9	0.2	-	-	2.2	5.2
Balance as on March 31, 2017	-	62.0	194.9	8.8	8.7	21.2	1.4	19.5	316.5
Depreciation expense for the year	-	4.8	7.7	0.4	0.8	2.1	0.7	2.4	18.9
Deletions	-	-	0.5	-	-	-	-	3.6	4.1
Balance as on March 31, 2018	-	66.8	202.1	9.2	9.5	23.3	2.1	18.3	331.3

Particulars	Freehold land	Buildings	Plant and machinery	Furniture and fixtures	Office equipment	Patterns	Vehicles	Computers	Total
Carrying amount									
Balance as on April 1, 2016	3.1	100.6	55.3	2.5	1.9	6.7	4.9	2.7	177.7
Balance as on March 31, 2017	3.1	95.5	47.3	2.1	1.8	6.2	4.3	4.4	164.7
Balance as on March 31, 2018	3.1	90.7	41.4	1.7	1.9	5.4	3.6	5.1	152.9

* First equitable mortgage on immovable property being land and building situated at Tumkur and Hosakote to the extent of Rs. 350 Million (PY Rs. 300 Million) has been offered as security.

Notes forming part of the standalone financial statements

5 Investment property

Rs. Million

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Carrying amounts of:	2.8	2.9	3.0
Investment property	2.8	2.9	3.0

Particulars	Investment Property
Cost or deemed cost	
Balance as on April 1, 2016	7.4
Additions	-
Deletions	-
Balance as on March 31, 2017	**7.4**
Additions	-
Deletions	-
Balance as on March 31, 2018	**7.4**

Particulars	Investment Property
Accumulated depreciation	
Balance as on April 1, 2016	4.4
Depreciation expense for the year	0.1
Deletions	-
Balance as on March 31, 2017	**4.5**
Depreciation expense for the year	0.1
Deletions	-
Balance as on March 31, 2018	**4.6**

Particulars	Investment Property
Carrying amount	
Balance as on April 1, 2016	3.0
Balance as on March 31, 2017	2.9
Balance as on March 31, 2018	**2.8**

Fair value of the company's investment property :

Fair valuation of Investment Properties as at March 31, 2018, March 31, 2017 and April 1, 2016 has been arrived at on the basis of valuation carried out as on respective dates by an independent valuer not related to company. The valuer is registered with the authority which governs the valuers in India, and in the opinion of management he has appropriate qualifications and recent experience in the valuation of properties. For all Investment properties, fair value was determined based on the capitalisation of net income methods where the market rentals of all lettable units of the properties are assessed by reference to the rentals achieved in the lettable units as well as other lettings of similar properties in the neighbourhood. The capitalisation rate adopted is made by reference to the yield rates observed by the valuers for similar properties in the locality and adjusted based on the valuer's knowledge of the factors specific to the respective properties. Thus, the significant unobservable inputs are as follows:

1. Monthly market rent, taking into account the difference in location, and individual factors, such as frontage and size, between the comparable and the property; and
2. Capitalisation rate, taking into account the capitalisation of rental income potential, nature of the property, and prevailing market condition. The fair value hierarchy for all investment properties is Level 2 and the fair values are as under:

   Fair value as at March 31, 2018 is Rs. 39.5 Million, as at March 31, 2017 was Rs. 37.7 Million and as at April 1, 2016, 36.9 Million.

   Expenses and income in respect of investment properties Expenses (excluding depreciation) amounting to 0.1 Million (FY 2017-2018: 0.1 Million) in respect of repairs,electricity charges, security expenses etc. are included in Note 36 'Other Expenses' and income amounting to 1.6 Million (FY 2016-2017: 1.7 Million) is included in Note 29 'Other income.

Notes forming part of the standalone financial statements

6 Other intangible assets

Rs. Million

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Carrying amounts of:	1.1	-	0.1
Other intangible assets	1.1	-	0.1

Particulars	Other intangible assets
Cost or deemed cost	
Balance as on April 1, 2016	20.3
Additions	-
Deletions	-
Balance as on March 31, 2017	**20.3**
Additions	1.2
Deletions	-
Balance as on March 31, 2018	**21.5**

Particulars	Other intangible assets
Accumulated depreciation	
Balance as on April 1, 2016	20.2
Depreciation expense for the year	0.1
Deletions	-
Balance as on March 31, 2017	**20.3**
Depreciation expense for the year	0.1
Deletions	-
Balance as on March 31, 2018	**20.4**

Particulars	Other intangible assets
Carrying amount	
Balance as on April 1, 2016	0.1
Balance as on March 31, 2017	-
Balance as on March 31, 2018	**1.1**

7 Investments

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Investment in subsidiary company			
Unquoted equity instruments (fully paid up) carried at cost			
Bhadra Castalloy Private Limited			
4,400,000 (March 31, 2017 : 4,400,000, April 1, 2016 : 4,400,000) fully paid up equity shares of Rs. 10 each	44.0	44.0	44.0
Total	44.0	44.0	44.0
Aggregate carrying value of unquoted investment	44.0	44.0	44.0

Notes forming part of the standalone financial statements

Rs. Million

8 Other financial assets

a) Non-current

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Security deposits	8.1	8.0	4.8
Other bank deposits	20.0	-	-
Margin money deposits [refer note 14(i)]	0.5	-	-
Total	28.6	8.0	4.8

b) Current

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Advances to employees	0.5	0.6	0.2
Security deposits	0.7	-	4.4
Interest accrued	17.1	13.1	21.5
Contractually reimbursable expenses	7.4	7.0	6.4
Total	25.7	20.7	32.5

9 Deferred tax asset

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Deferred tax asset on:			
Provision for employee benefits	12.8	14.1	12.7
Provision for doubtful debts	0.9	1.0	1.2
Sub total (A)	13.7	15.1	13.9
Deferred tax liabilities on:			
Property, Plant and equipment and intangible assets	10.9	10.6	9.5
Sub total (B)	10.9	10.6	9.5
Total (A-B)	2.8	4.5	4.4

Movement of deferred tax assets / liabilities

For the year ended March 31, 2018

Particulars	Opening balance	Recognised in Profit or Loss	Recognised in other comprehensive income	Closing balance
Deferred tax asset on:				
Provision for employee benefits	14.1	(0.8)	(0.5)	12.8
Provision for doubtful debts	1.0	(0.1)	-	0.9
Sub total (A)	15.1	(0.9)	(0.5)	13.7
Deferred tax liabilities on:				
Property, Plant and equipment and intangible assets	10.6	0.3	-	10.9
Sub total (B)	10.6	0.3	-	10.9
Total (A-B)	4.5	(1.2)	(0.5)	2.8
For the year ended March 31, 2017				
Deferred tax asset on:				
Provision for employee benefits	12.7	3.0	(1.6)	14.1
Provision for doubtful debts	1.2	(0.2)	-	1.0
Sub total (A)	13.9	2.8	(1.6)	15.1
Deferred tax liabilities on:				
Property, Plant and equipment and intangible assets	9.5	1.1	-	10.6
Sub total (B)	9.5	1.1	-	10.6
Total (A-B)	4.4	1.7	(1.6)	4.5

Notes forming part of the standalone financial statements

Rs. Million

10 Other assets

a) Non-current

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Prepaid rent	1.7	2.2	1.0
Balance with government authorities	15.8	7.6	1.5
Total	17.5	9.8	2.5

b) Current

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Prepaid expenses	7.0	5.7	4.0
Advances to suppliers	5.2	2.5	4.5
Duty drawback receivable	4.5	4.1	2.8
Balance with government authorities	129.0	129.7	134.9
Others	0.2	0.2	4.8
Total	145.9	142.2	151.0

11 Inventories

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(At lower of cost and net realisable value)			
Raw materials	233.9	162.1	152.0
(Goods in transit -Rs. 6.0 Million,as at March 31, 2017 Rs. 8.3 Million, as at April 1, 2016 Rs. 6.2 Million)			
Work-in-progress	171.7	167.4	153.1
Finished goods	25.2	9.7	64.9
Stock-in-Trade	33.4	20.1	22.5
(Goods in transit -Rs. 2.8 Million,as at March 31, 2017 Rs. 2.3 Million, as at April 1, 2016 Rs. 3.6 Million)			
Total	464.2	359.3	392.5

The cost of inventory recognised as an expense/(income) includes Rs. (2.1) Million (during 2016-17: Rs. 4.0 Million) in respect of obsolete raw material, Rs 0.4 Million (during 2016-17 Rs. (1.3) Million), Work in progress Rs (2.5) Million (during 2016-17 Rs.5.3 Million).

12 Trade receivable

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Secured, considered good	-	1.3	-
Unsecured, considered good	123.7	82.2	100.9
Unsecured, considered doubtful	2.7	3.0	3.3
	126.4	86.5	104.2
Less: Allowances for bad and doubtful debts	2.7	3.0	3.3
Total	123.7	83.5	100.9

Trade receivables are non-interest bearing and are generally on terms of 30-60 days

13 Cash and cash equivalents

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Cash and cash equivalents:			
(a) Cash on hand	0.1	0.1	0.1
(b) Balance with banks:			
-In current accounts	42.6	11.2	19.3
-In deposit accounts	5.0	-	-
Total	47.7	11.3	19.4

Notes forming part of the standalone financial statements

Rs. Million

14 Other bank balances with banks

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Other balance with banks			
-Margin money deposits*	145.6	154.1	182.3
-In deposit accounts**	598.1	368.8	458.4
-Unpaid dividend accounts	3.3	3.4	3.6
Total	747.0	526.3	644.3

Note : (i)

* Balances in margin money deposits are held as security against guarantees and commitments

** Balances in deposit accounts is fixed bank deposits remaining maturity more than three months from original date and less than twelve months

15 Loans

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(Unsecured, considered good)			
Loan to subsidiary company (refer note 38)	17.5	17.5	-
Total	17.5	17.5	-

16 Current tax assets (net)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Advance tax net of provision (provision of Rs . 637.6 Million,as at March 31, 2017 Rs. 548 Million, as at April 1, 2016 Rs. 508.9 Million)	11.4	11.0	13.6
Total	11.4	11.0	13.6

17 Share capital

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Authorised equity share capital:			
5,000,000 Equity shares of Rs.10 each	50.0	50.0	50.0
Issued, subscribed and fully paid up:			
1,454,205 Equity shares of Rs.10 each	14.5	14.5	15.1
Total	14.5	14.5	15.1

Notes:

i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year :			
No of equity shares outstanding at the beginning of the year	1,454,205	1,510,205	1,510,205
Buyback of equity shares (refer note 'V' below)	-	(56,000)	-
No of equity shares outstanding at the end of the year	1,454,205	1,454,205	1,510,205
Equity share capital at the beginning of the year (Rs. Million)	14.5	15.1	15.1
Buyback of equity shares (refer note 'V' below)	-	(0.6)	-
Equity share capital at the end of the year (Rs. Million)	14.5	14.5	15.1
ii) Details of shares held by holding company, the ultimate holding company, their subsidiaries and associates:			
Equity Shares			
Disa Holding AG, Switzerland	786,657	786,657	818,902
Disa Holding AS, Denmark	301,399	301,399	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	786,657	786,657	818,902
	54.10%	54.10%	54.22%
Disa Holding AS, Denmark (Disa Holding AG is a fully owned subsidiary of Disa Holding AS).	301,399	301,399	313,751
	20.72%	20.72%	20.78%
Equity Shares are held by IDFC Premier Equity Fund	78,605	81,998	90,021
	5.41%	5.64%	5.96%

Notes forming part of the standalone financial statements

Rs. Million

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 (if any) 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.

v) During the year ended March 31, 2017, the Company had concluded the buyback of 56,000 fully paid equity shares as approved by the board of directors on August 12, 2016 at a price of Rs. 4,800/- per share amounting to Rs. 268.8 Million. In line with the Companies Act 2013, an amount of Rs. 109.1 Million, Rs. 142.6 Million and Rs 17.1 Million have been utilised from Security premium account, General reserve and Surplus in profit and loss account respectively. Further Capital Redemption reserve of Rs 0.6 Million has been created as an apportionment from retained earnings. Consequent to the buyback, share capital has reduced by Rs. 0.6 Million.

18 Other equity

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
General reserve	-	-	142.6
Securities premium account	-	-	109.1
Retained earnings	1,069.0	910.0	817.7
Capital redemption reserve	0.6	0.6	-
Capital reserve	1.5	1.5	1.5
Total	**1,071.1**	912.1	1,070.9

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
A. General reserve			
Opening balance	-	142.6	142.6
Less : Utilised for buyback of shares (refer note 17(v))	-	142.6	-
Closing balance	-	-	142.6
B. Securities premium account			
Opening balance	-	109.1	109.1
Less : Utilised for buyback of shares (refer note 17(v))	-	109.1	-
Closing balance	-	-	109.1
C. Retained earnings			
Opening balance	910.0	817.7	817.7
Less : Utilised for buyback of shares (refer note 17(v))	-	16.5	-
Less : Transferred to capital redemption reserve (refer note 17(v))	-	0.6	-
Add : Profit for the year	162.3	111.1	-
Add : Other comprehensive income	1.1	2.9	-
Less: Dividend	3.7	3.8	-
Less: Tax on dividend	0.7	0.8	-
Balance at end of the year	1,069.0	910.0	817.7
D. Capital redemption reserve			
Opening balance	0.6	-	-
Add : Buyback of shares (refer note 17(v))	-	0.6	-
Closing balance	0.6	0.6	-
E. Capital reserve			
Opening balance	1.5	1.5	1.5
Movements during the year	-	-	-
Closing balance	1.5	1.5	1.5

Notes forming part of the standalone financial statements

Rs. Million

19 Trade payables

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Outstanding due to micro enterprises and small enterprises	15.1	14.4	7.3
Others	302.0	187.5	171.3
Total	317.1	201.9	178.6

20 Other financial liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Rental deposits	-	0.4	0.4
Unpaid dividends	3.3	3.4	3.6
Payable on purchase of fixed assets	-	-	0.1
Contractually reimbursable expenses	30.3	11.9	4.3
Total	33.6	15.7	8.4

21 Provisions

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for warranties (refer note 43)	7.9	8.2	11.6
Employee benefit payables (refer note 35)			
- Compensated absences	9.7	10.0	11.6
- Gratuity	13.2	17.4	16.0
Total	30.8	35.6	39.2

22 Other current liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Statutory liabilities	10.6	3.7	6.0
Advances from customers	355.1	222.2	272.5
Total	365.7	225.9	278.5

Notes forming part of the standalone financial statements

Rs. Million

23 Revenue from operations

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(a) Sale of products (Refer note (i) below)	1,948.1	1,689.7
(b) Sale of services (Refer note (ii) below)	12.7	24.3
(c) Other operating revenue (Refer note (iii) below)	30.0	15.3
Total	1,990.8	1,729.3

Notes

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(i) Sale of products comprises :		
Manufactured goods :		
Machinery	1,500.6	1,309.5
Parts of machinery	296.9	260.0
Sale of Manufactured goods Sub Total - A	1,797.5	1,569.5
Traded goods :		
Parts of machinery	150.6	120.2
Sales of Traded goods Sub Total - B	150.6	120.2
Total sale of products - A + B	1,948.1	1,689.7
(ii) Sale of service comprises:		
Engineering services	9.7	17.4
Supervision of installation services	0.1	3.5
Others	2.9	3.4
Sales of services - Total	12.7	24.3
(iii) Other operating revenue comprises :		
Commission income	25.8	9.8
Sale of scrap	3.0	2.2
Export incentives	1.2	3.3
Other operating revenue - Total	30.0	15.3

24 Other income

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(a) Interest income (Refer note (i) below)	44.2	43.5
(b) Net gain on foreign currency transactions and translation	-	4.9
(c) Other non-operating income (Refer note (ii) below)	6.5	3.2
Total	50.7	51.6

Notes

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(i) Interest income comprises:		
Interest on:		
Bank deposits	41.9	43.3
Security deposits	0.6	0.2
Loan to subsidiary	1.7	-
	44.2	43.5
(ii) Other non-operating income comprises:		
Royalty	0.9	0.5
Profit on sales of assets (net)	0.3	0.3
Rental income	1.6	1.7
Provision for doubtful trade receivable reversed	0.3	0.3
Liability no longer required written back	2.3	-
Miscellaneous	1.1	0.4
Total	6.5	3.2

Notes forming part of the standalone financial statements

Rs. Million

25 Cost of materials consumed

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening Stock	162.1	152.0
Add : Purchases	1,132.9	745.0
Less : Closing Stock	233.9	162.1
Cost of materials consumed	1,061.1	734.9

26 Purchase of stock on trade

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Parts of machinery	129.9	137.6
Total	129.9	137.6

27 Changes in inventories of finished goods, stock-in-trade and work-in-progress

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Inventories at the end of the year:		
Finished goods	25.2	9.7
Work-in-progress	171.7	167.4
Stock-in-trade	33.4	20.1
Sub Total	230.3	197.2
Inventories at the beginning of the year:		
Finished goods	9.7	64.9
Work-in-progress	167.4	153.1
Stock-in-trade	20.1	22.5
Sub Total	197.2	240.5
TOTAL	(33.1)	43.3

28 Excise duty on sale of goods

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Excise duty on sales of Machinery	25.1	126.7
Excise duty on sales of Machinery Parts	7.1	27.7
Total	32.2	154.4

29 Employee benefits expense

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries and wages	263.2	237.0
Contributions to provident and other funds (refer note 35.2)	25.2	25.2
Staff welfare expenses	13.2	10.6
Total	301.6	272.8

30 Finance costs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest expense on:		
(i) Bank guarantee commission	0.8	0.8
(ii) Interest others	-	0.4
(iii) Security deposits	0.5	0.2
Total	1.3	1.4

Notes forming part of the standalone financial statements

Rs. Million

31 Depreciation

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation on property, plant and equipment (refer note 4)	18.9	19.9
Amortisation on intangible assets (refer note 6)	0.1	-
Depreciation on investment properties (refer note 5)	0.1	0.1
Total	19.1	20.0

32 Other expenses

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Power and fuel	11.1	10.6
Rent (refer note 36)	8.5	7.8
Repairs and maintenance - Buildings	3.8	3.5
Repairs and maintenance - Machinery	4.6	3.7
Repairs and maintenance - Others	7.1	5.6
Insurance	7.8	6.4
Rates and taxes	4.0	8.1
Travelling and conveyance	43.8	42.5
Legal and professional charges	17.1	20.0
Payments to auditors (refer note (i)(a) below)	2.9	2.8
Security expenses	8.1	8.9
Telephone, postage and courier	2.7	3.3
Printing and stationery	1.8	1.4
Freight outwards	9.0	12.2
Commission expenses	5.2	5.3
Recruitment and training	1.4	1.5
Group management fees	23.8	15.5
Directors sitting fees and commission	0.8	0.9
Royalty	21.9	13.6
IT costs	2.2	1.9
Group IT costs	46.0	37.9
Expenditure on corporate social responsibility (refer note (ii) below)	4.2	4.7
Bad Debts written off	0.1	0.3
Advertisement and sales promotion	9.0	5.4
Net loss on foreign currency transactions and translation	6.4	-
Miscellaneous expenses	23.1	14.4
Total	276.4	238.2

Note:

(i) Payments to auditors comprises :		
(a) Statutory auditors		
Statutory audit	1.7	1.7
Tax Audit	0.3	0.3
Other services	0.6	0.5
Reimbursement of expenses	0.3	0.3
Sub Total	2.9	2.8
(b) Cost auditors		
Cost audit fee	0.2	0.2
Sub Total	0.2	0.2
Total	3.1	3.0
(ii) Expenditure on corporate social responsibility		
(a) Gross amount required to be spent by the company	4.2	4.7
(b) Amount paid during the year towards - promotion of education	4.2	4.7
(c) Yet to be paid in cash	-	-

Notes forming part of the standalone financial statements

Rs. Million

33 Income taxes

A Income tax recognised in statement of profit and loss

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Current tax		
In respect of the current year	89.5	69.0
	89.5	69.0
Deferred tax		
In respect of the current year	1.7	(0.1)
	1.7	(0.1)
Total income tax expenses recognised in the current year	91.2	68.9

B Income tax recognised in other comprehensive income

Deferred tax charge / (benefit)		
Arising on income and expenses recognised in other comprehensive income		
Remeasurement of defined benefit obligation	0.5	1.6
	0.5	1.6
Bifurcation of the income tax recognised in other comprehensive income in to		
Items that will not be reclassified to profit or loss	0.5	1.6
	0.5	1.6
Reconciliation of effective tax rate		
Profit before income taxes	253.0	178.4
Applicable tax rate	34.61%	34.61%
Expected income tax expenses	87.6	61.7
Adjustments to reconcile expected tax expenses to reported income tax expenses		
Effect of expenses not deductible in determining taxable profit	22.1	14.5
Effect of expenses deductible in determining taxable profit	(19.0)	(9.0)
	3.1	5.5
Adjusted income tax expenses	90.7	67.3
Effective tax rate	35.83%	37.71%

34 Earning per share (EPS)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Basic and Diluted		
Profit attributable to equity share holders (Rs. in Million)	162.3	111.1
Nominal Value of equity share (Rs./Share)	10.0	10.0
Weighted average number of ordinary equity share for Basic EPS (Nos.)	1,454,205	1,490,873
Basic and Diluted EPS (Rs./Share)	111.61	74.52

35 Employee benefits

As per Ind AS 19 "Employee Benefits", the disclosures of Employee benefits as defined in the Accounting Standard are given below:

1. Defined Benefit Plans

I. Expenses recognized in the Statement of Profit and Loss and Other Comprehensive Income for the year:

Particulars	Gratuity In Million Year ended March 31, 2018	Gratuity In Million Year ended March 31, 2017
Current service cost	5.0	5.1
Interest Cost	0.9	1.1
Amount recognised in profit and loss accounts	5.9	6.2
Actuarial (gain)/loss		
a) arising from changes in financial assumption	(2.6)	(8.0)
b) arising from experience adjustments	(1.5)	4.0
c) arising from demographic assumption	(0.8)	(0.4)
Return on Plan assets excluded amount included in interest income	3.3	(0.1)
Amount recognised in other comprehensive income	(1.6)	(4.5)
Total	4.3	1.7

Notes forming part of the standalone financial statements

Rs. Million

II. Reconciliation of opening and closing balances of defined benefit obligation:

Particulars	Gratuity In Million Year ended March 31, 2018	Gratuity In Million Year ended March 31, 2017
Defined benefit obligation at beginning of the year	60.0	57.3
Current service cost	5.0	5.1
Interest cost	4.0	4.4
Actuarial losses (gains)	(4.9)	(4.4)
Benefits paid	(3.7)	(2.4)
Defined benefit obligation at the end of the year	60.4	60.0

III. Reconciliation of Opening and Closing balances of fair value of plan assets:

Particulars	Gratuity In Million Year ended March 31, 2018	Gratuity In Million Year ended March 31, 2017
Fair value of plan assets at beginning of the year	42.5	41.4
Transfer in/(out) plan assets	-	-
Expected return on plan assets	3.1	3.1
Return on Plan assets excluded amount included in interest income	(3.2)	0.1
Contributions by employer	8.5	0.2
Benefits paid	(3.7)	(2.3)
Fair value of plan assets at year end	47.2	42.5

IV. Investment details:

Particulars	%invested as at Year ended March 31, 2018	%invested as at Year ended March 31, 2017
Investment with insurer (Investment in Policy of LIC)	100%	100%

V. The Principal assumption used in determining gratuity obligations are as follows:

Particulars	Gratuity Year ended March 31, 2018	Gratuity Year ended March 31, 2017
Mortality Table (LIC)	2006-08 (Ultimate)	2006-08 (Ultimate)
Discount Rate (per annum)	7.60%	6.90%
Rate of escalation in salary (per annum)	8.50%	8.50%

Estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

These plans typically expose the Company to actuarial risks such as interest rate risk and salary risk.

a) Interest risk: a decrease in the bond interest rate will increase the plan liability.

b) Salary risk: the present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, a variation in the expected rate of salary increase of the plan participants will change the plan liability.

VI. Sensitivity Analysis

Significant actuarial assumptions for the determination of defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Particulars	Gratuity In Million Year ended March 31, 2018	Gratuity In Million Year ended March 31, 2017
Impact in present value of defined benefit obligation:		
If discount rate is increased by 0.5%	(1.8)	(2.2)
If discount rate is decreased by 0.5%	1.8	2.1
If salary escalation rate is increased by 0.5%	1.8	2.1
If salary escalation rate is decreased by 0.5%	(1.8)	(2.2)

Notes forming part of the standalone financial statements

Rs. Million

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

VII. Asset Liability Matching Strategies

The Company has purchased insurance policy, which is basically a year-on year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The Insurance Company, as part of the policy rules, makes payment of all gratuity out goes happening during the year (subject to sufficiency of funds under the policy). The policy thus mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).

VIII. Effect of Plan on Entity's Future Cash Flows

(i) Funding arrangements and Funding Policy

The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

(ii) Expected contribution during the next annual reporting period

The Company's best estimate of Contribution during the next year is Rs. 13.2 Million.

IX. Expected outflow in future years (as provided in actuarial report)

Particulars	Gratuity In Million	
	Year ended March 31, 2018	Year ended March 31, 2017
Expected outflow in 1st Year	6.2	4.3
Expected outflow in 2nd Year	10.4	6.2
Expected outflow in 3rd Year	8.3	10.4
Expected outflow in 4th Year	7.8	8.3
Expected outflow in 5th Year	8.2	7.8
Expected outflow in 6th to 10th Year	41.9	41.9

2. Defined Contribution Plans

Contribution of Defined Contribution Plan, recognized as expense for the year are as under:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Employer's Contribution to Provident Fund	12.9	13.0
Employers' Contribution to Superannuation Fund	6.2	6.1

Actuarial Assumptions:

Particulars	Compensated Absences	
	Year ended March 31, 2018	Year ended March 31, 2017
Mortality Table (LIC)	2006-08 (Ultimate)	2006-08 (Ultimate)
Discount Rate (per annum)	7.60%	6.90%
Rate of escalation in salary (per annum)	8.50%	8.50%

36 Operating leases arrangements

The Company has taken immovable properties on non-cancellable operating lease and lease rent amounting to Rs. 8.5 Million (P.Y. Rs. 7.8 Million) has been charged to the Statement of Profit and Loss. The future minimum lease rent is as under:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Not later than 1 year	0.7	0.7
Later than 1 year and not later than 5 years	1.4	2.1

Notes forming part of the standalone financial statements

Rs. Million

37 Contingent liabilities

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Claims against company not acknowledged as debt*		
Service tax	0.6	1.4
CST/VAT	17.7	31.3
Excise duty	1.4	1.4
Income tax	13.1	-
*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.		

38 Loan to group companies

Name of Subsidiary	Loan given		Max amount outstanding during the year	Balance as at	
	2017-18	2016-17		March 31, 2018	March 31, 2017
Bhadra Castalloy Private Limited	-	17.5	17.5	17.5	17.5

Other than above, the company has not given any loans or advances in the nature of loan to subsidiary and in which directors are interested.

There are no loans where either no interest is charged or interest is below the rate specified in section 186 of the Companies Act, 2013, wherever applicable.

39 Financial instruments

(i) Financial assets and liabilities

The carrying value and fair value of financial instrument by category is as follows

(ii) Categories of Financial Instruments

Particulars	Year ended March 31, 2018	Year ended March 31, 2017	As at April 1, 2016
(A) Financial assets			
Measured at amortised cost			
(a) Cash and bank balances	794.7	537.6	663.7
(b) Trade receivables	123.7	83.5	100.9
(c) Other financial assets	54.3	28.7	37.3
(d) Loan given to subsidiary company	17.5	17.5	-
Measured at fair value through profit and loss			
Investments in equity instruments	44.0	44.0	44.0
Total	1,034.2	711.3	845.9
(B) Financial liabilities			
Measured at amortised cost			
(a) Trade payables	317.1	201.9	178.6
(b) Other financial liabilities	33.6	15.7	8.4
Total	350.7	217.6	187.0

The Carrying amount reflected above represents the Company's maximum exposure to credit risk for such financial assets.

(ii) Fair value hierarchy:

Fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

• Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

• Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

• Level 3 inputs are unobservable inputs for the asset or liability.

(iii) Financial risk management objectives

The Company's financial liabilities comprise mainly of trade payables and other payables. The Company's financial assets comprise mainly of cash and cash equivalent, other balance with banks, loans, trade receivable and other receivable. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

Notes forming part of the standalone financial statements

Rs. Million

(iv) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risks: interest rate risk, currency risk and other risk. Financial instruments affected by market risk includes trade payable, trade receivable, bank deposits, loans and advances.

a) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Since the Company has interest bearing bank deposits which are carrying fixed rate of interest, the exposure to risk of changes in market interest rates is minimal. The Company has not used any interest rate derivatives.

b) Foreign Currency Risk

Foreign Currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The Company does not enter into any derivative instruments for trading or speculative purposes.

The carrying amount of the Company's Foreign Currency denominated monetary items are as follows;

Particulars	Year ended March 31, 2018	Year ended March 31, 2017	As at April 1, 2016
Liabilities			
EURO	135.9	65.0	40.90
USD	46.2	25.7	32.80
Total Liabilities	182.1	90.7	73.7
Assets			
EURO	18.0	9.8	26.9
USD	0.5	6.1	2.60
Total Assets	18.5	15.9	29.5

Foreign Currency sensitivity analysis

The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Euro and US Dollar.

The following table details the Company's sensitivity to a 10% increase and decrease in the Rupees against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes receivables and payable in currency other than the functional currency of the Company.

A 10% strengthening of the INR against key currencies to which the Company is exposed (net of hedge) would have led to additional gain in the Statement of Profit and Loss. A 10% weakening of the INR against these currencies would have led to an equal but opposite effect.

Analysis of 10% strengthening of the INR

Particulars	EURO Impact (net of tax)	
	Year ended March 31, 2018 (Rs. in Million)	Year ended March 31, 2017 (Rs. in Million)
Impact on profit or loss for the year	(7.7)	(3.6)
Impact on total equity as at the end of the reporting period	7.7	3.6

Particulars	USD Impact (net of tax)	
	Year ended March 31, 2018 (Rs. in Million)	Year ended March 31, 2017 (Rs. in Million)
Impact on profit or loss for the year	(3.0)	(1.3)
Impact on total equity as at the end of the reporting period	3.0	1.3

(v) Credit Risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, derivative financial instruments, other balances with banks, loans and other receivables.

(a) Trade receivables management

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivable based on a provision matrix. The Provision matrix takes into account historical credit loss experience and adjusted for forward -looking information.

Notes forming part of the standalone financial statements

Rs. Million

The reversal/allowance for life time expected credit loss on customer balances for the year ended as follows

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Balance at the beginning	3.0	3.3
Provision recognised/(reversed)	(0.3)	(0.3)
Write offs	-	-
Balance at the end	2.7	3.0

(b) Other financial assets

Credit risk arising from derivative financial instruments and other balances with banks is limited and there is no collateral held against these because the counterparties are nationalised and private banks.

(vi) Liquidity Risk

Liquidity risk refers to the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The objective of liquidity risk management, is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company generates cash flows from operations to meet its financial obligations, maintains adequate liquid assets in the form of cash & cash equivalents.

The following table detail the analysis of derivative as well as non-derivative financial liabilities of the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Particulars	Less than 1 year	Between 1 to 5 years	Over 5 years	Total
As at 31st March 2018				
Trade payables (Refer Note 19)	317.1	-	-	317.1
Other financial liabilities (Refer Note 20)	33.6	-	-	33.6
As at 31st March 2017				
Trade payables (Refer Note 19)	201.9	-	-	201.9
Other financial liabilities (Refer Note 20)	15.7	-	-	15.7
As at 1st April 2016				
Trade payables (Refer Note 19)	178.6	-	-	178.6
Other financial liabilities (Refer Note 20)	8.4	-	-	8.4

(vii) Capital management

The Company manages its capital structure with a view to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The Company's management reviews the capital structure of the Company on an annual basis. As part of this review, the management considers the cost of Capital and the risks associated with each class of capital. The company does not have any borrowings and its entire capital is funded through equity

40 Related party disclosures

a) Related parties and their relationship

Nature of relationship	Name of the relationship
Ultimate holding company	Norican Global A/S
Holding Company	DISA Holding AG
Subsidiary company	Bhadra Castalloy Private Limited
Fellow Subsidiaries	DISA Industries AG DISA Technologies Private Ltd. DISA Industries A/S DISA K.K. DISA (Changzhou) Machinery Ltd. Wheelabrator Czech s.r.o. Wheelabrator Group GmbH Wheelabrator Group Ltd. DISA Industries, Inc. Norican A/S DISA Holding A/S Castalloy Inc, USA Wheelabrator Group (Canada) ULC

Rs. Million

Key management personnel	Mr. Robert E Joyce Jr (Upto June 21, 2017) Mr.Viraj Naidu Mr.Lokesh Saxena - Managing Director (From June 21, 2017) Ms.Deepa Hingorani Mr.Sanjay Arte Mr.Andrew Thomas Carmichael Mr.Shymal Kumar Sinha Mr.Amarnath Mohanty - CFO

b) Details of related party transactions during the year ended March 31, 2018 and balances o/s as at March 31, 2018

Name of the related party	Nature of transactions	Amount (Rs. in Million)	O/S balance as at March 31, 2018 (Rs. in Million)	O/S balance as at March 31, 2017 (Rs. in Million)	O/S balance as at April 1, 2016 (Rs. in Million)
DISA Industries AG	Royalty expenses	2.4 (0.5)			
	Service income	0.1 -			
	Export / sale of materials	3.5 -			
	Reimbursement of expenses	0.1 -			
	Commission received	1.5 -	Cr.1.1	Cr.0.2	Cr.0.1
DISA Technologies Private Ltd.	Service charges	4.7 (3.9)			
	Deputation Charges	- (0.3)			
	Capital goods sales	0.1 -	Nil	Nil	Nil
DISA Industries A/S	Royalty expenses	17.3 (11.4)			
	Service charges paid	3.7 -			
	Import material	176.7 (123.4)			
	Reimbursement of expenses (paid)	0.7 (0.7)			
	Service income	4.3 (13.2)			
	Export / sale of materials	43.2 (136.6)			
	Reimbursement of expenses (received)	2.5 -			
	Commission received	26.0 (9.1)			
	Reimbursement of warranty	7.8 -	Cr.73.7	Cr.35.8	Cr.2.6
DISA K.K.	Export / sale of materials	0.3 (0.1)	Dr.0.0	Nil	Nil
DISA (Changzhou) Machinery Ltd.	Import material	12.3 (1.2)			
	Export / sale of materials	3.7 (13.1)			
	Royalty income	0.9 (0.5)	Cr.10.0	Dr.0.9	Dr.7.3

Notes forming part of the standalone financial statements

Rs. Million

Name of the related party	Nature of transactions	Amount (Rs. in Million)	O/S balance as at March 31, 2018 (Rs. in Million)	O/S balance as at March 31, 2017 (Rs. in Million)	O/S balance as at April 1, 2016 (Rs. in Million)
Wheelabrator Czech s.r.o.	Import material	19.1 (10.6)	Cr.13.2	Cr.4.7	Cr.2.3
Wheelabrator Group GmbH	Royalty expenses	3.6 (1.7)			
	Service income	1.6 (0.3)			
	Service fees	- (2.1)			
	Export / sale of materials	- (0.3)			
	Commision Income	- (0.7)			
	Reimbursement of expenses (receivable)	0.1 -	Cr.0.6	Cr.2.2	Cr.10.8
Wheelabrator Group Ltd. USA	Import material	9.7 (7.3)			
	Service income	4.4 (2.3)	Cr.2.2	Cr.3.6	Cr.5.2
Wheelabrator Group (Canada) ULC	Export / sale of materials	- (2.9)	Nil	Dr.2.0	Dr.0.9
DISA Industries, Inc.	Export / sale of materials	0.6 (0.5)	Nil	Dr.0.1	Nil
Norican A/S	Group Management fee	23.8 (15.5)			
	Group IT fee	46.0 (37.9)			
	Reimbursement of expenses (Paid)	0.8 -	Cr.15.2	Cr.11.9	Nil
Bhadra Castalloy Private Limited	Purchase of material	8.4 (1.4)			
	Deputation Charges	- (0.2)			
	Sale of materials	0.2 -			
	Reimbursement of expenses	0.3 (2.1)			
	Reimbursement of group management fees	0.8 -			
	Loan	- (17.5)			
	Interest on loan	1.7 -	Dr.23.2	Dr.21.0	Dr.2.1
Mr.Viraj Naidu	Remuneration paid @	4.4 (8.9)	Nil	Nil	Nil
Mr.Lokesh Saxena	Remuneration paid @	6.0 -	Nil	Nil	Nil
Ms.Deepa Hingorani	Commission and sitting fees paid	0.4 (0.5)	Nil	Nil	Nil
Mr.Shymal Kumar Sinha	Commission and sitting fees paid	0.4 (0.4)	Nil	Nil	Nil
Mr.Amarnath Mohanty	Remuneration paid @	8.9 (5.6)	Nil	Nil	Nil

* Figures in brackets represent previous year numbers

@ Excludes contribution to PF and Superannuation Fund.

Notes forming part of the standalone financial statements

Rs. Million

41 Segment Reporting

Entity - wide disclosures :

(i) Revenues from customers :

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
India	1,872.2	1,497.5
Outside India	118.6	231.8

(ii) Non-Current Assets :

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
India	249.7	233.9	236.5
Outside India	-	-	-

Non-current assets include property, plant and equipment, intangible assets, insvestment property, capital advances and pre-paid expenses. It is allocated based on the geographic location of the respective assets.

(iii) Major customers :

The Company has no external customer which accounts for more than 10% of the Group's total revenue for the year ended March 31, 2018 and March 31, 2017

42 DISCLOSURES UNDER THE MSMED ACT, 2006

Disclosure under Micro, Small and Medium Enterprises Development Act ,2006

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	15.1	14.4
(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	-	-
(iv) The amount of interest due and payable for the 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.

43 Provisions

Provisions for warranties

Particulars	For the year March 31, 2018	For the year March 31, 2017
Balance at the beginning of the year	8.2	11.6
Add : Provision made during the year	6.3	12.1
Less : Amount utilised during the year	6.6	15.5
Balance at the end of the year	7.9	8.2

44 Proposed dividend

The Board of Directors in their meeting held on May 24, 2018, proposed a final equity dividend of Rs. 2.5 per equity share of Rs 10.00 each fully paid up for the year 2017-18. The aggregate amount of final equity dividend proposed to be distributed is Rs 4.4 Million including dividend distribution tax of Rs 0.7 Million.

Notes forming part of the standalone financial statements

Rs. Million

45 First - Time IND AS adoption reconciliations

45.1 Effect of Ind AS adaption on the balance sheet as at April 1, 2016 and March 31, 2017

	Particulars	Refer Notes	As at April 1, 2016 Previous GAAP	Effect of Transition to Ind AS	As per Ind AS Balance Sheet
A	**ASSETS**				
1	**Non-current assets**				
	(a) Property, plant and equipment	(i)	180.7	(3.0)	177.7
	(b) Investment property	(i)	-	3.0	3.0
	(c) Other intangible assets		0.1	-	0.1
	(d) Financial assets				
	(i) Investments in subsidiary		44.0	-	44.0
	(ii) Other financial assets	(ii)	3.8	1.0	4.8
	(e) Deferred tax assets (Net)		4.2	0.2	4.4
	(f) Other non-current assets	(ii)	3.5	(1.0)	2.5
	Total non-current assets		**236.3**	**0.2**	**236.5**
2	**Current assets**				
	(a) Inventories		392.5	-	392.5
	(b) Financial assets				-
	(i) Trade receivables	(viii)	101.4	(0.5)	100.9
	(ii) Cash and cash equivalents		19.4	-	19.4
	(iii) Bank balance other than (ii) above		644.3	-	644.3
	(iv) Other financial assets		32.5	-	32.5
	(c) Current tax assets		13.6	-	13.6
	(d) Other current assets		151.0	-	151.0
	Total current assets		**1,354.7**	**(0.5)**	**1,354.2**
	Total assets		**1,591.0**	**(0.3)**	**1,590.7**
B	**EQUITY AND LIABILITIES**				
1	**Equity**				
	(a) Equity share capital		15.1	-	15.1
	(b) Other equity	(iii)	1,066.6	4.3	1,070.9
	Total Equity		**1,081.7**	**4.3**	**1,086.0**
2	**Liabilities**				
1	**Current Liabilities**				
	(a) Financial liabilities				
	(i) Trade payables		178.6	-	178.6
	(ii) Other financial liabilities		8.4	-	8.4
	(b) Provisions	(iii)	43.8	(4.6)	39.2
	(c) Other current liabilities		278.5	-	278.5
	Total current liabilities		**509.3**	**(4.6)**	**504.7**
	Total equity and liabilities		**1,591.0**	**(0.3)**	**1,590.7**

Rs. Million

45.1 Effect of Ind AS adaption on the balance sheet as at March 31, 2017 and April 1, 2016

	Particulars	Refer Notes	As at April 1, 2017		
			Previous GAAP	Effect of Transition	As per Ind AS Balance Sheet
A	ASSETS				
	1 Non-current assets				
	(a) Property, plant and equipment	(i)	167.6	(2.9)	164.7
	(b) Investment property	(i)	-	2.9	2.9
	(c) Other intangible assets		-	-	-
	(d) Financial assets				-
	(i) Investments in subsidiary		44.0	-	44.0
	(ii) Other financial assets	(ii)	5.8	2.2	8.0
	(e) Deferred tax assets (Net)		4.4	0.1	4.5
	(f) Other non-current assets	(ii)	12.0	(2.2)	9.8
	Total non-current assets		233.8	0.1	233.9
2	Current assets				
	(a) Inventories		359.3	-	359.3
	(b) Financial essets			-	
	(i) Trade receivables	(viii)	83.9	(0.4)	83.5
	(ii) Cash and cash equivalents		11.3	-	11.3
	(iil) Bank balance other than (ii) above		526.3	-	526.3
	(iv) Loans		17.5	-	17.5
	(v) Other financial assets		20.7	-	20.7
	(c) Current tax assets		11.0	-	11.0
	(d) Other current assets		142.2	-	142.2
	Total current assets		1,172.2	(0.4)	1,171.8
	Total assets		1,406.0	(0.3)	1,405.7
B	EQUITY AND LIABILITIES				
	1 Equity				
	(a) Equity share capital		14.5	-	14.5
	(b) Other equity	(viii)	912.4	(0.3)	912.1
	Total Equity		926.9	(0.3)	926.6
	2 Liabilities				
	1 Current Liabilities				
	(a) Financial liabilities				
	(i) Trade payables		201.9	-	201.9
	(ii) Other financial liabilities		15.7	-	15.7
	(b) Provisions	(iii)	35.6	-	35.6
	(c) Other current liabilities		225.9	-	225.9
	Total current liabilities		479.1	-	479.1
	Total equity and liabilities		1,406.0	(0.3)	1,405.7

45.2 Reconciliation of total equity as at March 31, 2017 and April 1, 2016

Particulars	Refer Notes	As at April 1, 2016	As at March 31, 2017
Total equity under previous GAAP		1,081.7	926.9
Reversal of dividend and dividend tax	(iii)	4.6	-
ECL provision	(viii)	(0.5)	(0.4)
Defered tax adjustment on ECL adjustments		0.2	0.1
Total equity under Ind AS		**1,086.0**	**926.6**

Notes forming part of the standalone financial statements

Rs. Million

45.3 Effect of Ind AS adaption on the statement of profit and loss for the year ended March 31, 2017

	Particulars	Refer Notes	Previous GAAP	Effect of Transition to Ind AS	As per Ind AS statement of Profit and Loss
I	Revenue from operations	(iv), (v)	1,572.2	157.1	1,729.3
II	Other income	(ii)	51.3	0.3	51.6
III	**Total Income (I+II)**		**1,623.5**	**157.4**	**1,780.9**
IV	EXPENSES:				
	(a) Cost of materials consumed	(iv)	732.1	2.7	734.8
	(b) Purchases of stock-in-trade		137.6	-	137.6
	(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress		43.3	-	43.3
	(d) Excise duty on sale of goods	(v)	-	154.4	154.4
	(e) Employee benefits expense	(vi)	268.3	4.5	272.8
	(f) Finance costs	(ii)	1.2	0.2	1.4
	(g) Depreciation and amortisation expense		20.0	-	20.0
	(h) Other expenses		238.2	-	238.2
	Total expenses (IV)		**1,440.7**	**161.8**	**1,602.5**
V	**Profit before tax (III-IV)**		**182.8**	**(4.4)**	**178.4**
VI	**Tax Expenses:**				
	(a) Current tax		69.0	-	69.0
	(b) Deferred tax		(0.2)	(1.5)	(1.7)
	Total tax expenses (a+b)		**68.8**	**(1.5)**	**67.3**
VII	**Profit for the year (V-VI)**		**114.0**	**(2.9)**	**111.1**
VIII	**Other comprehensive income**				
	(A) (i) Items that will not be reclassified to profit or loss:				
	(a) Re-measurement gains/(losses) on defined benefit plans	(vi)	-	4.5	4.5
	(ii) Income tax relating to items that will not be reclassified to profit or loss:				
	(a) Re-measurement gains/(losses) on defined benefit plans	(vi)	-	(1.6)	(1.6)
	Total other comprehensive income (A((i)+(ii))	(vii)	-	2.9	2.9
	Total comprehensive income for the year (VII+VIII)		**114.0**	**0.0**	**114.0**

45.4 Reconciliation of total comprehensive income for the year ended March 31, 2017

Particulars	Refer Notes	For the year ended March 31, 2017
Reclassification of actuarial (gain)/loss arising in respect of defined benefit plan to Other comprehensive income	(vi)	4.5
Tax adjustments	(vi)	(1.6)
Profit after tax as reported under Ind AS		111.1
Other comprehensive income/(expense) (net of tax)	(vii)	2.9
Total comprehensive income as reported under Ind AS		**114.0**

There were no significant reconciliation items between cash flows prepared under Indian GAAP and those prepared under Ind AS

Notes forming part of the standalone financial statements

Rs. Million

45.5 Notes for the reconciliation

(i) Under the previous GAAP, there was no requirement to present investment property separately and the same was included under property, plant and equipment and measured at cost. Under Ind AS, investment property is required to be presented separately in the balance sheet and depreciation is charged on it. Accordingly, the carrying value of investment property as at April 1, 2016 of Rs. 3 Million and as at March 31, 2017 of Rs. 2.9 (after considering depreciation) Million under previous GAAP has been reclassified to a separate line item on the face of the balance sheet and depreciation provided based on the estimated useful life.

(ii) Under Ind AS, security deposit given against operating lease are presented at fair value by discounting it taking lease contract period and the differential amount has been treated as advance rentals to be amortised as rent over lease period. Accordingly, security deposit amount has been reduced by Rs. 2.2 Million as at March 31, 2017 (Rs. 1.0 Million as at April 1, 2016) and advance rental has been recognised at 2.2 Million at March 31, 2017 (Rs. 1.0 Million as at April 1, 2016). Consequently, rent expense and interest income for the year ended March 31, 2017 are higher by Rs.0.2. Million and Rs. 0.2 Million respectively.

(iii) Under Ind AS, liability for dividend is recognized in the period in which the obligation to pay is established. Under previous GAAP, a liability is recognized in the period to which the dividend relates, even though the dividend may be approved by the shareholders subsequent to the reporting date. Consequently, dividend payable under Ind AS is lower and retained earning is higher.

(iv) Under previous GAAP, revenue from sale of products was recognized and the provision for Supervision of Installation and commissioning which were pending on the reporting date were accrued. Under In AS, revenue from Supervision of Installation and commissioning being separately identifiable components of a sale of Product, is recognized after the completion of the Supervision of Installation and commissioning.

(v) Under previous GAAP, revenue from sale of products was presented net of excise duty under revenue from operations. Whereas, under Ind AS, revenue from sale of products includes excise duty. The corresponding excise duty expense is presented separately on the face statement of profit and loss. The change does not affect total equity as at April 01, 2016 and March 31, 2017, profit before tax or total profit for the year ended March 31, 2017.

(vi) Under previous GAAP, actuarial gains and losses were recognised in the statement of profit and loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability/ asset which is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in other comprehensive income under Ind AS instead of the statement of profit and loss.

(vii) Under previous GAAP, there was no concept of other comprehensive Income. Under Ind AS, specified items of income, expense, gains, or losses are required to be presented in other comprehensive income.

(viii) Under previous GAAP, the Company had created provision for impairment of receivables only in respect of specific amount for doubtful receivables. Under Ind AS, additional impairment allowance has been determined based on Expected Credit Loss (ECL) model. Consequent to this change, on the date of transition to Ind AS, an allowance/(reversal) for ECL of Rs. 0.5 Million and for the year ended on March 31. 2017 an amount of Rs. (0.1 Million) on trade receivables.

For and on behalf of the Board of Directors

Amar Nath Mohanty Chief Financial Officer	Deepa Hingorani Director DIN : 00206310	Lokesh Saxena Managing Director DIN : 07823712
G. Prasanna Bairy Company Secretary		

Place : Bangalore
Date : May 24, 2018

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

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of DISA INDIA LIMITED (hereinafter referred to as "the Company") and its subsidiary (the Company and its subsidiary together referred to as "the Group") comprising the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Company's Board of Directors is responsible for the preparation of these consolidated Ind AS 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 including other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. 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 consolidated Ind AS 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 Ind AS financial statements by the Directors of the Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. In conducting 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.

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 Ind AS 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 Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS 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 consolidated Ind AS 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 Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS 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, 2018, and the consolidated profit, consolidated total comprehensive income, consolidated statement of changes in equity and the consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements of subsidiary company, whose financial statements reflect total assets of Rs.104.4 Millions as at March 31, 2018, total revenues of Rs.102.1 Millions and net cash inflows amounting to Rs.3.6 Millions for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries.

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

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit, 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 of the aforesaid consolidated Ind AS financial statements.

(b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books.

(c) the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

(d) in our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

(e) on the basis of the written representations received from the directors of the Parent Company as on March 31, 2018 taken on record by the Board of Directors of the Parent 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, 2018 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 separate Report in "Annexure A" which is based on the auditors' reports of the Parent Company, subsidiary company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Parent 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. the consolidated Ind AS 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 were not amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent 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 24, 2018

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph "f "under 'Report on Other Legal and Regulatory Requirements' section 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 IND AS financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of DISA INDIA LIMITED (hereinafter referred to as "the Company"), as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company, 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 ("the 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 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, 2018, 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)

S. Sundaresan
Partner
(Membership No.25776)

Bangalore
May 24, 2018

Consolidated Balance Sheet as at March 31, 2018

Rs. Million

	Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
A	**ASSETS**				
1	Non-current assets				
	(a) Property, plant and equipment	4	**206.5**	218.4	232.9
	(b) Investment property	5	**2.8**	2.9	3.0
	(c) Goodwill	6	**6.0**	6.0	6.0
	(d) Other intangible assets	7	**1.1**	-	0.1
	(e) Financial assets				
	(i) Other financial assets	8a	**28.6**	8.0	4.8
	(f) Deferred tax assets (Net)	9	**2.2**	4.7	4.4
	(g) Other non-current assets	10a	**18.6**	10.9	3.7
	Total non-current assets		**265.8**	250.9	254.9
2	Current assets				
	(a) Inventories	11	**473.5**	367.5	394.7
	(b) Financial assets				
	(i) Trade receivables	12	**144.1**	97.8	113.8
	(ii) Cash and cash equivalents	13	**60.7**	20.7	25.9
	(iii) Bank balance other than (ii) above	14	**747.0**	526.3	644.3
	(iv) Other financial assets	8b	**19.5**	16.7	30.4
	(c) Current tax assets (Net)	15	**11.3**	10.9	13.6
	(d) Other current assets	10b	**146.3**	142.5	151.3
	Total current assets		**1,602.4**	1,182.4	1,374.0
	Total assets		**1,868.2**	1,433.3	1,628.9
B	**EQUITY AND LIABILITIES**				
	1 Equity				
	(a) Equity share capital	16	**14.5**	14.5	15.1
	(b) Other equity	17	**1,077.1**	913.9	1,070.9
	Total Equity		**1,091.6**	928.4	1,086.0
	2 Liabilities				
	2.1 Non-Current liabilities				
	(a) Financial liabilities				
	(i) Other financial liabilities	18	**-**	11.3	25.1
			-	11.3	25.1
	2.2 Current liabilities				
	(a) Financial liabilities				
	(i) Trade payables	19	**329.5**	211.4	184.6
	(ii) Other financial liabilities	20	**49.1**	18.7	11.3
	(b) Provisions	21	**31.4**	35.8	39.2
	(c) Other current liabilities	22	**366.6**	227.7	282.7
	Total current liabilities		**776.6**	493.6	517.8
	Total equity and liabilities		**1,868.2**	1,433.3	1,628.9
	See accompanying notes to 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 24, 2018

Amar Nath Mohanty
Chief Financial Officer

G. Prasanna Bairy
Company Secretary

For and on behalf of the Board of Directors

Deepa Hingorani
Director
DIN : 00206310

Lokesh Saxena
Managing Director
DIN : 07823712

Consolidated Statement of Profit & Loss for the year ended March 31, 2018

Rs. Million

	Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
I	Revenue from operations	23	2,084.0	1,811.1
II	Other income	24	49.3	53.2
III	**Total revenue (I+II)**		2,133.3	1,864.3
IV	**Expenses**			
	(a) Cost of materials consumed	25	1,111.0	782.6
	(b) Purchases of stock-in-trade	26	129.9	137.6
	(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	27	(34.4)	37.9
	(d) Excise duty on sale of goods	28	35.1	163.7
	(e) Employee benefits expense	29	312.8	281.5
	(f) Finance costs	30	1.3	2.6
	(g) Depreciation and amortisation expense	31	21.6	21.9
	(h) Other expenses	32	296.9	255.5
	Total expenses (IV)		1,874.2	1,683.3
V	**Profit before tax (III-IV)**		259.1	181.0
VI	**Tax expense:**	33a		
	(a) Current tax		90.6	70.0
	(b) Deferred tax		2.0	(1.9)
	Total tax expenses (a+b)		92.6	68.1
VII	**Profit for the year (V-VI)**		166.5	112.9
VIII	**Other comprehensive income**	33b		
	(A) (i) Items that will not be reclassified to profit or loss:			
	(a) Re-measurement gains/(losses) on defined benefit plans		1.6	4.5
	(ii) Income tax relating to items that will not be reclassified to profit or loss:			
	(a) Re-measurement gains/(losses) on defined benefit plans		(0.5)	(1.6)
	Total other comprehensive income (A((i)+(ii))		1.1	2.9
	Total comprehensive income for the year (VII+VIII)		167.6	115.8
	Earnings per equity share (Face value of Rs 10 /- each):	34		
	(a) Basic - Rs.		114.5	75.7
	(b) Diluted - Rs.		114.5	75.7
	See accompanying notes to 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 24, 2018

For and on behalf of the Board of Directors

Amar Nath Mohanty
Chief Financial Officer

G. Prasanna Bairy
Company Secretary

Deepa Hingorani
Director
DIN : 00206310

Lokesh Saxena
Managing Director
DIN : 07823712

Consolidated statement of changes in equity
For the year ended March 31, 2018

Rs. Million

a. Equity Share Capital:

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Balance as at the beginning of the reporting period	**1,454,205**	**14.50**	1,510,205	15.10	1,510,205	15.10
Changes in the equity share capital during the year						
Buyback of shares	-	-	(56,000)	(0.60)	-	-
Balance at the end of the reporting period	**1,454,205**	**14.50**	1,454,205	14.50	1,510,205	15.10

b. Other equity

Particulars	Reserves & Surplus					Items of OCI	Total Equity
	Share premium	Capital Reserve	Capital Redemption reserve	General Reserve	Retained earnings	Remeasurements of defined benefit plans	
Balance as at April 1,2016	109.1	1.5	-	142.6	817.7	-	1,070.9
Profit for the period	-	-	-	-	112.9	-	112.9
Other comprehensive income	-	-	-	-	-	2.9	2.9
Total Comprehensive Income for the year	109.1	1.5	-	142.6	930.6	2.9	1,186.7
Buy back of Shares	(109.1)	-	-	(142.6)	(16.5)	-	(268.2)
Transferred to Capital redemption reserve	-	-	0.6	-	(0.6)	-	-
Dividends	-	-	-	-	(3.8)	-	(3.8)
Tax on dividend	-	-	-	-	(0.8)	-	(0.8)
Balance as at March 31, 2017	-	1.5	0.6	-	908.9	2.9	913.9
Profit for the period	-	-	-	-	166.5	-	166.5
Other comprehensive income	-	-	-	-	-	1.1	1.1
Dividends	-	-	-	-	(3.7)	-	(3.7)
Tax on dividend	-	-	-	-	(0.7)	-	(0.7)
Balance as at March 31, 2018	**-**	**1.5**	**0.6**	**-**	**1,071.0**	**4.0**	**1,077.1**

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. 25776

Amar Nath Mohanty
Chief Financial Officer

Deepa Hingorani
Director
DIN : 00206310

Lokesh Saxena
Managing Director
DIN : 07823712

Place : Bangalore
Date : May 24, 2018

G. Prasanna Bairy
Company Secretary

Consolidated Cash Flow Statement for the year ended March 31, 2018

Rs. Million

	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
A	CASH FLOW FROM OPERATING ACTIVITIES :		
	Profit before tax	259.1	181.0
	Adjustments for:		
	Depreciation and amortisation	21.6	21.9
	Finance cost	1.3	2.6
	Profit on sale of property, plant and equipment	(0.3)	(0.3)
	Interest income	(42.8)	(45.1)
	Bad trade receivables written off	0.1	0.3
	Provision for doubtful trade receivable reversed	(0.3)	(0.3)
	Liabilities no longer required written back	(2.3)	-
	Rental income	(1.6)	(1.7)
	Net unrealised exchange gains/(losses)	5.9	(2.4)
	Re-measurement of gains/(losses) on defined benefit plans	1.6	4.5
	Operating profit before changes in working capital	242.3	160.5
	Changes in working capital		
	Adjustments for (increase)/decrease in non-current assets:		
	Other financial assets	(0.6)	(3.2)
	Other non-current assets	(7.7)	(7.2)
	Adjustments for (increase)/decrease in current assets:		
	Inventories	(106.0)	27.2
	Trade receivables	(46.8)	16.0
	Other financial assets	(0.4)	5.4
	Other current assets	(3.8)	8.8
	Adjustments for increase/(decrease) in current liabilities:		
	Trade payables	115.2	29.2
	Other financial liabilities	7.3	14.6
	Short term provisions	(4.4)	(3.4)
	Other current liabilities	138.9	(55.0)
	Cash generated from operating activities	334.0	192.9
	Income tax paid	(91.0)	(67.3)
	Net cash generated from operating activities (A)	243.0	125.6
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	Payment for property, plant and equipment	1.1	(11.6)
	Proceeds from disposal of property, plant and equipment	0.4	0.4
	Paid under Asset purchase agreement	-	(16.5)
	Redemption/maturity of bank deposits	373.8	478.2
	Investment in bank deposits	(614.6)	(360.4)
	Interest received	40.4	53.4
	Rental income	1.6	1.7
	Net Cash generated from/(used) investing activities (B)	(197.3)	145.2
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Finance cost	(1.3)	(2.6)
	Buyback of equity shares	-	(268.8)
	Dividend paid	(3.7)	(3.8)
	Tax on dividend	(0.7)	(0.8)
	Net Cash used financing activities (C)	(5.7)	(276.0)
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	40.0	(5.2)
	Cash and cash equivalents as at March 31, 2017	20.7	25.9
	Cash and cash equivalents as at March 31, 2018	60.7	20.7
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	40.0	(5.2)
	Cash and cash equivalents at the end of the year		
	Comprises		
	(a) In cash in hand	0.1	0.1
	(b) In current accounts	46.6	12.6
	(c) deposit accounts	14.0	8.0
		60.7	20.7
	See accompanying notes to 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. 25776

Amar Nath Mohanty
Chief Financial Officer

Deepa Hingorani
Director
DIN : 00206310

Lokesh Saxena
Managing Director
DIN : 07823712

Place : Bangalore
Date : May 24, 2018

G. Prasanna Bairy
Company Secretary

Notes forming part of the consolidated financial statements for year ended March 31, 2018

NOTE 1

1. General information

1.1 DISA India Limited ("DISA India" or "the Company") along with its wholly owned subsidiary, Bhadra Castalloy Private Limited (formerly known as Bhadra Castalloys Private Limited), collectively called as "Group" is a leading equipment manufacturer with advanced foundry and surface preparation process technology. It supplies complete foundry systems with DISA range of moulding machines, sand mixers with combination of sand plant equipment, surface preparation machines and environmental control systems to customers across the country with its network of sales offices in New Delhi, Pune, Kolkata and Bangalore with its two manufacturing plants located in Tumkur and Hosakote in Bangalore, Karnataka.

1.2. The Group's consolidated financial statements were approved by the Company's Board of Directors on May 24, 2018

2. Significant accounting policies

2.1. The consolidated financial statements of Disa India Limited have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015. Up to the year ended March 31, 2017 the Company prepared its financial statements in accordance with Standards notified under the Companies (Accounting Standards) Rules, 2006. Financial Statements for the current financial year 2017-18 are the Group's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2016. Refer Note 3.19 for the details of first-time adoption exemptions availed by the Group.

2.2. Basis of Preparation and Presentation

Disa India Limited consolidates entity which it owns or controls. Control exists when the parent has power over the entity, is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

The consolidated financial statements of the Group companies are consolidated on a line-by-line basis and intra group balances and transactions including unrealized gain / loss from such transactions are eliminated upon consolidation. These financial statements are prepared by applying uniform accounting policies in use at the Group. Non-controlling interests which represent part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the Company, are excluded.

2.3. Functional currency

Consolidated financial statements are presented in Indian Rupees, which is the functional currency of the Group, and the currency of primary economic environment in which the Group operates. All the financial information presented in Indian Rupees has been rounded to the nearest million except shares and earning per share data which are presented in absolute terms.

2.4. Use of estimates and judgements

The preparation of consolidated financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities & disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognized in the period in which the estimate is revised, and future periods affected.

Critical estimates and judgments:

Areas involving critical judgments are

i) Note 35 - Estimation of defined benefit obligations

ii) Note 21 - Estimation for provisions of warranty claims

3. Summary of significant accounting policies

3.1. Revenue Recognition

Revenue is measured at the fair value of consideration received or receivable and is net of goods & service tax, returns, discounts, sales incentives and other similar allowances. The Group recognizes revenue when the amount of revenue and its related cost can be reliably measured, and it is probable that future economic benefits will flow to the entity and specific criteria in relation to significant risk and reward and degree of managerial involvement associated with ownership or effective control have been met for each of the Group's activities as described below.

3.1.1. Sale of goods:

Domestic and export sales are accounted on transfer of significant risks and rewards to the customer which generally coincides with the dispatch of goods from the factory or the port as appropriate, and no continuing involvement of management to the degree associated with ownership nor effective control over the goods sold. In case of machinery / equipment which together form part of a contract for a larger group of machinery, revenue is recognized only when all significant machinery/ equipment is transferred.

3.1.2. Services

Revenue from a contract to provide services is recognized by reference to the stage of completion of the contract.

3.1.3. Export Entitlements

Export entitlements from government authorities are recognized in the statement of profit & loss when the right to receive credit as per the terms of the scheme is established in respect of exports made by the Group and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

3.1.4. Interest Income

Interest Income is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable. Dividend Income is recognized in the statement of profit and loss when the right to receive dividend is established.

3.1.5. Commission Income

Commission Income is recognized on accrual basis as per the terms of the agreement.

3.2. Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other Leases are classified as operating leases.

3.2.1. **As Lessor:** Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease.

Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Group's expected inflationary cost increases, such increases are recognized in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

3.2.2. **As Lessee:** Rental expenses from operating leases are recognized on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Lessor's expected inflationary cost increases, such increases are recognized in the year in which such benefits accrue.

3.3. Foreign currency transactions & translations

In preparing the consolidated financial statements of the Group, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions.

Monetary items denominated in foreign currencies are restated at the rates prevailing on the balance sheet date. Exchange differences on monetary items are recognized in the statement of profit or loss in the period in which those arise.

Non-monetary items denominated in foreign currencies, that are measured at fair value, are restated to the functional currency at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not restated.

3.4. Employee benefits

Defined Contribution Plans:

3.4.1. Provident Fund, Superannuation Fund & ESIC

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.

3.4.2. Defined Benefit Plans

Gratuity

The Group has taken a Group Gratuity Policy and Group Leave Encashment Scheme with an insurance company. These constitute the Defined Benefit Plans of the Group.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur.

Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Group presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognized in the balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

3.4.3. Short term & Other Long-Term Employee benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

3.5. Taxation

Income tax expense for the year comprises of current and deferred tax using rates at the balance sheet date.

3.5.1. Current Tax

The current tax payable is based on taxable profit for the year and any adjustment to tax payable in respect of previous years, computed as per Income Tax Act 1961. The current tax is calculated using effective tax rates that have been enacted by the end of the reporting period.

3.5.2. Deferred Tax

Deferred tax is recognized on temporary timing differences between the carrying amounts of assets and liabilities in the consolidated financial statements using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period.

3.6. Property, plant and equipment

Property, plant & equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost (i.e., Purchase cost, Net of duties), less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price, non - refundable taxes & duties, freight and other directly attributable costs to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. Freehold land is not depreciated.

Items such as spare parts, stand-by equipment and servicing equipment are recognized as property, plant and equipment if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Depreciation on Property, plant and equipment 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.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in statement of profit and loss.

3.7. Investment Properties

Investment properties are properties held to earn rentals and / or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs, Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 40 requirements for cost model.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

3.8. Goodwill and Other Intangible Assets

3.8.1. Recognition

Goodwill represents the excess of the cost of an acquisition over the fair value of identifiable net assets acquired in a business combination. Goodwill is recognized as an asset and tested for impairment annually.

Other Intangible assets that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses, if any. 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.

Intangible assets, with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives of four years.

Computer software, except standard utility software packages which are not integral part of the hardware are classified as Intangible assets.

3.8.2. Derecognition of intangible assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

3.9. Impairment of tangible and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs. Corporate assets are also allocated to individual cash generating units when a reasonable and consistent basis of allocation can be identified, or otherwise corporate assets are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in statement of profit and loss.

3.10. 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 direct materials and where applicable direct labor costs and overhead costs that have been 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.

3.11. Provisions

Provisions are recognized when the Group has a present obligation as a result of a past event that it is probable will result in an outflow of economic benefits that can be reasonably estimated.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

3.11.1. Warranties

Provisions for the expected cost of warranty obligations are recognized at the date of sale of the relevant products, based on the best estimate 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.

3.12. Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments and are recognized initially at fair value, and subsequently measured at either amortized cost or fair value through profit and loss or other comprehensive income. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (Other than financial assets recorded at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction cost directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

3.13. Financial Assets

Recognition: Financial assets include investments, trade receivables, advances, security deposits, cash & cash equivalents.

Measurement: At initial recognition, the company measures a financial asset at its fair value. In the case of financial assets which are recognized at fair value through profit or loss(FVTPL), its transaction costs are recognized in the statement of profit & loss. In other cases, the transaction costs are attributed to the acquisition value of the financial assets.

All recognized financial assets are subsequently measured in their entirety at either amortized cost or at fair value depending on the classification of the financial assets.

Effective interest method: The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Classification: The Group determines the classification of assets at initial recognition depending on the purpose for which the assets were acquired. The subsequent measurement of financial assets depends on such classification. Financial assets are classified as those measured at:

a. Amortized cost, where the financial assets are held solely for collection of cash flows arising from payments of principal and or interest.

b. Fair value through other comprehensive income(FVTOCI)where the financial assets are held not only for collection of cash flow arising from payment of principal and interest but also from sale of such assets. Such assets are subsequently measured at fair value with unrealized gains or losses arising from changes in the fair value being recognized in other comprehensive income.

c. Fair value through profit and loss(FVTPL)where the assets are managed in accordance with an approved investment strategy that triggers purchase and sale decisions based on the fair value of such assets. Such assets are subsequently measured at fair value with unrealized gains and losses arising from changes in the fair value being recognized in the statement of profit and loss in the period in which they arise.

Trade receivables, advances, security deposits, cash & cash equivalents etc are classified for measurement at amortized cost while investment may fall under any one of the aforesaid classes.

Impairment: The Group assesses at each reporting date whether a financial asset such as investment, trade receivables, advances and security deposits held at amortized cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or efforts. Expected credit losses are assessed and loss allowances recognized if the credit quality of the financial asset has deteriorated significantly since initial recognition.

Derecognition: A financial asset is derecognized only when the contractual rights to the cash flows from the asset expire or when the Group transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

3.14. Financial liabilities

Borrowings, trade payables and other financial liabilities are initially recognized at the value of the respective contractual obligations.

Classification: Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liability and an equity instrument. All financial liabilities are subsequently measured at amortized cost using the effective interest method or FVTPL.

Financial liabilities at FVTPL: Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising in measurement recognized in profit or loss. Net gain or loss recognised in the profit or loss on the financial liability is included in the Other income or Finance cost line item.

Derecognition: A financial liability is derecognized only when the Group's obligations are discharged, cancelled or have expired.

Derivative financial instruments

Derivative financial instruments such as foreign exchange forward contracts, if any are held to mitigate the risk of changes in foreign exchange rates on foreign currency assets or liabilities. Derivatives are recognized and measured at fair value. Attributable transaction costs are recognized in the statement of Profit & Loss.

3.15. 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 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.

3.16. Segment reporting

Operating segments are components of the Group whose operating results are regularly reviewed by the Chief Operating Decision Maker [CODM] to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

Manufacturing and selling of foundry machinery and machinery parts is identified as single operating segment for the purpose of making decision on allocation of resources and assessing its performance (refer note 41).

3.17. 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.

3.18. Recent accounting pronouncements

Ind AS 21- Foreign currency transactions and advance consideration: On March 28, 2018, MCA has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

This rule will come into force from April 1, 2018. The Group has evaluated the effect of this on the financial statements and it is not material.

Ind AS 115 - Revenue from Contract with Customers: The Ministry of Corporate Affairs (MCA) has notified Ind AS 115 Revenue from Contracts with Customers vide its notification dated March 28, 2018.The standard replaces Ind AS 11 Construction Contracts and Ind AS 18 Revenue. The said notification is applicable to contracts with customers and is effective for annual periods beginning on or after 1 April 2018.

The core principle of the standard is to identify performance obligations and assess the satisfaction of the performance obligations for the purpose of recognising revenue. An entity shall recognise revenue when (or as) the entity satisfies a performance obligation by transferring a promised goods or service (ie an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset. The new standard offers certain transition options. An entity can choose to apply the new standard to its historical transactions and retrospectively adjust each comparative period. Alternatively, an entity can recognize the cumulative effect of applying the new standard at the date of initial application - and make no adjustments to its comparative information.

The Group is currently evaluating the requirements of Ind AS 115, and is in the process of determining the impact on the financial statements.

3.19. First-time adoption – mandatory exceptions, optional exemptions

Overall principle

These consolidated financial statements are the first consolidated financial statements of the Group under Ind AS. The date of transition to Ind AS is April 1, 2016. The transition is carried out from Indian GAAP (previous GAAP) to Ind AS, notified under Section 133 of the Companies Act, 2013 [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. The Group has applied exceptions and exemptions in accordance with Ind AS 101 "First-time Adoption of Indian Accounting Standards".

Exceptions:

1. **Estimates:** Ind AS estimates on the date of transition are consistent with the estimates as at the same date made in conformity with previous GAAP.
2. **Derecognition of financial assets & liabilities:** The Group has applied the de-recognition requirements of Ind AS 109 prospectively from the date of transition to Ind AS.
3. **Classification and measurement of financial assets:** The Group has assessed classification and measurement of financial assets based on facts and circumstances prevalent on the date of transition to Ind AS.
4. **Impairment of financial assets:** The Group has applied impairment requirements of Ind AS 109 retrospectively to consolidated financial instruments and concluded that there is no need to recognize any additional loss allowance on financial assets.

Exemptions:

1. **Deemed cost for property, plant and equipment, intangible assets and investment in property:** The Group has elected to continue with the carrying value of all of its plant and equipment's recognized as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Notes forming part of the consolidated financial statements

Rs. Million

4 Property, Plant and Equipment

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Carrying amounts of:			
Freehold land*	32.9	32.8	35.0
Buildings*	102.0	108.0	111.7
Plant and machinery	52.2	56.9	65.8
Furniture and fixtures	1.7	2.1	2.5
Office equipment	2.0	1.9	1.9
Patterns	5.4	6.2	6.7
Vehicles	4.9	5.8	6.6
Computers	5.4	4.7	2.7
	206.5	218.4	232.9

Particulars	Freehold land	Buildings	Plant and machinery	Furniture and fixtures	Office equipment	Patterns	Vehicles	Computers	Total
Cost or deemed cost									
Balance as on April 1, 2016	35.0	168.6	252.3	12.8	9.8	25.7	7.4	23.1	534.7
Additions	-	3.0	2.2	-	1.0	1.7	-	3.3	11.2
Deletions	2.2	0.8	1.7	1.9	0.2	-	0.1	2.2	9.1
Balance as on March 31, 2017	32.8	170.8	252.8	10.9	10.6	27.4	7.3	24.2	536.8
Additions	0.1	-	4.0	-	0.9	1.3	-	3.3	9.6
Deletions	-	-	0.4	-	-	-	-	3.8	4.2
Balance as on March 31, 2018	32.9	170.8	256.4	10.9	11.5	28.7	7.3	23.7	542.2

Particulars	Freehold land	Buildings	Plant and machinery	Furniture and fixtures	Office equipment	Patterns	Vehicles	Computers	Total
Accumulated depreciation									
Balance as on April 1, 2016	-	56.9	186.5	10.3	7.9	19.0	0.8	20.4	301.8
Depreciation expense for the year	-	5.9	10.3	0.4	1.0	2.2	0.7	1.3	21.8
Deletions	-	-	0.9	1.9	0.2	-	-	2.2	5.2
Balance as on March 31, 2017	-	62.8	195.9	8.8	8.7	21.2	1.5	19.5	318.4
Depreciation expense for the year	-	6.0	8.8	0.4	0.8	2.1	0.9	2.4	21.4
Deletions	-	-	0.5	-	-	-	-	3.6	4.1
Balance as on March 31, 2018	-	68.8	204.2	9.2	9.5	23.3	2.4	18.3	335.7

Particulars	Freehold land	Buildings	Plant and machinery	Furniture and fixtures	Office equipment	Patterns	Vehicles	Computers	Total
Carrying amount									
Balance as on April 1, 2016	35.0	111.7	65.8	2.5	1.9	6.7	6.6	2.7	232.9
Balance as on March 31, 2017	32.8	108.0	56.9	2.1	1.9	6.2	5.8	4.7	218.4
Balance as on March 31, 2018	32.9	102.0	52.2	1.7	2.0	5.4	4.9	5.4	206.5

* First equitable mortgage on immovable property being land and building situated at Tumkur and Hosakote to the extent of Rs. 350 Million (PY Rs. 300 Million) has been offered as security.

Notes forming part of the consolidated financial statements

5 Investment property

Rs. Million

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Carrying amounts of:	**2.8**	2.9	3.0
Investment property	**2.8**	2.9	3.0

Particulars	Investment Property
Cost or deemed cost	
Balance as on April 1, 2016	7.5
Additions	-
Deletions	-
Balance as on March 31, 2017	**7.5**
Additions	-
Deletions	-
Balance as on March 31, 2018	**7.5**

Particulars	Investment Property
Accumulated depreciation	
Balance as on April 1, 2016	4.5
Depreciation expense for the year	0.1
Deletions	-
Balance as on March 31, 2017	**4.5**
Depreciation expense for the year	0.1
Deletions	-
Balance as on March 31, 2018	**4.6**

Particulars	Investment Property
Carrying amount	
Balance as on April 1, 2016	3.0
Balance as on March 31, 2017	2.9
Balance as on March 31, 2018	**2.8**

Fair value of the company's investment property :

Fair valuation of Investment Properties as at March 31, 2018, March 31, 2017 and April 1, 2016 has been arrived at on the basis of valuation carried out as on respective dates by an independent valuer not related to company. The valuer is registered with the authority which governs the valuers in India, and in the opinion of management he has appropriate qualifications and recent experience in the valuation of properties. For all Investment properties, fair value was determined based on the capitalisation of net income methods where the market rentals of all lettable units of the properties are assessed by reference to the rentals achieved in the lettable units as well as other lettings of similar properties in the neighbourhood. The capitalisation rate adopted is made by reference to the yield rates observed by the valuers for similar properties in the locality and adjusted based on the valuer's knowledge of the factors specific to the respective properties. Thus, the significant unobservable inputs are as follows

1. Monthly market rent, taking into account the difference in location, and individual factors, such as frontage and size, between the comparable and the property; and
2. Capitalisation rate, taking into account the capitalisation of rental income potential, nature of the property, and prevailing market condition. The fair value hierarchy for all investment properties is Level 2 and the fair values are as under:

   Fair value as at March 31, 2018 is Rs. 39.5 Million, as at March 31, 2017 was Rs. 37.7 Million and as at April 1, 2016, 36.9 Million

   Expenses and income in respect of investment properties Expenses (excluding depreciation) amounting to 0.1 Million (FY 2017-2018: 0.1 Million) in respect of repairs,electricity charges, security expenses etc. are included in Note 36 'Other Expenses' and income amounting to 1.6 Million (FY 2016-2017: 1.7 Million) is included in Note 29 'Other income.

Notes forming part of the consolidated financial statements

6 Goodwill

Rs. Million

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Carrying amounts of:	6.0	6.0	6.0
Goodwill	6.0	6.0	6.0

Particulars	Goodwill
Gross carrying value	
At April 1, 2016	6.0
Additions	-
Disposals/Adjustments	-
At March 31, 2017	**6.0**
Additions	-
Disposals/Adjustments	-
At March 31, 2018	**6.0**
Accumulated depreciation	
At April 1, 2016	-
Amortization expense	0.6
Disposals/Adjustments	0.6
At March 31, 2017	**-**
At April 1, 2017	-
Amortization expense	-
Disposals/Adjustments	-
At March 31, 2018	**-**
Net carrying value March 31,2018	**6.0**
Net carrying value March 31,2017	6.0
Net carrying value April 1,2016	6.0
Amortization expense for the year	-
At March 31, 2018	**6.0**
Carrying amount:	
At April 1, 2016	6.0
At March 31, 2017	6.0
At March 31, 2018	**6.0**

Notes forming part of the consolidated financial statements

7 Other intangible assets

Rs. Million

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Carrying amounts of:	1.1	-	0.1
Other intangible assets	1.1	-	0.1

Particulars	Other intangible assets
Cost or deemed cost	
Balance as on April 1, 2016	20.3
Additions	-
Deletions	-
Balance as on March 31, 2017	**20.3**
Additions	1.2
Deletions	-
Balance as on March 31, 2018	**21.5**

Particulars	Other intangible assets
Accumulated depreciation	
Balance as on April 1, 2016	20.2
Depreciation expense for the year	0.1
Deletions	-
Balance as on March 31, 2017	**20.3**
Depreciation expense for the year	0.1
Deletions	-
Balance as on March 31, 2018	**20.4**

Particulars	Other intangible assets
Carrying amount	
Balance as on April 1, 2016	0.1
Balance as on March 31, 2017	-
Balance as on March 31, 2018	**1.1**

8 Other financial assets

a) Non-current

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Security deposits	8.1	8.0	4.8
Other bank deposits	20.0	-	-
Margin money deposits [refer note 14(i)]	0.5	-	-
Total	28.6	8.0	4.8

b) Current

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Advances to employees	0.5	0.6	0.2
Security deposits	0.7	-	4.4
Interest accrued	15.6	13.2	21.5
Contractually reimbursable expenses	2.7	2.9	4.3
Total	19.5	16.7	30.4

Notes forming part of the consolidated financial statements

Rs. Million

9 Deferred tax asset

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Deferred tax asset on:			
Provision for employee benefits	13.1	15.0	12.7
Provision for doubtful debts	1.3	1.0	1.2
Sub total (A)	14.4	16.0	13.9
Deferred tax liabilities on:			
Property, Plant and equipment and intangible assets	12.2	11.3	9.5
Sub total (B)	12.2	11.3	9.5
Total (A-B)	2.2	4.7	4.4

Movement of deferred tax assets / liabilities
For the year ended March 31, 2018

Particulars	Opening balance	Recognised in Profit or Loss	Recognised in other comprehensive income	Closing balance
Deferred tax asset on:				
Provision for employee benefits	15.0	(1.4)	(0.5)	13.1
Provision for doubtful debts	1.0	0.3	-	1.3
Sub total (A)	16.0	(1.1)	(0.5)	14.4
Deferred tax liabilities on:				
Property, Plant and equipment and intangible assets	11.3	0.9	-	12.2
Sub total (B)	11.3	0.9	-	12.2
Total (A-B)	**4.7**	**(2.0)**	**(0.5)**	**2.2**
For the year ended March 31, 2017				
Deferred tax asset on:				
Provision for employee benefits	12.7	3.9	(1.6)	15.0
Provision for doubtful debts	1.2	(0.2)	-	1.0
Sub total (A)	13.9	3.7	(1.6)	16.0
Deferred tax liabilities on:				
Property, Plant and equipment and intangible assets	9.5	1.8	-	11.3
Sub total (B)	9.5	1.8	-	11.3
Total (A-B)	**4.4**	**1.9**	**(1.6)**	**4.7**

Notes forming part of the consolidated financial statements

Rs. Million

10 Other assets

a) Non-current

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Prepaid rent	**1.7**	2.2	1.0
Balance with government authorities	**15.8**	7.6	1.5
Other Deposits	**1.1**	1.1	1.2
Total	**18.6**	10.9	3.7

b) Current

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Prepaid expenses	**7.4**	6.0	4.3
Advances to suppliers	**5.2**	2.5	4.5
Duty drawback receivable	**4.5**	4.1	2.8
Balance with government authorities	**129.0**	129.7	134.9
Others	**0.2**	0.2	4.8
Total	**146.3**	142.5	151.3

11 Inventories

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(At lower of cost and net realisable value)			
Raw materials	**236.5**	164.9	154.2
(Goods in transit -Rs. 6.0 Million,as at March 31, 2017 Rs. 8.3 Million, as at April 1, 2016 Rs. 6.2 Million)			
Work-in-progress	**178.4**	172.8	153.1
Finished goods	**25.2**	9.7	64.9
Stock-in-Trade	**33.4**	20.1	22.5
(Goods in transit -Rs. 2.8 Million,as at March 31, 2017 Rs. 2.3 Million, as at April 1, 2016 Rs. 3.6 Million)			
Total	**473.5**	367.5	394.7

The cost of inventory recognised as an expense/(income) includes Rs. (2.1) Million (during 2016-17: Rs. 4.0 Million) in respect of obsolete raw material, Rs 0.4 Million (during 2016-17 Rs. (1.3) Million), Work in progress Rs (2.5) Million (during 2016-17 Rs.5.3 Million).

12 Trade receivable

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Secured, considered good	**-**	1.3	-
Unsecured, considered good	**144.1**	96.5	113.8
Unsecured, considered doubtful	**2.7**	3.0	3.3
	146.8	100.8	117.1
Less: Allowances for bad and doubtful debts	**2.7**	3.0	3.3
Total	**144.1**	97.8	113.8

Trade receivables are non-interest bearing and are generally on terms of 30-60 days

13 Cash and cash equivalents

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Cash and cash equivalents:			
(a) Cash on hand	**0.1**	0.1	0.1
(b) Balance with banks:			
-In current accounts	**46.6**	12.6	25.8
-In deposit accounts	**14.0**	8.0	-
Total	**60.7**	20.7	25.9

Notes forming part of the consolidated financial statements

Rs. Million

14 Other bank balances with banks

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Other balance with banks			
-Margin money deposits*	145.6	154.1	182.3
-In deposit accounts**	598.1	368.8	458.4
-Unpaid dividend accounts	3.3	3.4	3.6
Total	747.0	526.3	644.3

Note : (i)

* Balances in margin money deposits are held as security against guarantees and commitments

** Balances in deposit accounts is fixed bank deposits remaining maturity more than three months from original date and less than twelve months

15 Current tax assets (net)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Advance tax net of provision (provision of Rs . 638.6 Million,as at March 31, 2017 Rs. 548 Million, as at April 1, 2016 Rs. 508.9 Million)	11.3	10.9	13.6
Total	11.3	10.9	13.6

16 Share capital

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Authorised equity share capital:			
5,000,000 Equity shares of Rs.10 each	50.0	50.0	50.0
Issued, subscribed and fully paid up:			
1,454,205 Equity shares of Rs.10 each	14.5	14.5	15.1
Total	14.5	14.5	15.1

Notes:

i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year :			
No of equity shares outstanding at the beginning of the year	1,454,205	1,510,205	1,510,205
Buyback of equity shares (refer note 'V' below)	-	(56,000)	-
No of equity shares outstanding at the end of the year	1,454,205	1,454,205	1,510,205
Equity share capital at the beginning of the year (Rs. Million)	14.5	15.1	15.1
Buyback of equity shares (refer note 'V' below)	-	(0.6)	-
Equity share capital at the end of the year (Rs. Million)	14.5	14.5	15.1
ii) Details of shares held by holding company, the ultimate holding company, their subsidiaries and associates:			
Equity Shares			
Disa Holding AG, Switzerland	786,657	786,657	818,902
Disa Holding AS, Denmark	301,399	301,399	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	786,657	786,657	818,902
	54.10%	54.10%	54.22%
Disa Holding AS, Denmark			
(Disa Holding AG is a fully owned subsidiary of Disa Holding AS).	301,399	301,399	313,751
	20.72%	20.72%	20.78%
Equity Shares are held by IDFC Premier Equity Fund	78,605	81,998	90,021
	5.41%	5.64%	5.96%

Notes forming part of the consolidated financial statements

Rs. Million

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 (if any) 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.

v) During the year ended March 31, 2017, the Company had concluded the buyback of 56,000 fully paid equity shares as approved by the board of directors on August 12, 2016 at a price of Rs. 4,800/- per share amounting to Rs. 268.8 Million. In line with the Companies Act 2013, an amount of Rs. 109.1 Million, Rs. 142.6 Million and Rs 17.1 Million have been utilised from Security premium account, General reserve and Surplus in profit and loss account respectively. Further Capital Redemption reserve of Rs 0.6 Million has been created as an apportionment from retained earnings. Consequent to the buyback, share capital has reduced by Rs. 0.6 Million.

17 Other equity

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
General reserve	-	-	142.6
Securities premium account	-	-	109.1
Retained earnings	1,075.0	911.8	817.7
Capital redemption reserve	0.6	0.6	-
Capital reserve	1.5	1.5	1.5
Total	1,077.1	913.9	1,070.9

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
A. General reserve			
Opening balance	-	142.6	142.6
Less : Utilised for buyback of shares (refer note 16(v))	-	142.6	-
Closing balance	-	-	142.6
B. Securities premium account			
Opening balance	-	109.1	109.1
Less : Utilised for buyback of shares (refer note 16(v))	-	109.1	-
Closing balance	-	-	109.1
C. Retained earnings			
Opening balance	911.8	817.7	817.7
Less : Utilised for buyback of shares (refer note 16(v))	-	16.5	-
Less : Transferred to capital redemption reserve (refer note 16(v))	-	0.6	-
Add : Profit for the year	166.5	112.9	-
Add : Other comprehensive income	1.1	2.9	-
Less: Dividend	3.7	3.8	-
Less: Tax on dividend	0.7	0.8	-
Balance at end of the year	1,075.0	911.8	817.7
D. Capital redemption reserve			
Opening balance	0.6	-	-
Add : Buyback of shares (refer note 16(v))	-	0.6	-
Closing balance	0.6	0.6	-
E. Capital reserve			
Opening balance	1.5	1.5	1.5
Movements during the year	-	-	-
Closing balance	1.5	1.5	1.5

Notes forming part of the consolidated financial statements

Rs. Million

18 Other financial liabilities
Non-current

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balance purchase consideration payable on acquisition	-	11.3	25.1
Total	**-**	11.3	25.1

19 Trade payables

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Outstanding due to micro enterprises and small enterprises	15.1	14.4	7.3
Others	314.4	197.0	177.3
Total	**329.5**	211.4	184.6

20 Other financial liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Rental deposits	-	0.4	0.4
Unpaid dividends	3.3	3.4	3.6
Payable on purchase of fixed assets	12.7	0.8	5.1
Contractually reimbursable expenses	30.3	11.9	2.2
Other Payables	2.8	2.2	-
Total	**49.1**	18.7	11.3

21 Provisions

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for warranties (refer note 43)	7.9	8.2	11.6
Employee benefit payables (refer note 35)			
- Compensated absences	9.9	10.0	11.6
- Gratuity	13.6	17.6	16.0
Total	**31.4**	35.8	39.2

22 Other current liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Statutory liabilities	11.5	4.2	6.1
Advances from customers	355.1	222.3	272.5
Deferred Interest payable	-	1.2	4.1
Total	**366.6**	227.7	282.7

Notes forming part of the consolidated financial statements

Rs. Million

23 Revenue from operations

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(a) Sale of products (Refer note (i) below)	2,041.3	1,771.5
(b) Sale of services (Refer note (ii) below)	12.7	24.3
(c) Other operating revenue (Refer note (iii) below)	30.0	15.3
Total	2,084.0	1,811.1

Notes

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(i) Sale of products comprises :		
Manufactured goods :		
Machinery	1,492.0	1,391.3
Parts of machinery	398.7	260.0
Sale of Manufactured goods Sub Total - A	1,890.7	1,651.3
Traded goods :		
Parts of machinery	150.6	120.2
Sales of Traded goods Sub Total - B	150.6	120.2
Total sale of products - A + B	2,041.3	1,771.5
(ii) Sale of service comprises:		
Engineering services	9.7	17.4
Supervision of installation services	0.1	3.5
Others	2.9	3.4
Sales of services - Total	12.7	24.3
(iii) Other operating revenue comprises :		
Commission income	25.8	9.8
Sale of scrap	3.0	2.2
Export incentives	1.2	3.3
Other operating revenue - Total	30.0	15.3

24 Other income

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(a) Interest income (Refer note (i) below)	42.8	45.1
(b) Net gain on foreign currency transactions and translation	-	4.9
(c) Other non-operating income (Refer note (ii) below)	6.5	3.2
Total	49.3	53.2

Notes

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(i) Interest income comprises:		
Interest on:		
Bank deposits	42.2	43.7
Security deposits	0.6	0.2
Loan to subsidiary	1.7	-
Unwinding of interest on amortized cost of financial liabilities	-	1.2
	44.5	45.1
(ii) Other non-operating income comprises:		
Royalty	0.9	0.5
Profit on sales of assets (net)	0.3	0.3
Rental income	1.6	1.7
Provision for doubtful trade receivable reversed	0.3	0.3
Liability no longer required written back	2.3	-
Miscellaneous	1.1	0.4
Total	6.5	3.2

Notes forming part of the consolidated financial statements

Rs. Million

25 Cost of materials consumed

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening Stock	164.9	154.2
Add : Purchases	1,182.6	793.4
Less : Closing Stock	236.5	164.9
Cost of materials consumed	1,111.0	782.7

26 Purchase of stock on trade

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Parts of machinery	129.9	137.6
Total	129.9	137.6

27 Changes in inventories of finished goods, stock-in-trade and work-in-progress

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Inventories at the end of the year:		
Finished goods	31.9	9.7
Work-in-progress	171.7	172.8
Stock-in-trade	33.4	20.1
Sub Total	237.0	202.6
Inventories at the beginning of the year:		
Finished goods	9.7	64.9
Work-in-progress	172.8	153.1
Stock-in-trade	20.1	22.5
Sub Total	202.6	240.5
TOTAL	(34.4)	37.9

28 Excise duty on sale of goods

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Excise duty on sales of Machinery	25.1	126.7
Excise duty on sales of Machinery Parts	10.0	37.0
Total	35.1	163.7

29 Employee benefits expense

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries and wages	272.8	244.4
Contributions to provident and other funds (refer note 35.2)	26.4	26.1
Staff welfare expenses	13.6	11.0
Total	312.8	281.5

30 Finance costs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest expense on:		
(i) Bank guarantee commission	0.8	0.8
(ii) Interest others	-	0.4
(iii) Security deposits	0.5	1.4
Total	1.3	2.6

Notes forming part of the consolidated financial statements

Rs. Million

31 Depreciation

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation on property, plant and equipment (refer note 4)	21.4	21.8
Amortisation on intangible assets (refer note 7)	0.1	-
Depreciation on investment properties (refer note 5)	0.1	0.1
Total	21.6	21.9

32 Other expenses

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Power and fuel	19.3	10.6
Rent (refer note 36)	8.5	7.9
Repairs and maintenance - Buildings	3.8	3.5
Repairs and maintenance - Machinery	4.7	4.2
Repairs and maintenance - Others	7.1	5.7
Insurance	8.2	6.5
Rates and taxes	4.3	8.2
Travelling and conveyance	44.5	42.8
Legal and professional charges	18.8	20.3
Payments to auditors (refer note (i)(a) below)	3.2	2.9
Security expenses	9.6	10.5
Telephone, postage and courier	2.8	3.4
Printing and stationery	1.9	1.4
Freight outwards	10.4	13.2
Commission expenses	5.2	5.3
Recruitment and training	1.4	1.5
Group management fees	24.6	15.5
Directors sitting fees and commission	0.8	0.9
Royalty	21.9	13.6
IT costs	2.2	1.9
Group IT costs	46.0	37.9
Expenditure on corporate social responsibility (refer note (ii) below)	4.2	4.7
Bad Debts written off	0.1	0.3
Advertisement and sales promotion	9.2	5.5
Net loss on foreign currency transactions and translation	6.4	-
Miscellaneous expenses	27.8	20.6
Total	296.9	255.5

Note:

(i) Payments to auditors comprises :		
(a) Statutory auditors		
Statutory audit	1.8	1.8
Tax Audit	0.4	0.3
Other services	0.7	0.5
Reimbursement of expenses	0.3	0.3
Sub Total	3.2	2.9
(b) Cost auditors		
Cost audit fee	0.2	0.2
Sub Total	0.2	0.2
Total	3.4	3.1
(ii) Expenditure on corporate social responsibility		
(a) Gross amount required to be spent by the company	4.2	4.7
(b) Amount paid during the year towards - promotion of education	4.2	4.7
(c) Yet to be paid in cash	-	-

Notes forming part of the consolidated financial statements

Rs. Million

33 Income taxes

A Income tax recognised in consolidated statement of profit and loss

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Current tax		
In respect of the current year	90.6	70.0
	90.6	70.0
Deferred tax		
In respect of the current year	2.5	(0.3)
	2.5	(0.3)
Total income tax expenses recognised in the current year	93.1	69.7

B Income tax recognised in other comprehensive income

Deferred tax charge / (benefit)		
Arising on income and expenses recognised in other comprehensive income		
Remeasurement of defined benefit obligation	0.5	1.6
	0.5	1.6
Bifurcation of the income tax recognised in other comprehensive income in to		
Items that will not be reclassified to profit or loss	0.5	1.6
	0.5	1.6
Reconciliation of effective tax rate		
Profit before income taxes	259.1	181.0
Applicable tax rate	34.61%	34.61%
Expected income tax expenses	89.7	62.6
Adjustments to reconcile expected tax expenses to reported income tax expenses		
Effect of expenses not deductible in determining taxable profit	22.4	15.7
Effect of expenses deductible in determining taxable profit	(19.7)	(10.1)
Difference due to different tax rate	0.2	(0.2)
	2.9	5.4
Adjusted income tax expenses	92.6	68.1
Effective tax rate	35.73%	37.61%

34 Earning per share (EPS)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Basic and Diluted		
Profit attributable to equity share holders (Rs. in Million)	166.5	112.9
Nominal Value of equity share (Rs./Share)	10.0	10.0
Weighted average number of ordinary equity share for Basic EPS (Nos.)	1,454,205	1,490,873
Basic and Diluted EPS (Rs./Share)	114.50	75.73

35 Employee benefits

As per Ind AS 19 "Employee Benefits", the disclosures of Employee benefits as defined in the Accounting Standard are given below:

1. Defined Benefit Plans

I. Expenses recognized in the Statement of Profit and Loss and Other Comprehensive Income for the year:

	Gratuity	
	In Million	
Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Current service cost	5.2	5.3
Interest Cost	0.9	1.1
Amount recognised in profit and loss accounts	6.1	6.4
Actuarial (gain)/loss		
a) arising from changes in financial assumption	(2.6)	(8.0)
b) arising from experience adjustments	(1.5)	4.0
c) arising from demographic assumption	(0.8)	(0.4)
Return on Plan assets excluded amount included in interest income	3.3	(0.1)
Amount recognised in other comprehensive income	(1.6)	(4.5)
Total	4.5	1.9

Notes forming part of the consolidated financial statements

Rs. Million

II. Reconciliation of opening and closing balances of defined benefit obligation:

Particulars	Gratuity In Million Year ended March 31, 2018	Gratuity In Million Year ended March 31, 2017
Defined benefit obligation at beginning of the year	60.2	57.3
Current service cost	5.2	5.3
Interest cost	4.0	4.4
Actuarial losses (gains)	(4.9)	(4.4)
Benefits paid	(3.7)	(2.4)
Defined benefit obligation at the end of the year	60.8	60.2

III. Reconciliation of Opening and Closing balances of fair value of plan assets:

Particulars	Gratuity In Million Year ended March 31, 2018	Gratuity In Million Year ended March 31, 2017
Fair value of plan assets at beginning of the year	42.5	41.4
Transfer in/(out) plan assets	-	-
Expected return on plan assets	3.1	3.1
Return on Plan assets excluded amount included in interest income	(3.2)	0.1
Contributions by employer	8.5	0.2
Benefits paid	(3.7)	(2.3)
Fair value of plan assets at year end	47.2	42.5

IV. Investment details:

Particulars	%invested as at Year ended March 31, 2018	%invested as at Year ended March 31, 2017
Investment with insurer (Investment in Policy of LIC)	100%	100%

V. The Principal assumption used in determining gratuity obligations are as follows:

Particulars	Gratuity Year ended March 31, 2018	Gratuity Year ended March 31, 2017
Mortality Table (LIC)	2006-08 (Ultimate)	2006-08 (Ultimate)
Discount Rate (per annum)	7.6%/7.5%	6.9%/7.0%
Rate of escalation in salary (per annum)	8.50%	8.50%

Estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

These plans typically expose the Company to actuarial risks such as interest rate risk and salary risk.

a) Interest risk: a decrease in the bond interest rate will increase the plan liability.

b) Salary risk: the present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, a variation in the expected rate of salary increase of the plan participants will change the plan liability.

VI. Sensitivity Analysis

Significant actuarial assumptions for the determination of defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Particulars	Gratuity In Million Year ended March 31, 2018	Gratuity In Million Year ended March 31, 2017
Impact in present value of defined benefit obligation:		
If discount rate is increased by 0.5%	(1.8)	(2.2)
If discount rate is decreased by 0.5%	1.8	2.1
If salary escalation rate is increased by 0.5%	1.8	2.1
If salary escalation rate is decreased by 0.5%	(1.8)	(2.2)

Notes forming part of the consolidated financial statements

Rs. Million

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

VII. Asset Liability Matching Strategies

The Group has purchased insurance policy, which is basically a year-on year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The Insurance Company, as part of the policy rules, makes payment of all gratuity out goes happening during the year (subject to sufficiency of funds under the policy). The policy thus mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Group is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).

VIII. Effect of Plan on Entity's Future Cash Flows

(i) Funding arrangements and Funding Policy

The Group has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the Insurance Company carries out a funding valuation based on the latest employee data provided by the Group. Any deficit in the assets arising as a result of such valuation is funded by the Group.

(ii) Expected contribution during the next annual reporting period

The Group's best estimate of Contribution during the next year is Rs. 13.2 Million.

IX. Expected outflow in future years (as provided in actuarial report)

Particulars	Gratuity In Million	
	Year ended March 31, 2018	Year ended March 31, 2017
Expected outflow in 1st Year	6.2	4.3
Expected outflow in 2nd Year	10.4	6.2
Expected outflow in 3rd Year	8.3	10.4
Expected outflow in 4th Year	7.8	8.3
Expected outflow in 5th Year	8.2	7.8
Expected outflow in 6th to 10th Year	41.9	41.9

2. Defined Contribution Plans

Contribution of Defined Contribution Plan, recognized as expense for the year are as under:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Employer's Contribution to Provident Fund	12.9	13.0
Employers' Contribution to Superannuation Fund	6.2	6.1

X. Actuarial Assumptions:

Particulars	Compensated Absences	
	Year ended March 31, 2018	Year ended March 31, 2017
Mortality Table (LIC)	2006-08 (Ultimate)	2006-08 (Ultimate)
Discount Rate (per annum)	7.6%/7.5%	6.9%/7.0%
Rate of escalation in salary (per annum)	8.50%	8.50%

36 Operating leases arrangements

The Group has taken immovable properties on non-cancellable operating lease and lease rent amounting to Rs. 8.5 Million (P.Y. Rs. 7.8 Million) has been charged to the Statement of Profit and Loss. The future minimum lease rent is as under:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Not later than 1 year	0.7	0.7
Later than 1 year and not later than 5 years	1.4	2.1

Notes forming part of the consolidated financial statements

Rs. Million

37 Capital and other commitments

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Estimated amount of contracts remaining to be executed on capital accounts not provided for	0.4	-

38 Contingent liabilities

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Claims against company not acknowledged as debt*		
Service tax	0.6	1.4
CST/VAT	17.7	31.3
Excise duty	1.4	1.4
Income tax	13.1	-
*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.		

39 Financial instruments

(i) Financial assets and liabilities

The carrying value and fair value of financial instrument by category is as follows

(ii) Categories of Financial Instruments

Particulars	Year ended March 31, 2018	Year ended March 31, 2017	As at April 1, 2016
(A) Financial assets			
Measured at amortised cost			
(a) Cash and bank balances	807.7	547.0	670.2
(b) Trade receivables	144.1	97.8	113.8
(c) Other financial assets	48.1	24.7	35.2
Total	999.9	669.5	819.2
(B) Financial liabilities			
Measured at amortised cost			
(a) Trade payables	329.5	211.4	184.6
(b) Other financial liabilities	49.1	30.0	36.4
Total	378.6	241.4	221.0

The Carrying amount reflected above represents the Company's maximum exposure to credit risk for such financial assets.

(ii) Fair value hierarchy:

Fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

• Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

• Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

• Level 3 inputs are unobservable inputs for the asset or liability.

(iii) Financial risk management objectives

The Group's financial liabilities comprise mainly of trade payables and other payables. The Group's financial assets comprise mainly of cash and cash equivalents, other balance with banks, loans, trade receivable and other receivable. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

Notes forming part of the consolidated financial statements

Rs. Million

(iv) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risks: interest rate risk, currency risk and other risk. Financial instruments affected by market risk includes trade payable, trade receivable, bank deposits, loans and advances.

a) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Since the Group has interest bearing bank deposits which are carrying fixed rate of interest, the exposure to risk of changes in market interest rates is minimal. The Group has not used any interest rate derivatives.

b) Foreign Currency Risk

Foreign Currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The Group does not enter into any derivative instruments for trading or speculative purposes.

The carrying amount of the Company's Foreign Currency denominated monetary items are as follows;

Particulars	Year ended March 31, 2018	Year ended March 31, 2017	As at April 1, 2016
Liabilities			
EURO	135.9	65.0	40.90
USD	46.2	25.7	32.80
Total (Liabilities)	182.1	90.7	73.7
Assets			
EURO	18.0	9.8	26.9
USD	0.5	6.1	2.60
Total (Assets)	18.5	15.9	29.5

Foreign Currency sensitivity analysis

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Euro and US Dollar.

The following table details the Group's sensitivity to a 10% increase and decrease in the Rupees against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes receivables and payable in currency other than the functional currency of the Group.

A 10% strengthening of the INR against key currencies to which the Group is exposed (net of hedge) would have led to additional gain in the Statement of Profit and Loss. A 10% weakening of the INR against these currencies would have led to an equal but opposite effect.

Analysis of 10% strengthening of the INR

Particulars	EURO Impact (net of tax)	
	Year ended March 31, 2018 (Rs. in Million)	Year ended March 31, 2017 (Rs. in Million)
Impact on profit or loss for the year	(7.7)	(3.6)
Impact on total equity as at the end of the reporting period	7.7	3.6

Particulars	USD Impact (net of tax)	
	Year ended March 31, 2018 (Rs. in Million)	Year ended March 31, 2017 (Rs. in Million)
Impact on profit or loss for the year	(3.0)	(1.3)
Impact on total equity as at the end of the reporting period	3.0	1.3

(v) Credit Risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises primarily from financial assets such as trade receivables, derivative financial instruments, other balances with banks, loans and other receivables.

(a) Trade receivables management

The Group has used a practical expedient by computing the expected credit loss allowance for trade receivable based on a provision matrix. The Provision matrix takes into account historical credit loss experience and adjusted for forward -looking information.

Notes forming part of the consolidated financial statements

Rs. Million

The reversal/allowance for life time expected credit loss on customer balances for the year ended as follows

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Balance at the beginning	3.0	3.3
Provision recognised/(reversed)	(0.3)	(0.3)
Write offs	-	-
Balance at the end	2.7	3.0

(b) Other financial assets

Credit risk arising from derivative financial instruments and other balances with banks is limited and there is no collateral held against these because the counterparties are nationalised and private banks.

(vi) Liquidity Risk

Liquidity risk refers to the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The objective of liquidity risk management, is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group generates cash flows from operations to meet its financial obligations, maintains adequate liquid assets in the form of cash & cash equivalents.

The following table detail the analysis of derivative as well as non-derivative financial liabilities of the Group into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Particulars	Less than 1 year	Between 1 to 5 years	Over 5 years	Total
As at 31st March 2018				
Trade payables (Refer Note 19)	329.5	-	-	329.5
Other financial liabilities (Refer Note 18 and 20)	49.1	-	-	49.1
As at 31st March 2017				
Trade payables (Refer Note 19)	211.4	-	-	211.4
Other financial liabilities (Refer Note 18 and 20)	18.7	11.3	-	30.0
As at 1st April 2016				
Trade payables (Refer Note 19)	184.6	-	-	184.6
Other financial liabilities (Refer Note 18 and 20)	11.3	25.1	-	36.4

(vii) Capital management

The Group manages its capital structure with a view to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The Groups management reviews the capital structure of the Group on an annual basis. As part of this review, the management considers the cost of Capital and the risks associated with each class of capital. The Group does not have any borrowings and its entire capital is funded through equity

40 Related party disclosures

a) Related parties and their relationship

Nature of relationship	Name of the relationship
Ultimate holding company	Norican Global A/S
Holding Company	DISA Holding AG
Fellow Subsidiaries	DISA Industries AG DISA Technologies Private Ltd. DISA Industries A/S DISA K.K. DISA (Changzhou) Machinery Ltd. Wheelabrator Czech s.r.o. Wheelabrator Group GmbH Wheelabrator Group Ltd. DISA Industries, Inc. Norican A/S DISA Holding A/S Castalloy Inc, USA
Key management personnel	Mr. Robert E Joyce Jr (Upto June 21, 2017) Mr.Viraj Naidu Mr.Lokesh Saxena - Managing Director (From June 21, 2017) Ms.Deepa Hingorani

Rs. Million

	Mr.Sanjay Arte Mr.Andrew Thomas Carmichael Mr.Shymal Kumar Sinha Mr.Amarnath Mohanty - CFO

b) Details of related party transactions during the year ended March 31, 2018 and balances o/s as at March 31, 2018

Name of the related party	Nature of transactions	Amount (Rs. in Million)	O/S balance as at March 31, 2018 (Rs. in Million)	O/S balance as at March 31, 2017 (Rs. in Million)	O/S balance as at April 1, 2016 (Rs. in Million)
DISA Industries AG	Royalty expenses	2.4 (0.5)			
	Service income	0.1 -			
	Export / sale of materials	3.5 -			
	Reimbursement of expenses	0.1 -			
	Commission received	1.5 -	Cr.1.1	Cr.0.2	Cr.0.1
DISA Technologies Private Ltd.	Service charges	4.7 (3.9)			
	Deputation Charges	- (0.3)			
	Capital goods sales	0.1 -	Nil	Nil	Nil
DISA Industries A/S	Royalty expenses	17.3 (11.4)			
	Service charges paid	3.7 -			
	Import material	176.7 (123.4)			
	Reimbursement of expenses (paid)	0.7 (0.7)			
	Service income	4.3 (13.2)			
	Export / sale of materials	43.2 (136.6)			
	Reimbursement of expenses (received)	2.5 -			
	Commission received	26.0 (9.1)			
	Reimbursement of warranty	7.8 -	Cr.73.7	Cr.35.8	Cr.2.6
DISA K.K.	Export / sale of materials	0.3 (0.1)	Dr.0.0	Nil	Nil
DISA (Changzhou) Machinery Ltd.	Import material	12.3 (1.2)			
	Export / sale of materials	3.7 (13.1)			
	Royalty income	0.9 (0.5)	Cr.10.0	Dr.0.9	Dr.7.3

Notes forming part of the consolidated financial statements

Rs. Million

Name of the related party	Nature of transactions	Amount (Rs. in Million)	O/S balance as at March 31, 2018 (Rs. in Million)	O/S balance as at March 31, 2017 (Rs. in Million)	O/S balance as at April 1, 2016 (Rs. in Million)
Wheelabrator Czech s.r.o.	Import material	19.1 (10.6)	Cr.13.2	Cr.4.7	Cr.2.3
Wheelabrator Group GmbH	Royalty expenses	3.6 (1.7)			
	Service income	1.6 (0.3)			
	Service fees	- (2.1)			
	Export / sale of materials	- (0.3)			
	Commision Income	- (0.7)			
	Reimbursement of expenses (receivable)	0.1 -	Cr.0.6	Cr.2.2	Cr.10.8
Wheelabrator Group Ltd. USA	Import material	9.7 (7.3)			
	Service income	4.4 (2.3)	Cr.2.2	Cr.3.6	Cr.5.2
Wheelabrator Group (Canada) ULC	Export / sale of materials	- (2.9)	Nil	Dr.2.0	Dr.0.9
DISA Industries, Inc.	Export / sale of materials	0.6 (0.5)	Nil	Dr.0.1	Nil
Norican A/S	Group Management fee	23.8 (15.5)			
	Group IT fee	46.0 (37.9)			
	Reimbursement of expenses (Paid)	0.8 -	Cr.15.2	Cr.11.9	Nil
Castalloy Inc, USA	Export / sale of materials	0.1 -	Dr.0.1	Nil	Nil
Mr.Viraj Naidu	Remuneration paid @	4.4 (8.9)	Nil	Nil	Nil
Mr.Lokesh Saxena	Remuneration paid @	6.0 -	Nil	Nil	Nil
Ms.Deepa Hingorani	Commission and sitting fees paid	0.4 (0.5)	Nil	Nil	Nil
Mr.Shymal Kumar Sinha	Commission and sitting fees paid	0.4 (0.4)	Nil	Nil	Nil
Mr.Amarnath Mohanty	Remuneration paid @	8.9 (5.6)	Nil	Nil	Nil

* Figures in brackets represent previous year numbers
@ Excludes contribution to PF and Superannuation Fund.

Notes forming part of the consolidated financial statements

Rs. Million

41 Segment Reporting

Entity - wide disclosures :

(i) Revenues from customers :

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
India	1,965.3	1,579.3
Outside India	118.7	231.8

(ii) Non-Current Assets :

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
India	265.8	250.9	254.9
Outside India	-	-	-

Non-current assets include property, plant and equipment, intangible assets, insvestment property, capital advances and pre-paid expenses. It is allocated based on the geographic location of the respective assets.

(iii) Major customers :

The Company has no external customer which accounts for more than 10% of the Group's total revenue for the year ended March 31, 2018 and March 31, 2017.

42 DISCLOSURES UNDER THE MSMED ACT, 2006

Disclosure under Micro, Small and Medium Enterprises Development Act ,2006

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	15.1	14.4
(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	-	-
(iv) The amount of interest due and payable for the 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.

43 Provisions

Provisions for warranties

Particulars	For the year March 31, 2018	For the year March 31, 2017
Balance at the beginning of the year	8.2	11.6
Add : Provision made during the year	6.3	12.1
Less : Amount utilised during the year	6.6	15.5
Balance at the end of the year	7.9	8.2

44 Proposed dividend

The Board of Directors in their meeting held on May 24, 2018, proposed a final equity dividend of Rs. 2.5 per equity share of Rs 10.00 each fully paid up for the year 2017-18. The aggregate amount of final equity dividend proposed to be distributed is Rs 4.4 Million including dividend distribution tax of Rs 0.7 Million.

Notes forming part of the consolidated financial statements

Rs. Million

45 First - Time IND AS adoption reconciliations

45.1 Effect of Ind AS adoption on the balance sheet as at April 1, 2016 and March 31, 2017

	Particulars	Refer Notes	As at April 1, 2016 Previous GAAP	Effect of Transition to Ind AS	As per Ind AS Balance Sheet
A	ASSETS				
	1 Non-current assets				
	(a) Property, plant and equipment	(i)	235.9	(3.0)	232.9
	(b) Investment property	(i)	-	3.0	3.0
	(c) Goodwill		6.0	-	6.0
	(d) Other intangible assets		0.1	-	0.1
	(e) Financial assets		-	-	-
	(i) Other financial assets	(ii)	3.8	1.0	4.8
	(f) Deferred tax assets (Net)		4.2	0.2	4.4
	(g) Other non-current assets	(ii)	4.7	(1.0)	3.7
	Total non-current assets		**254.7**	**0.2**	**254.9**
	2 Current assets				
	(a) Inventories		394.7	-	394.7
	(b) Financial assets				-
	(i) Trade receivables	(ix)	114.3	(0.5)	113.8
	(ii) Cash and cash equivalents		25.9	-	25.9
	(iii) Bank balance other than (ii) above		644.3	-	644.3
	(iv) Other financial assets		30.4	-	30.4
	(c) Current tax assets		13.6	-	13.6
	(d) Other current assets		151.3	-	151.3
	Total current assets		**1,374.5**	**(0.5)**	**1,374.0**
	Total assets		**1,629.2**	**(0.3)**	**1,628.9**
B	EQUITY AND LIABILITIES				
	1 Equity				
	(a) Equity share capital		15.1	-	15.1
	(b) Other equity		1,066.6	4.3	1,070.9
	Total Equity		**1,081.7**	**4.3**	**1,086.0**
	2 Liabilities				
	2.1 Non-current Liabilities				
	(a) Financial liabilities				
	(i) Other financial liabilities	(x)	29.2	(4.1)	25.1
			29.2	**(4.1)**	**25.1**
	2.2 Current Liabilities				
	(a) Financial liabilities				
	(i) Trade payables		184.6	-	184.6
	(ii) Other financial liabilities		11.3	-	11.3
	(b) Provisions	(iii)	43.8	(4.6)	39.2
	(c) Current tax liabilities (net)		-	-	-
	(d) Other current liabilities	(x)	278.6	4.1	282.7
	Total current liabilities		**518.3**	**(0.5)**	**517.8**
	Total equity and liabilities		**1,629.2**	**(0.3)**	**1,628.9**

Rs. Million

45.1 Effect of Ind AS adaption on the balance sheet as at March 31, 2017 and April 1, 2016

	Particulars	Refer Notes	As at March 31, 2017		
			Previous GAAP	Effect of Transition	As per Ind AS Balance Sheet
A	ASSETS				
1	Non-current assets				
	(a) Property, plant and equipment	(i)	221.3	(2.9)	218.4
	(b) Investment property	(i)	-	2.9	2.9
	(c) Goodwill	(viii)	5.4	0.6	6.0
	(d) Other intangible assets		-	-	-
	(e) Financial assets			-	-
	(i) Other financial assets	(ii)	5.8	2.2	8.0
	(f) Deferred tax assets (Net)		4.6	0.1	4.7
	(g) Other non-current assets	(ii)	13.1	(2.2)	10.9
	Total non-current assets		250.2	0.7	250.9
2	Current assets				
	(a) Inventories		367.5	-	367.5
	(b) Financial assets			-	
	(i) Trade receivables	(ix)	98.2	(0.4)	97.8
	(ii) Cash and cash equivalents		20.7	-	20.7
	(iii) Bank balance other than (ii) above		526.3	-	526.3
	(iv) Other financial assets		16.7	-	16.7
	(c) Current tax assets		10.9	-	10.9
	(d) Other current assets		142.5	-	142.5
	Total current assets		1,182.8	(0.4)	1,182.4
	Total assets		1,433.0	0.3	1,433.3
B	EQUITY AND LIABILITIES				
1	Equity				
	(a) Equity share capital		14.5	-	14.5
	(b) Other equity	(x)	913.6	0.3	913.9
	Total Equity		928.1	0.3	928.4
2	Liabilities				
1	Non-current Liabilities				
	(a) Financial liabilities				
	(i) Other financial liabilities	(x)	12.5	(1.2)	11.3
			12.5	(1.2)	11.3
1	Current Liabilities				
	(a) Financial liabilities				
	(i) Trade payables		211.4	-	211.4
	Borrowings				
	(ii) Other financial liabilities		18.7	-	18.7
	(b) Provisions		35.8	-	35.8
	(c) Current tax liabilities (net)		-	-	-
	(d) Other current liabilities	(x)	226.5	1.2	227.7
	Total current liabilities		492.4	1.2	493.6
	Total equity and liabilities		1,433.0	0.3	1,433.3

45.2 Reconciliation of total equity as at March 31, 2017 and April 1, 2016

Particulars	Refer Notes	As at April 1, 2016	As at March 31, 2017
Total equity under previous GAAP		1,081.7	928.7
Reversal of dividend and dividend tax	(iii)	4.6	-
ECL provision	(ix)	(0.5)	(0.4)
Defered tax adjustment on ECL adjustments		0.2	0.1
Total equity under Ind AS		1,086.0	928.4

Notes forming part of the consolidated financial statements

Rs. Million

45.3 Effect of Ind AS adaption on the statement of profit and loss for the year ended March 31, 2017

	Particulars	Refer Notes	Previous GAAP	Effect of Transition to Ind AS	As per Ind AS statement of Profit and Loss
I	Revenue from operations	(iv), (v)	1,644.7	166.4	1,811.1
II	Other income	(x)	51.7	1.5	53.2
III	**Total Income (I+II)**		**1,696.4**	**167.9**	**1,864.3**
IV	**EXPENSES:**				
	(a) Cost of materials consumed	(iv), (v)	779.9	2.7	782.6
	(b) Purchases of stock-in-trade		137.6	-	137.6
	(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress		37.9	-	37.9
	(d) Excise duty on sale of goods	(vi)	-	163.7	163.7
	(e) Employee benefits expense	(x)	277.0	4.5	281.5
	(f) Finance costs	(viii)	1.2	1.4	2.6
	(g) Depreciation and amortisation expense		22.5	(0.6)	21.9
	(h) Other expenses		255.5	-	255.5
	Total expenses (IV)		**1,511.6**	**171.7**	**1,683.3**
V	**Profit before tax (III-IV)**		**184.8**	**(3.8)**	**181.0**
VI	**Tax Expenses:**				
	(a) Current tax		70.0	-	70.0
	(b) Deferred tax		(0.4)	(1.5)	(1.9)
	Total tax expenses (a+b)		**69.6**	**(1.5)**	**68.1**
VII	**Profit for the year (V-VI)**		**115.2**	**(2.3)**	**112.9**
VIII	**Other comprehensive income**				
	(A) (i) Items that will not be reclassified to profit or loss:				
	(a) Re-measurement gains/(losses) on defined benefit plans	(vi)	-	4.5	4.5
	(ii) Income tax relating to items that will not be reclassified to profit or loss:				
	(a) Re-measurement gains/(losses) on defined benefit plans	(vi)	-	(1.6)	(1.6)
	Total other comprehensive income (A((i)+(ii))	(vii)	-	2.9	2.9
Total comprehensive income for the year (VII+VIII)			**115.2**	**0.6**	**115.8**

45.4 Reconciliation of total comprehensive income for the year ended March 31, 2017

Particulars	Refer Notes	For the year ended March 31, 2017
Reclassification of actuarial (gain)/loss arising in respect of defined benefit plan to Other comprehensive income	(vi)	4.50
Tax adjustments	(vi)	(1.60)
Profit after tax as reported under Ind AS		112.9
Other comprehensive income/(expense) (net of tax)	(vii)	2.90
Total comprehensive income as reported under Ind AS		**115.80**

There were no significant reconciliation items between cash flows prepared under Indian GAAP and those prepared under Ind AS

Notes forming part of the consolidated financial statements

Rs. Million

45.5 Notes for the reconciliation

(i) Under the previous GAAP, there was no requirement to present investment property separately and the same was included under property, plant and equipment and measured at cost. Under Ind AS, investment property is required to be presented separately in the balance sheet and depreciation is charged on it. Accordingly, the carrying value of investment property as at April 1, 2016 of Rs. 3 Million and as at March 31, 2017 of Rs. 2.9 (after considering depreciation) Million under previous GAAP has been reclassified to a separate line item on the face of the balance sheet and depreciation provided based on the estimated useful life.

(ii) Under Ind AS, security deposit given against operating lease are presented at fair value by discounting it taking lease contract period and the differential amount has been treated as advance rentals to be amortised as rent over lease period. Accordingly, security deposit amount has been reduced by Rs. 2.2 Million as at March 31, 2017 (Rs. 1.0 Million as at April 1, 2016) and advance rental has been recognised at 2.2 Million at March 31, 2017 (Rs. 1.0 Million as at April 1, 2016). Consequently, rent expense and interest income for the year ended March 31, 2017 are higher by Rs.0.2. Million and Rs. 0.2 Million respectively.

(iii) Under Ind AS, liability for dividend is recognized in the period in which the obligation to pay is established. Under previous GAAP, a liability is recognized in the period to which the dividend relates, even though the dividend may be approved by the shareholders subsequent to the reporting date. Consequently, dividend payable under Ind AS is lower and retained earning is higher.

(iv) Under previous GAAP, revenue from sale of products was recognized and the provision for Supervision of Installation and commissioning which were pending on the reporting date were accrued. Under In AS, revenue from Supervision of Installation and commissioning being separately identifiable components of a sale of Product, is recognized after the completion of the Supervision of Installation and commissioning.

(v) Under previous GAAP, revenue from sale of products was presented net of excise duty under revenue from operations. Whereas, under Ind AS, revenue from sale of products includes excise duty. The corresponding excise duty expense is presented separately on the face statement of profit and loss. The change does not affect total equity as at April 01, 2016 and March 31, 2017, profit before tax or total profit for the year ended March 31, 2017.

(vi) Under previous GAAP, actuarial gains and losses were recognised in the statement of profit and loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability/ asset which is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in other comprehensive income under Ind AS instead of the statement of profit and loss.

(vii) Under previous GAAP, there was no concept of other comprehensive Income. Under Ind AS, specified items of income, expense, gains, or losses are required to be presented in other comprehensive income.

(viii) Under the previous GAAP, the goodwill was amortized over a period of ten 10 years and consequently, the Group charged off Rs.0.6 million by taking the life of goodwill as 10 years during the financial year ended March 31, 2017. However, as per IND AS, the goodwill will be tested for impairment and not amortised over a period of 10 years. Based on the same, the amoritzation of Rs.0.6 million is being reversed during the financial year ended on March 31, 2017.

(ix) Under previous GAAP, the Company had created provision for impairment of receivables only in respect of specific amount for doubtful receivables. Under Ind AS, additional impairment allowance has been determined based on Expected Credit Loss (ECL) model. Consequent to this change, on the date of transition to Ind AS, an allowance/(reversal) for ECL of Rs. 0.5 Million and for the year ended on March 31. 2017 an amount of Rs. (0.1) on trade receivables.

(x) Under previous GAAP, there was no requirement of discounting the non-current amount of purchase consideration which was to be paid on attaining certain conditions as per the purchase agreement. As per IND AS the same amount will be treated as financial liabilities and will be discounted and shown at present value. Accordingly, consideration has been reduced by Rs 1.2 Million at March 31, 2017 (Rs 4.1 Million at March 31, 2016) and interest accrued has been recognized at Rs 1.2 Million as at March 31, 2017 (Rs 4.1 Million as at March 31, 2016). Consequently Other income and finance cost increased by 1.2 Million for the financial year 2016-17.

For and on behalf of the Board of Directors

Amar Nath Mohanty Chief Financial Officer	Deepa Hingorani Director DIN : 00206310	Lokesh Saxena Managing Director DIN : 07823712

Place : Bangalore
Date : May 24, 2018

G. Prasanna Bairy
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@disagroup.com Web: www.disagroup.com

May 24, 2018

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 Registry Management Services Private 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

G. Prasanna Bairy
General Manager - Finance & 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.disagroup.com

ECS MANDATE FORM

Members Holding Shares in Demat Form	Members Holding Shares in Physical Mode
Please inform ; Integrated Registry Management Services Private Limited No. 30, Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bangalore – 560 003.	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.disagroup.com

33rd Annual General Meeting on August 09, 2018

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: DISA India Limited

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

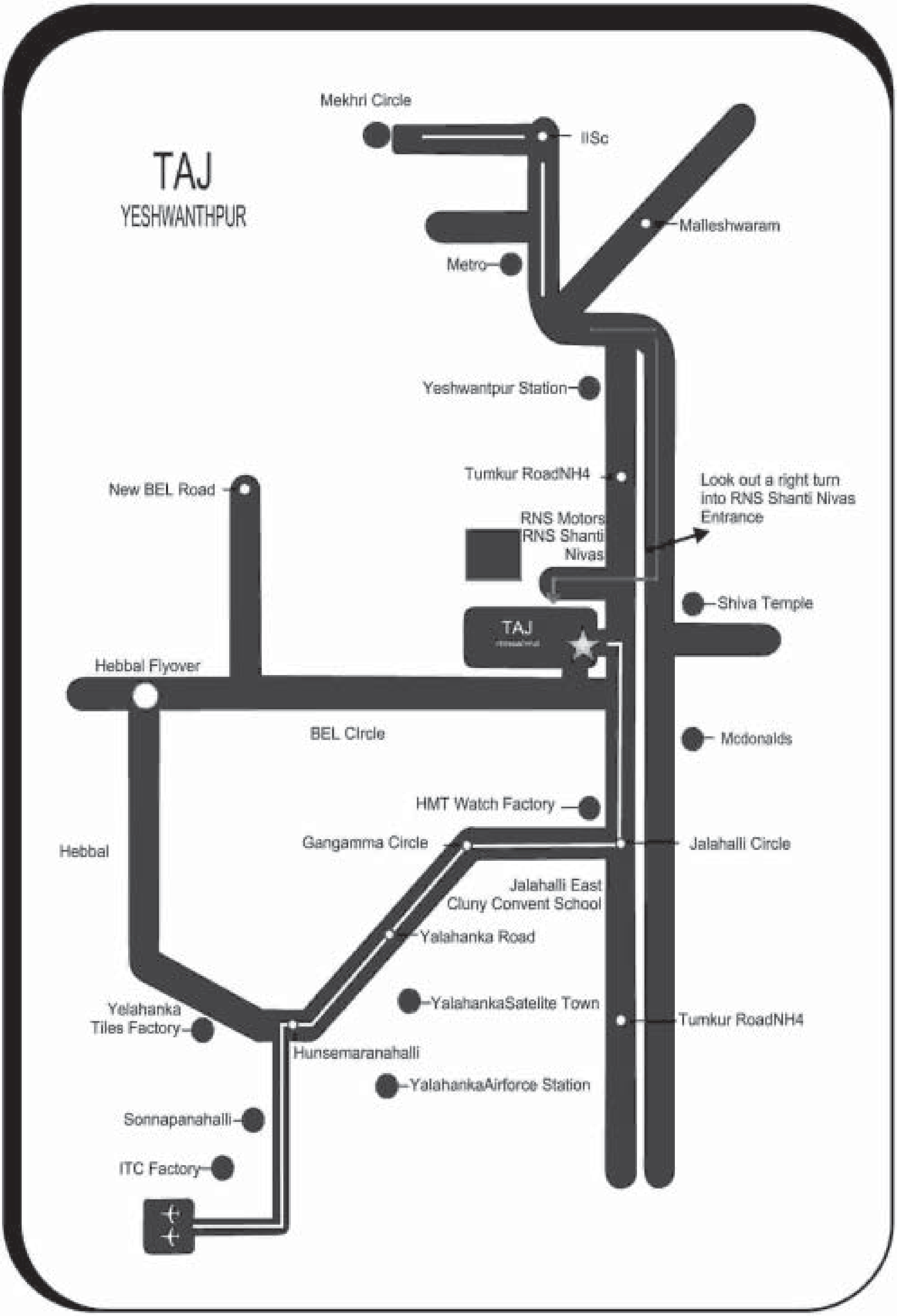
BALLOT PAPER

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	

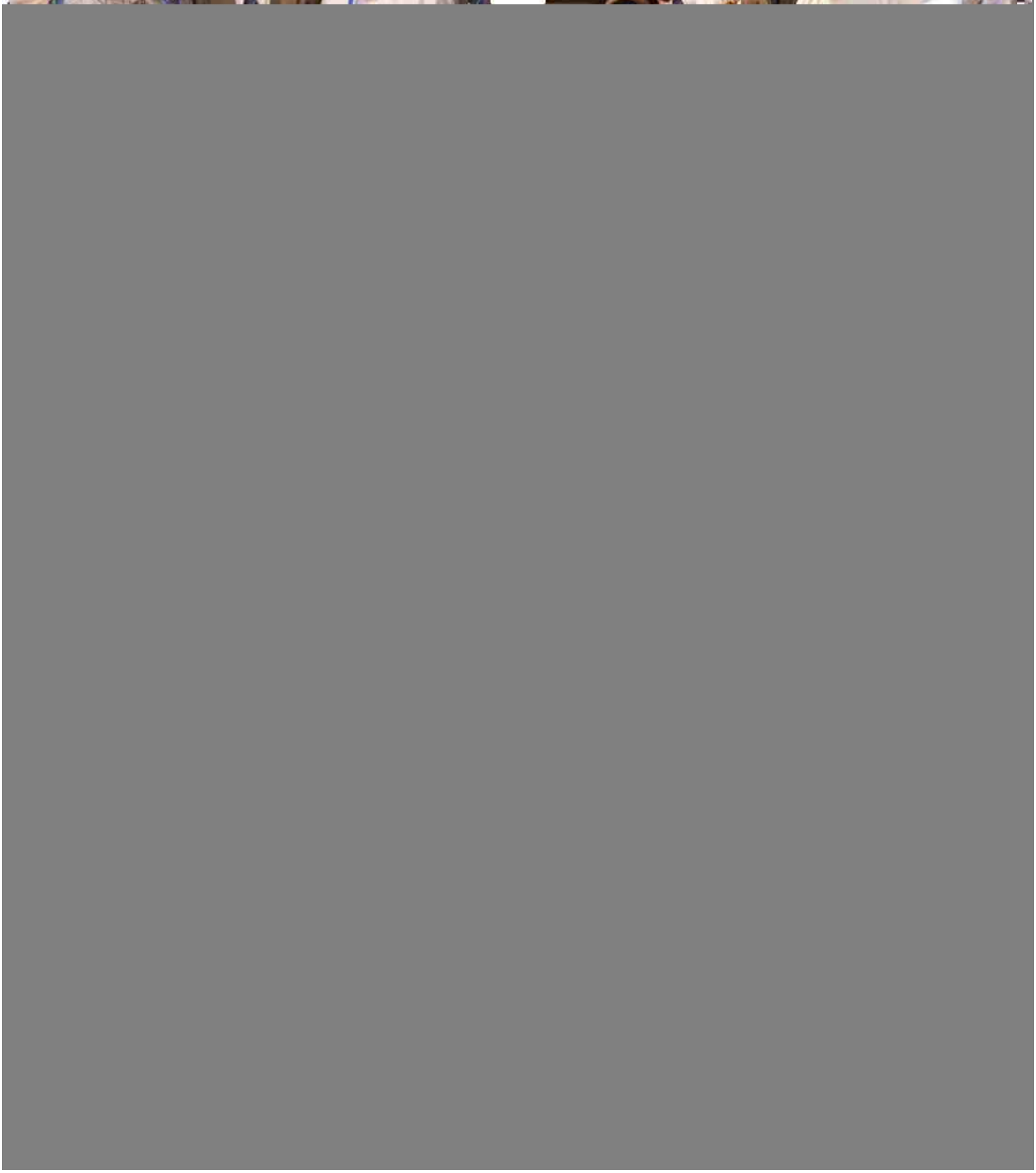
I hereby exercise my vote in respect of Ordinary/ Special resolution enumerated below by recording my assent or dissent to the said resolution in the following manner:

No	Item No.	No. of shares held by me	I assent to the resolution	I dissent from the resolution
	ORDINARY BUSINESS			
1.	Adoption of financial statements for the year ended March 31, 2018			
2.	Appointment of Mr.Viraj Naidu, Director, who retires by rotation			
3.	Declaration of Dividend			
4.	Appointment of Statutory Auditors of the Company			
	SPECIAL BUSINESS			
5.	Ratification of Cost Auditors' remuneration for the financial year 2017-18			
6.	Commission payable to Independent Directors			

Place:
Date: (Signature of the shareholder)


TAJ
YESHWANTHPUR
Mekhri Circle
IISc
Malleshwaram
Metro
Yeshwantpur Station
Tumkur RoadNH4
New BEL Road
Look out a right turn
into RNS Shanti Nivas
Entrance
RNS Motors
RNS Shanti
Nivas
Shiva Temple
TAJ
Hebbal Flyover
BEL Circle
Mcdonalds
HMT Watch Factory
Gangamma Circle
Jalahalli Circle
Hebbal
Jalahalli East
Cluny Convent School
Yalahanka Road
YalahankaSatelite Town
Yelahanka
Tiles Factory
Tumkur RoadNH4
Hunsemaranahalli
YalahankaAirforce Station
Sonnapanahalli
ITC Factory

DISA India Events – IFEX 2018, 10-12 Jan 2018



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We are **Norican**

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MANAGEMENT SYSTEM CERTIFICATION
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