

B S R & Associates LLP

Chartered Accountants

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The Board of Directors Dynamatic Technologies Limited

We have audited the accompanying Statement of Consolidated Financial Results ('the Statement') of Dynamatic Technologies Limited ('the Company'), its subsidiaries and an associate as detailed in note 1 of the Statement (collectively referred to as 'the Dynamatic Group') for the year ended 31 March 2014, attached herewith, being submitted by the Company pursuant to the requirements of Clause 41 of the Listing Agreement issued by the Securities and Exchange Board of India ('Listing Agreement'), except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the Management and have not been audited by us. Attention is drawn to the fact that the figures for the quarter ended 31 March 2014 and the corresponding quarter ended in the previous year as reported in the Statement are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of the third quarter of the relevant financial year. Also the figures upto the end of the third quarter had only been reviewed and not subjected to audit.

The Statement has been prepared on the basis of the consolidated financial statements of the current year and reviewed quarterly financial results upto the end of the third quarter. Our responsibility is to express an opinion on the Statement based on our audit of the consolidated financial statement of the current year which has been prepared in accordance with the recognition and measurement principles laid down in the Companies (Accounting Standards) Rules, 2006 as per Section 211(3C) of the Companies Act, 1956, ('the Act') read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India and in compliance with Clause 41 of the Listing Agreement.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed in the Statement. An audit includes assessing the accounting principles used and significant estimates made by Management. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial results of certain subsidiaries and an associate which have been incorporated in the Statement. These subsidiaries and the associate account for 42.84% of total assets as at 31 March 2014 and 72.14% of the aggregate of total income from operations (net) and other income for the current year, as shown in the Statement. Of the above:

- a. The financial results of some of the subsidiaries incorporated outside India as drawn up in accordance with the generally accepted accounting principles of the respective countries ('the local GAAP') have been audited by other auditors duly qualified to act as auditors in those countries. These subsidiaries account for 42.20% of total assets as at 31 March 2014 and 72.14% of the aggregate of total income from operations (net) and other income for the year ended on that date, as shown in the Statement. For the purposes of preparation of the Statement, the aforesaid local GAAP financial results have been



B S R & Associates LLP

restated by the Management of the said entities so that they conform to the generally accepted accounting principles in India. This has been done on the basis of a reporting package prepared by the Company which covers accounting and disclosure requirements applicable to the Statement under the generally accepted accounting principles in India. The reporting packages made for this purpose have been audited by the other auditors and reports of those other auditors have been furnished to us. Our opinion on the Statement, insofar as it relates to these entities, is based on the aforesaid audit reports of these other auditors.

- b. The financial results of the remaining subsidiaries and the associate have not been subjected to audit either by us or by other auditors, and therefore, the unaudited financial results for the current year of these entities have been furnished to us by the Management. These subsidiaries and associate account for 0.64% of total assets as at 31 March 2014, as shown in the Statement, and therefore are not material to the financial results, either individually or in aggregate.

In our opinion and to the best of our information and according to the explanations given to us the Statement:

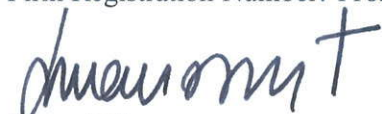
- (i) is presented in accordance with the requirements of Clause 41 of the Listing Agreement in this regard; and
- (ii) give a true and fair view of the net profit and other financial information of the Company for the current year.

Further, we also report that we have, on the basis of the books of account and other records and information and explanations given to us by the Management, also verified the number of shares as well as percentage of shareholdings in respect of aggregate amount of public shareholdings, as furnished by the Company in terms of Clause 35 of the Listing Agreement and found the same to be correct.

for B S R & Associates LLP

Chartered Accountants

Firm Registration Number: 116231W



Vineet Dhawan

Partner

Membership number: 092048

Place: Bangalore

Date: 28 May 2014

DYNAMATIC TECHNOLOGIES LIMITED
DYNAMATIC PARK, PEENYA, BANGALORE-560 058, INDIA
Audited consolidated financial results for the quarter and year ended 31 March 2014

PART I

(Rs in lacs, except as otherwise stated)

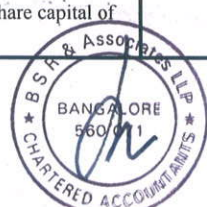
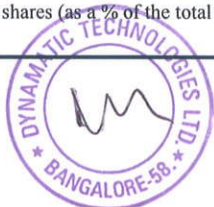
| Sl. No. | Particulars | Quarter ended | | | Year to date figures for the period ended | |
|-----------|---|------------------|------------------|-------------------|---|-------------------|
| | | 31 March 2014 | 31 December 2013 | 31 March 2013 | 31 March 2014 | 31 March 2013 |
| | | Audited* | Unaudited | Audited* | Audited | Audited |
| 1 | Income from operations | | | | | |
| | a) Net sales/income from operations (net of excise duty) | 42,656.43 | 39,599.93 | 38,208.47 | 157,191.40 | 143,717.05 |
| | b) Other operating income | 387.74 | 389.64 | 255.54 | 1,562.61 | 1,496.11 |
| | Total income from operations (net) | 43,044.17 | 39,989.57 | 38,464.01 | 158,754.01 | 145,213.16 |
| 2 | Expenses | | | | | |
| | a) Cost of materials consumed | 24,548.71 | 22,111.92 | 23,259.98 | 89,824.83 | 85,672.65 |
| | b) Changes in inventories of finished goods and work-in-progress | (138.87) | (55.92) | (628.57) | (706.94) | (1,537.65) |
| | c) Employee benefit expenses | 6,084.84 | 5,637.51 | 5,053.49 | 22,155.82 | 18,914.00 |
| | d) Depreciation | 1,279.40 | 1,270.09 | 1,124.49 | 5,125.51 | 4,638.00 |
| | e) Other expenses | 8,290.08 | 7,967.14 | 7,691.67 | 31,187.38 | 28,614.50 |
| | Total expenses | 40,064.16 | 36,930.74 | 36,501.06 | 147,586.60 | 136,301.50 |
| 3 | Profit from operations before other income, finance costs and exceptional items (1 - 2) | 2,980.01 | 3,058.83 | 1,962.95 | 11,167.41 | 8,911.66 |
| 4 | Other income (refer note 6) | 1,222.84 | 131.15 | 212.19 | 1,536.00 | 545.42 |
| 5 | Profit from ordinary activities before finance costs and exceptional items (3 + 4) | 4,202.85 | 3,189.98 | 2,175.14 | 12,703.41 | 9,457.08 |
| 6 | Finance costs | 2,594.31 | 2,617.36 | 2,379.60 | 9,973.03 | 8,227.31 |
| 7 | Profit/ (Loss) from ordinary activities after finance costs but before exceptional items (5 - 6) | 1,608.54 | 572.62 | (204.46) | 2,730.38 | 1,229.77 |
| 8 | Exceptional items (Refer note 7) | - | - | - | 150.03 | - |
| 9 | Profit/ (Loss) from ordinary activities before tax (7 - 8) | 1,608.54 | 572.62 | (204.46) | 2,580.35 | 1,229.77 |
| 10 | Tax expense | 287.58 | 180.35 | 1,971.56 | 1,203.49 | 2,421.16 |
| 11 | Net profit / (loss) from ordinary activities after tax (9 - 10) | 1,320.96 | 392.27 | (2,176.02) | 1,376.86 | (1,191.39) |
| 12 | Net profit / (loss) for the period/ year (9 - 10) | 1,320.96 | 392.27 | (2,176.02) | 1,376.86 | (1,191.39) |
| 13 | Paid-up equity share capital (face value of Rs 10/- each) | 554.00 | 541.47 | 541.47 | 554.00 | 541.47 |
| 14 | Reserves (excluding revaluation reserve) | - | - | - | 13,134.88 | 9,559.59 |
| 15 | Earnings / (loss) per share (Rs.) | | | | | |
| | Basic | 24.39 | 7.24 | (40.19) | 25.42 | (22.00) |
| | Diluted | 24.39 | 7.24 | (40.19) | 25.42 | (22.00) |

*Balancing figures (refer note 2)

PART II

Select Information for the quarter and year ended 31 March 2014

| Sl. No. | Particulars | Quarter ended | | | Year to date figures for the period ended | |
|----------|--|---------------|------------------|---------------|---|---------------|
| | | 31 March 2014 | 31 December 2013 | 31 March 2013 | 31 March 2014 | 31 March 2013 |
| | | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited |
| A | PARTICULARS OF SHAREHOLDING | | | | | |
| 1 | Public shareholding | | | | | |
| | - Number of shares | 2,438,189 | 2,418,616 | 2,418,616 | 2,438,189 | 2,418,616 |
| | - Percentage of shareholding | 44.01% | 44.67% | 44.67% | 44.01% | 44.67% |
| 2 | Promoters and promoter group shareholding | | | | | |
| | a) Pledged/Encumbered | | | | | |
| | - Number of shares | 1,050,000 | 1,050,000 | 968,500 | 1,050,000 | 968,500 |
| | - Percentage of shares (as a % of the total shareholding of promoter and promoter group) | 33.85% | 35.05% | 32.33% | 33.85% | 32.33% |
| | - Percentage of shares (as a % of the total share capital of the company) | 18.95% | 19.39% | 17.89% | 18.95% | 17.89% |
| | b) Non-encumbered | | | | | |
| | - Number of shares | 2,051,861 | 1,946,087 | 2,027,587 | 2,051,861 | 2,027,587 |
| | - Percentage of shares (as a % of the total shareholding of promoter and promoter group) | 66.15% | 64.95% | 67.67% | 66.15% | 67.67% |
| | - Percentage of shares (as a % of the total share capital of the company) | 37.04% | 35.94% | 37.44% | 37.04% | 37.44% |



Segmental reporting:

(Rs in lacs, except as otherwise stated)

| | Particulars | Quarter ended | | | Year to date figures for the period ended | |
|----------|---|------------------|------------------|------------------|---|-------------------|
| | | 31 March 2014 | 31 December 2013 | 31 March 2013 | 31 March 2014 | 31 March 2013 |
| | | Audited | Unaudited | Unaudited | Audited | Audited |
| 1 | Segment revenue | | | | | |
| | a) Hydraulics | 7,727.42 | 8,116.74 | 6,990.27 | 30,952.73 | 28,674.49 |
| | b) Aerospace | 6,287.48 | 5,956.84 | 4,942.96 | 22,333.05 | 17,246.96 |
| | c) Automotive | 29,002.27 | 25,888.99 | 26,503.78 | 105,360.23 | 99,183.71 |
| | d) Research farm | 27.00 | 27.00 | 27.00 | 108.00 | 108.00 |
| | Total income from operations (net) | 43,044.17 | 39,989.57 | 38,464.01 | 158,754.01 | 145,213.16 |
| 2 | Segment results before tax and interest from each segment | | | | | |
| | a) Hydraulics | 698.14 | 1,002.34 | 319.92 | 3,342.24 | 2,052.85 |
| | b) Aerospace | 1,434.20 | 1,483.61 | 1,551.29 | 5,712.69 | 4,764.59 |
| | c) Automotive | 822.95 | 550.65 | 73.10 | 2,073.43 | 2,018.74 |
| | d) Research farm | 24.72 | 22.23 | 18.64 | 39.05 | 75.48 |
| | Total | 2,980.01 | 3,058.83 | 1,962.95 | 11,167.41 | 8,911.66 |
| | Unallocable | | | | | |
| | - Finance costs | 2,594.31 | 2,617.36 | 2,379.60 | 9,973.03 | 8,227.31 |
| | - Exceptional items (refer note 7) | - | - | - | 150.03 | - |
| | - Other income (refer note 6) | (1,222.84) | (131.15) | (212.19) | (1,536.00) | (545.42) |
| | Profit before tax | 1,608.54 | 572.62 | (204.46) | 2,580.35 | 1,229.77 |
| 3 | Segment capital employed (Segment assets - segment liabilities) | | | | | |
| | a) Hydraulics | 8,991.02 | 8,884.63 | 10,852.80 | 8,991.02 | 10,852.80 |
| | b) Aerospace | 21,638.16 | 21,189.19 | 20,182.11 | 21,638.16 | 20,182.11 |
| | c) Automotive | 23,898.32 | 20,807.15 | 21,426.37 | 23,898.32 | 21,426.37 |
| | d) Research farm | 591.83 | 556.75 | 585.11 | 591.83 | 585.11 |
| | e) Others | 2,875.00 | 3,049.46 | 2,974.81 | 2,875.00 | 2,974.81 |
| | Total | 57,994.33 | 54,487.18 | 56,021.20 | 57,994.33 | 56,021.20 |
| | Unallocable assets | (6,230.34) | (6,324.10) | (4,946.00) | (6,230.34) | (4,946.20) |
| | | 51,763.99 | 48,163.08 | 51,075.20 | 51,763.99 | 51,075.00 |



DYNAMATIC TECHNOLOGIES LIMITED
DYNAMATIC PARK, PEENYA, BANGALORE-560 058, INDIA
Disclosure of Consolidated Balance Sheet Items as per Clause 41 (V)(h) of Listing Agreement

| Particulars | As at | |
|---|----------------------------|----------------------------|
| | 31 March 2014 (Audited) | 31 March 2013 (Audited) |
| Equity and liabilities | | |
| Shareholders' funds | | |
| Share capital | 554 | 541 |
| Reserves and surplus | 13,761 | 11,573 |
| Money received against share warrants | 1,000 | 1,250 |
| | 15,315 | 13,364 |
| Minority Interest # | 264 | 3,295 |
| Non-current liabilities | | |
| Long-term borrowings | 36,185 | 34,416 |
| Deferred tax liabilities (net) | 3,411 | 3,131 |
| Other long-term liabilities | 1,385 | 1,916 |
| Long-term provisions | 288 | 182 |
| | 41,269 | 39,645 |
| Current liabilities | | |
| Short-term borrowings | 10,077 | 17,433 |
| Trade payables | 27,625 | 24,441 |
| Other current liabilities | 19,529 | 20,281 |
| Short-term provisions | 1,566 | 2,806 |
| | 58,797 | 64,961 |
| Total | 115,645 | 121,265 |
| Assets | | |
| Non current assets | | |
| Goodwill | 6,788 | 6,788 |
| | 6,788 | 6,788 |
| Fixed assets | | |
| - Tangible fixed assets | 59,672 | 56,709 |
| - Intangible fixed assets | 2,235 | 2,602 |
| Fixed assets | 278 | 7,422 |
| - Intangible fixed assets under development | - | 188 |
| | 62,185 | 66,921 |
| Non-current investments | 1 | 1 |
| Long-term loans and advances | 2,499 | 2,160 |
| Other non-current assets | 1,103 | 357 |
| | 3,603 | 2,518 |
| Current assets | | |
| Inventories | 22,799 | 20,253 |
| Trade receivables | 10,163 | 14,612 |
| Cash and bank balances | 4,410 | 5,734 |
| Short-term loan and advances | 2,916 | 2,301 |
| Other current assets | 2,781 | 2,138 |
| | 43,069 | 45,038 |
| Total | 115,645 | 121,265 |

In the current year, the Company has transferred an amount of Rs 3,031 lacs (represents the premium received at the time of issue of non-cumulative redeemable preference shares "NCPRS") to securities premium account. Resultantly, the Minority interest is represented by the face value of the preference shares issued. Further, based on the terms and conditions of NCPRS, the Company has accounted for the redemption premium till 31 March 2014 aggregating Rs 195,500,000 (Rs 115,350,000 pertaining to earlier periods) by debiting securities premium account and crediting other reserves (accrual redemption premium).



NOTES:

1. The consolidated financial results of Dynamatic Technologies Limited ("the Company"), its subsidiaries and an associate, as listed below, (collectively known as "the Group") are prepared in accordance with requirements of the Accounting Standard AS 21 "Consolidated Financial Statements" prescribed by Companies (Accounting Standards) Rules, 2006 (as amended).

| Sl. no. | Subsidiaries/Associate | Country of incorporation | Effective shareholding% of group |
|---------|---|--------------------------|----------------------------------|
| 1 | JKM Erla Automotive Limited (JEAL) | India | 99.99 |
| 2 | JKM Research Farm limited (JRFL) | India | 99.99 |
| 3 | JKM Global Pte Limited (JGPL) | Singapore | 100.00 |
| 4 | JKM Ferrotech Limited (JFTL) | India | 99.99 |
| 5 | Dynamatic Limited (DL, UK) | United Kingdom | 100.00 |
| 6 | Yew Tree Investments Limited (YTIL) | United Kingdom | 100.00 |
| 7 | JKM Erla Holdings GmbH (JEHG) | Germany | 100.00 |
| 8 | Eisenwerk Erla GmbH (EEG) | Germany | 100.00 |
| 9 | Harasfera Design Private Limited (HDPL) | India | 50.00 |

2. The above results were reviewed by Audit Committee in their meeting held on 27 May 2014, thereafter approved by the Board of Directors in their meeting held on 28 May 2014. The figures for the quarter ended 31 March 2014 and the corresponding quarter ended in the previous year as reported in this consolidated financial result are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of the third quarter of the relevant financial year. Also the figures up to the end of the third quarter had only been reviewed and not subjected to audit. The audit report of the Statutory Auditors is being filed with the BSE and the NSE and is also available on the Company's website at www.dynamatics.com.



3. Pursuant to the provisions of the Listing Agreement, the Management has decided to publish consolidated financial results in the newspapers. However the standalone financial results will be made available on the Company's website at www.dynamics.com and also on the websites of BSE (www.bseindia.com) and NSE (www.nseindia.com).
4. Pursuant to a resolution passed in the Extraordinary General Meeting of shareholders dated 25 March 2013, amounts aggregating Rs 67,500,166 and Rs 57,499,994 (being 25% of the total value of warrants at the date of allotment) has been brought in by Mr Udayant Malhoutra in his capacity as Promoter and by Wavell Investments Private Limited, being a Promoter group company, towards subscription of 338,440 and 288,300 convertible warrants of Rs 797.78 each respectively. These warrants give the right to the warrant holders to subscribe for one equity share of Rs 10 each in the Company per warrant which is exercisable within 18 (eighteen) months from the date of allotment i.e. 26 March 2013

Out of 288,300 convertible warrants issued to Wavell Investments Private Limited, the Board vide its circular resolution dated 26 March 2014 has accorded its approval to allot 125,347 equity shares by conversion of 125,347 convertible warrants at a price of Rs 797.78 each (face value of Rs 10 and premium of Rs 787.78). Accordingly, the Company has received balance 75% of total value of 125,347 warrants aggregating Rs.75,000,000 towards the allotment of 125,347 equity shares on conversion of these 125,347 warrants.

5. Tax expense for the year ended 31 March 2014 include write down of deferred tax asset balance of Rs Nil (previous year: Rs 1,035 lacs) in a subsidiary, in the absence of virtual certainty of the same being realised in the future.
6. During the year, the Company has transferred its right on leasehold land located at the SIPCOT area in Tamil Nadu along with the building and superstructure constructed on it for aggregate consideration of Rs 2,854 lacs. Accordingly, the Company has credited Rs 1,295 lacs to the statement of profit and loss account including adjustment of revaluation reserve of Rs 1,387 lacs.
7. Exceptional items includes various expenses such as professional fees and other incidental charges incurred by the Company during the quarter ended 30 June 2013 towards loan funds raised from KKR India Financial Services Private Limited, a Non-Banking Financial Company.



8. Information of standalone audited financial results of the Company in terms of Clause 41 (VI) (b) of the Listing Agreement is as under:

(Rs in lacs)

| Particulars | Quarter ended | | | Year ended | |
|--|---------------|------------------|---------------|---------------|---------------|
| | 31 March 2014 | 31 December 2013 | 31 March 2013 | 31 March 2014 | 31 March 2013 |
| | Audited* | Unaudited | Audited* | Audited | Audited |
| Revenue | 11,060.89 | 11,012.44 | 10,194.59 | 42,892.37 | 42,421.77 |
| Profit / (loss) before tax and exceptional items | 440.25 | 233.69 | (158.76) | 180.91 | 143.09 |
| Profit/ (loss) after tax and exceptional items | 440.25 | 233.69 | (200.75) | 30.88 | 29.76 |

* refer note 2

9. Status of investor complaints for the quarter ended 31 March 2014:

| Particulars | Opening | Received | Resolved | Pending |
|----------------------|---------|----------|----------|---------|
| Number of Complaints | - | - | - | - |

10. Previous period/ year figures have been reclassified to conform with current period/ year presentation, where applicable.

For and on behalf of the Board of Directors



Udayant Malhoutra
CEO and Managing Director
 Dynamatic Technologies Limited
 Bangalore
 28 May 2014

