DYNAMATIC TECHNOLOGIES LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

Amended in the Board Meeting dated 7th June 2021

1. PREAMBLE

Dynamatic Technologies Limited ('DTL' or the "Company") designs and builds highly engineered products for Aerospace, Hydraulic, Automotive and Security applications. With futuristic design, engineering and manufacturing facilities in Europe and India, the Company is able to meet customers exacting requirements on 6 continents.

Corporate Social Responsibility ("CSR") at DTL portrays the deep symbiotic relationship that the Company enjoys with the communities it is engaged with. The Company recognizes that its business activities have wide impact on the societies in which it operates. DTL's decision making is hence, not merely based on financial factors, but also on the social and environmental consequences of each of its decisions. To help the Board in considering the impact of its decisions on the society and environmental aspects, the Board of DTL (the 'Board') has constituted a Corporate Social Responsibility Committee (the 'CSR Committee' or the 'Committee'). The Committee has adopted the CSR vision and mission aligned to the core values of the Company.

DTL has been successful in consistently achieving greater milestones in business performance largely because of its philosophy of proactively pursuing balanced and sustainable business policies. This includes our resolve to contributing to our Society, Environment and Nation through a structured and impact-oriented CSR program with oversight at Board level. We perceive CSR as an integral part of our business rather than externality. Therefore, the values of our Company, which drive the way we carry out our day-to-day business, are the core of our CSR program. We have defined our vision, mission, objectives and the CSR themes we intend to focus on, which are described in our CSR policy. The end result we aim to achieve is to create a lasting impact in the quality of life of stakeholders in the regions where our business operates and beyond. We are confident that our CSR policy will lay the foundation for us to achieve this result, with the same passion that drives us in our day-to-day business.

2. PURPOSE OF THE POLICY

The Company's CSR Policy has been developed in accordance with section 135 of the Companies Act 2013 on CSR and in accordance with the CSR rules and amendments duly notified by the Ministry of Corporate Affairs, GOI. This Policy shall apply to all CSR projects/programs undertaken by DTL as per Schedule VII of the Act.\

3. OBJECTIVES OF THIS POLICY

- Serve as the principal guiding document for DTL'S CSR initiatives
- Describe core programmatic themes and related impact areas as per Schedule VII
- Outline projects and geographies for undertaking CSR initiatives
- Provide the framework for selection, implementation, governance, management and monitoring of CSR initiatives and formulation of the Annual Action Plan.

4. OUR VALUES

Our corporate culture is largely driven by our values, which are a critical element of our success. Our core values define the fundamental business ideologies of DTL and shape the way we conduct our day-to-day business. These values are equally important to us and no value takes precedence at the cost of the other.

- Integrity
- Leadership & Initiative
- Commitment & Loyalty
- Passion to Excel
- Fairness & Positive Attitude

As stated in our mission, we intend to implement our CSR initiatives in full alignment with the core values of our company. We will hold high standards of integrity in line with our Business Code of Conduct in the execution of CSR activities. We intend to empower our employees to take leadership roles in CSR initiatives. We will remain committed to our CSR vision, and will encourage our CSR team, employees and volunteers to demonstrate passion to excel as well as fairness & positive attitude in their CSR initiatives.

5. OUR CSR VISION

Our vision is to enhance the quality of life of the community by promoting education, preserve ecological balance in the environment thus ensuring environmental sustainability and promote health care including preventive health-care and sanitation through a well-planned CSR program.

6. OUR CSR MISSION

We believe that the regions in which we operate and the communities which reside in these regions, form an integral part of our ecosystem and stakeholder network. Our corporate social responsibility program is a channel through which we will equip the under-served with the amenities they need, empower them with skills and knowledge by promoting education, and support in promoting health-care and sanitation.

Our Core Mission is to deploy our CSR team and employees as well as encourage partnering organizations to develop our CSR initiatives, through a results based framework. We intend to implement CSR initiatives in alignment with our core values.

7. OUR CSR THEMES

In order to finalize our CSR themes, we have considered the following inputs:

- The priorities of stakeholders
- Compliance with Corporate Social Responsibility Rules, 2014, and their amended rules.
- Our experience with some of the CSR themes / activities

We will focus our activities on the following thematic areas:

- Promoting education, including special education and employment enhancing vocation skills especially among children, women and the differently abled and livelihood enhancement projects.
- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water.
- Promoting health-care including preventive health-care and sanitation, including contribution to the Swach Bharat Drive of the Central Government for the promotion of sanitation and making available safe drinking water.
- Any other project in the project location as prescribed in Schedule VII. The Company may also undertake any other project activity not specifically listed as an example here, provided it qualifies as per the provisions of Schedule VII referred to in the Section 135 of the Companies Act, 2013 across India.

8. MONITORING MECHANISM

We will ensure that our efforts are tracked through a monitoring mechanism to enable us to continuously improve our CSR program. The monitoring mechanism would entail the following:

- All our CSR initiatives will be monitored by a separate CSR monitoring team, appointed by the CSR committee.
- The monitoring mechanism will record the feedback received from stakeholders during field visits.
- The monitoring mechanism will cover both project related performance indicators and financial reviews of CSR expenditure.
- The key performance indicators related to project outcomes, financial outflows, and impact created by our CSR projects will be monitored on a bi-annual basis. If deemed necessary by CSR committee, we will carry out impact assessment studies by third parties.

9. OUR CSR COMMITTEE

Role: Guiding, Approval and Monitoring

The CSR Committee that we have formulated is responsible for the following:

- The CSR Committee is responsible for formulation and final recommendation of the CSR Policy and Annual Action Plan to the Board of the Company.
- The Committee will approve the project, recommend the amount to be spent, set project selection guidelines and monitor implementation and execution to ensure spending is undertaken as per policy guidelines.
- The Committee will meet at least once a year to review progress. This can be a physical meeting or through a combination of video conferencing.
- The minutes of the meetings shall be signed by the Chairperson and regularly shared with the Board of Directors.
- Effectively factoring the interests of stakeholders such as: customers, employees, suppliers, business partners, local communities and other organisations in the decisions of the Board

Our CSR committee consists of the following individuals:

- CSR Committee Chairperson: Ms. Gaitri Issar Kumar
- CSR Committee Members: Prof. Pradyumna Vyas, Air Chief Marshal V.R. Chaudhari (Retd.) and Mr. Chalapathi P

10. DTL BOARD

Role: Guiding, Approval and Monitoring Role: Approval and Oversight

Responsibilities:

- The Board shall approve the CSR policy and oversee that identified work is duly undertaken and in each financial year at least 2% of average net profit of preceding three financial years is spent effectively.

- The Board shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.

- The Board will also ensure disclosure of the names of CSR Committee members, the content of the CSR policy and reporting of its CSR activities on the Company website, and in the Annual Reports in the prescribed format.

11. OUTLAY & FUNDING

- DTL budget for CSR shall be 2 per cent of its average net profits of the three preceding financial years towards CSR activities. The net profit will be estimated in accordance with the provisions of section 198 of the Act read with the Companies (Corporate Social Responsibility Rules), 2014 read with any amendments. The budget will be based on recommendation by the CSR Committee.
- Any surplus generated from CSR projects shall not be added to the normal business profits of the Company and shall be treated as follows:

  a. Ploughed back into the same project; or

  b. Transferred to an Unspent CSR Account and spent in pursuance of CSR policy and Annual Action Plan of the Company; or

  c. Transferred to a Fund specified in Schedule VII, within the prescribed timeline as specified in the CSR Rules.

- The Company may spend up to 5 percent of its total CSR expenditure towards administrative overheads for the financial year for the purpose of CSR functions in the Company.

- All reasonable efforts will be made to ensure that the CSR amount so disbursed is fully utilised in the respective year in the manner as approved by the Board. However, if the Company fails to spend such amount, the Board of Directors shall, in its report under clause (o) of sub-section (3) of section 134 of the Act, shall specify the reasons for not spending the amount and such unspent amount shall be dealt with in accordance with the provisions of Section 135 (5) & (6) of the Act and Rule 10 of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021.

- The tax treatment of CSR expenditures will be in accordance with the provisions of the Income Tax Act as notified by Central Board of Direct Taxes (CBDT).

- In case the Company spends an amount in excess of the requirements of its CSR obligations in a financial year, such excess amount may be set-off against the requirement of the CSR Spending under sub-section (5) of Section 135 up to the immediate succeeding 3 financial years subject to the fulfilment of conditions as specified under the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021.

- The Company may also collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programmes in accordance with these CSR rules.

- The Company may spend its CSR amount for creation or acquisition of the capital asset subject to the fulfilment of conditions as specified under the provisions of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, as may be amended from time to time.

12. INTERPRETATION

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, as may be amended from time to time shall have the meaning respectively assigned to them therein.

13. AMENDMENTS TO THE POLICY

The Board of Directors, either on its own or as per the recommendations of CSR Committee, can amend this Policy, as and when required. The decision of the Board of Directors on all matters, relating to this Policy, shall be final and binding upon all concerned. This Policy is subject to continuous review and updates as required from time to time.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

Enclosed: Annexure 1: List of CSR projects undertaken, including the modalities of execution, an overview of CSR projects approved by the Board and implemented during FY 2025–26, and details of the amounts spent during the financial year 2025–26.

ANNEXURE - 1

ANNUAL REPORT ON CSR ACTIVITIES

[Pursuant to Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014]

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

   Dynamatic CSR Policy has identified programs such as - Promoting Education, Ensuring Environmental Sustainability and Promoting Healthcare.

   Having identified the CSR Policy and Programs, our mission is to deploy our CSR team and concerned employees to participate in our CSR initiatives in a structured manner. Our objectives are to embed CSR in the overall strategy of the Company and implement CSR activities which build trust with stakeholders and create long term sustainability value with measurable outcome.

   Through our CSR programme focused on promoting education, we provide essential amenities to underserved communities and empower rural youth with technical and shop-floor skills through the Aerospace Skill Development Center (ASDC) at ITI, Devanahalli.

   Under the theme of 'Promoting Healthcare & Safety,' the Company supports local safety and community development initiatives, particularly benefiting women employees working in and around the KIADB Aerospace Park, by constructing a police chowki and providing a patrol car and motorcycles to Bagalur Police Station, Bangalore, while also partnering with the Dr. Sandhya Health Foundation to promote girl-child empowerment, healthcare, skill development, and career guidance.

   Apart from the above, as a part of Promoting Education, Ensuring Environmental Sustainability and Promoting Healthcare, the company has identified the following programmes for the forthcoming Financial Year:

   - Adoption of Government Higher Primary School, Mylanahalli, Bangalore to enhance infrastructure development, learning improvement, student support and maintenance.
   - To develop and maintain infrastructure at ITI, Devanahalli, for the Aeronautical Structure and Equipment Fitter ITI (Craftsman Training Scheme) and promote vocational skills - especially for children, women, and differently abled individuals - to enhance employment and livelihoods
   - Development and maintenance of the dedicated parking area and Green Strip (Miyawaki Park) at the Hi-Tech Defence & Aerospace Park, along with ecological balance; protection of flora and fauna; animal welfare; agroforestry; conservation of natural resources; and maintenance of soil, air, and water quality.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation Nature Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Ms. Gaitri Issar Kumar	Chairperson	1	1
2	Prof. Pradyumna Vyas	Member	1	1
3	Air Chief Marshal V.R. Chaudhari (Retd.)*	Member	1	-
4	Mr. Chalapathi P	Member	1	1

** Air Chief Marshal V. R. Chaudhari (Retd.) was inducted w.e.f. 9th February 2026.*

3. Provide the web-link(s) where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: https://www.dynamatics.com/shareholders.

4. Provide the executive summary along with web-link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable: Not Applicable

5. a) Average net profit of the Company as per sub-section (5) of section 135: Rs. 4,790 Lakhs

   b) Two percent of average net profit of the company as per sub-section (5) of section 135: Rs. 95.79 Lakhs

   c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: Nil

   d) Amount required to be set off for the financial year, if any: Nil

   e) Total CSR obligation for the financial year (b+c-d): Rs. 95.79 Lakhs

6. a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Projects): Rs. 39.68 Lakhs

   b) Amount spent in Administrative Overheads: Nil

   c) Amount spent on Impact Assessment, if applicable: Not Applicable

   d) Total amount spent for the Financial Year [(a)+(b)+(c)]: Rs. 39.68 Lakhs

e) CSR amount spent or unspent for the Financial Year

Total Amount Spent for the Financial Year (in Rs Lakhs)	Amount Unspent (in Rs. Lakhs)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of transfer
39.68	56.11	28/04/2026	Nil	Nil	Nil

f) Excess amount for set off, if any

Sl.No	Particular	Amount (in Rs)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	95.79
(ii)	Total amount spent for the Financial Year	39.68
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0
(v)	Amount available for set off in succeeding financial years	0

7. Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under Section 135 (6) (in Rs. Lakhs)	Balance Amount in Unspent CSR Account under Section 135 (6) (in Rs. Lakhs)	Amount spent in the Financial Year (in Rs. Lakhs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to Section 135 (5), if any		Amount remaining to be spent in succeeding financial years. (in Rs. Lakhs)	Deficiency, if any
					Amount (in Rs. Lakhs)	Date of transfer		
1.	2022-23	-	-	-	-	-	-	-
2.	2023-24	-	-	-	-	-	-	-
3.	2024-25	44.02	-	44.02	-	-	-	-
	Total	**44.02**	-	**44.02**	-	-	-	-

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Yes

If Yes, enter the number of Capital assets created/acquired: 3

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility:

Sl. No.	Short particulars of the property or asset (s) including complete address and location of the property	Pin code of the property or assets	Date of creation	Amount of CSR amount spent (in Rs lakhs)	Details of entity/ authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
1.	Police Chowki constructed at KIADB Aerospace Park for safety of woman workers.	562149	March 2026	42.06	NA	Police Station, Bagalur	Bagalur Colony, BEML Layout, Razack Palya, Bangalore, Karnataka
2.	Patrolling EV Car for safety of woman workers at KIADB Aerospace Park.	562149	March 2026	16.25	NA	Police Station, Bagalur	Bagalur Colony, BEML Layout, Razack Palya, Bangalore, Karnataka
3.	Two Bikes for patrolling and safety of woman workers at KIADB Aerospace Park.	562149	March 2026	2.33	NA	Police Station, Bagalur	Bagalur Colony, BEML Layout, Razack Palya, Bangalore, Karnataka

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135.

   With reference to 6 (e) of Annual CSR report, Rs. 56.11 Lakhs is transferred to unspent account towards the multi-year ongoing projects as approved by the CSR committee and in accordance with the rules under section 135 of Companies Act.

   Amount has been set aside is as per the terms of three of the projects taken up in the year. The details of the unspent CSR amount relating to the following CSR projects are provided below:

   1. Adoption of Government Higher Primary School, Mylanahalli, Bangalore: Rs. 15.00 Lakhs
   2. To develop and maintain infrastructure at ITI, Devanahalli: Rs. 6.11 Lakhs
   3. Developing and maintaining the parking area and Green Strip (Miyawaki Park) at KIADB Aerospace Park: Rs. 35.00 Lakhs

Place: Bangalore

Date: 19th May 2026

Udayant Malhoutra
Chief Executive Officer & Managing Director
DIN : 00053714

Chalapathi P
Executive Director & Chief Financial Officer
DIN : 08087615