



Dynamatic Technologies Limited

Registered Office: Dynamatic Park, Peenya, Bangalore 560 058

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Website: www.dynamatics.com E-mail ID: Naveen.c@dynamatics.net

CIN: L72200KA1973PLC002308

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE is hereby given that an Extraordinary General Meeting ('EGM' or 'Meeting') of the members of Dynamatic Technologies Limited (the 'Company') will be held on Saturday, October 11, 2014 at 10:00 a.m. at the Registered Office of the Company at Dynamatic Park, Peenya, Bangalore – 560 058, to transact the following items of special business:-

1. Issue of Further Securities through Qualified Institutions Placement

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:-

“RESOLVED THAT pursuant to the provisions of Sections 42, 62 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013 (including any amendments thereto or re- enactment thereof, for the time being in force, the “Companies Act, 2013”), the Companies (Prospectus and Allotment of Securities) Rules, 2014, all other applicable Rules made under Companies Act, 2013, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time (“SEBI ICDR Regulations”) and all other SEBI regulations and guidelines, the Foreign Exchange Management Act, 1999, the Foreign Exchange Management (Transfer or issue of Security by a Person Resident Outside India) Regulations, 2000, as amended from time to time, and the enabling provisions of the Memorandum and Articles of Association of the Company and the listing agreements entered into by the Company with each of the stock exchanges where the equity shares of the Company are listed, and such other statutes, notifications, circulars, rules and regulations as may be applicable and relevant and subject to requisite approvals, consents, permissions and/or sanctions of the Securities and Exchange Board of India (“SEBI”), the stock exchanges, the Foreign Investment Promotion Board, the Reserve Bank of India (“RBI”), the Ministry of Finance (Department of Economic Affairs), the Ministry of Commerce and Industry and such other ministries / departments of the Government of India, and all such other authorities or institutions as may be required, and subject to such conditions as may be prescribed by any of them while granting any such approval, consent, permission, and/or sanction, which may be agreed to by the Board of Directors of the Company (the **Board**, which term shall be deemed to include the Finance Committee of the Board constituted or any other committee which may be constituted to exercise its powers including the powers conferred hereunder), the consent, authority and approval of the members of the Company be and is hereby accorded to the Board to offer, create, issue and allot (including any provisions for allotment on firm/competitive basis as may be permitted), equity shares of the Company with a face value of INR10 (Indian Rupees Ten) each or any other securities of the Company (“Securities”), in the course of domestic/international offerings in the domestic markets, through Qualified Institutions Placement as may be deemed fit by the Board in one or more tranches, to all eligible investors under applicable laws, regulations and guidelines as decided by the Board in accordance with Chapter VIII of the SEBI ICDR Regulations, for up to an aggregate amount of INR 100 (Hundred) crores, at such a price, either with or without premium as may be determined by the Board at the time of the issue and allotment of such Securities and such Securities may be issued at a discount of up to 5% (or more as may be prescribed under SEBI ICDR Regulations), on the price determined in accordance with the pricing formula.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot such number of Securities as may be required to be issued and allotted in accordance with the terms of the offering, all such Securities ranking *pari passu* inter-se and with then existing holders such respective Securities of the Company in all respects including dividend, Securities to be so offered, issued and allotted being subject to the provisions of the Memorandum and Articles of Association of the Company.”

“RESOLVED FURTHER THAT the decision of the Board to have 13th September, 2014 as the relevant date for determining the pricing of the equity shares (or of the underlying equity shares) proposed to be issued in accordance with the provisions of the SEBI ICDR Regulations be and is hereby ratified.”

“RESOLVED FURTHER THAT the allotment of Securities shall be completed within a period of twelve months from the date of passing of this resolution or such other time as may be allowed under SEBI Regulations and further the Securities shall not be eligible to be sold for a period of twelve months from the date of allotment except on a recognized stock exchange or as prescribed under SEBI ICDR Regulations.”

“RESOLVED FURTHER THAT without prejudice to the generality of the above, subject to applicable laws and subject to approval, consents, permissions, if any of any governmental body, authority or regulatory institution including any conditions as may be prescribed in granting such approval or permissions by such governmental authority or regulatory institution, the aforesaid Securities may have such features and attributes or any terms or combination of terms that provide for the tradability and free transferability thereof in accordance with the prevailing practices in the capital markets including but not limited to the terms and conditions for issue of additional Securities and the Board be and is hereby authorized in its absolute discretion in such manner as it may deem fit, to dispose of such Securities that are not subscribed.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to appoint the lead managers, underwriters, guarantors, depositories, custodians, registrars, stabilizing agent, escrow banks, trustees, bankers, advisors and all such agencies and intermediaries as may be involved or concerned in such offerings of the Securities and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangements, agreements, memorandum, documents, etc. with Lead Manager(s) and to seek the listing of such securities.”

“RESOLVED FURTHER THAT the decision of the Board of Directors to sub-delegate all or any of its powers to the Finance Committee of the Board so as to give effect to the aforesaid resolutions and take necessary steps, including but not limited to preparation of the offer document for the issue, filing of the offer document with SEBI, ROC, Stock Exchanges and to do all such acts, deeds, matters and things and accept any alterations or modification(s), changes, variations, alterations, deletions, additions as regards the terms and conditions, as it may in its absolute discretion, deem fit and proper in the best interests of the Company, without requiring any further approval of the members be and is hereby approved / ratified.”

“RESOLVED FURTHER THAT all acts, deeds and things that may have been done by the Board prior to the approval of Shareholders including any of those acts / deeds as mentioned here above in relation to the issue of Securities by Qualified Institutions Placement be and are hereby ratified and confirmed by the Shareholders.”

“RESOLVED FURTHER THAT any of the Directors of the Company and Mr. Naveen Chandra, DGM-Head Legal, Compliance and Company Secretary of the Company be and are hereby jointly and severally authorised to do all such acts, deeds and things as may be necessary for giving effect to this resolution, whether incidental or ancillary thereto.”

By order of the Board
For Dynamatic Technologies Limited
Sd/-
Naveen Chandra
DGM-Head Legal, Compliance and Company Secretary

Place: Bangalore
Date: 13th September, 2014
Registered Office:
Dynamatic Park, Peenya,
Bangalore – 560 058
Karnataka, India
CIN: L72200KA1973PLC002308

NOTES:

1. **ANY MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) WHO ARE HOLDING, IN AGGREGATE, NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY.**
2. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 is annexed herewith and forms part of the Notice.
3. Instruments of Proxy must be lodged at the Registered Office of the Company not less than 48 hours before the time for commencement of the Meeting.
4. Members / proxies are requested to hand over the attached 'Attendance Slip' duly filled in, at the entrance of the venue of the Meeting for attending the Meeting.
5. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send a certified copy of its Board resolution authorizing its representative to attend and vote on their behalf at the Meeting, as per Section 113 of the Companies Act, 2013.
6. Electronic copy of this Notice is being sent to all the members whose email IDs are registered with the Company / Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice is being sent in the permitted mode.
7. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company between 11.00am and 01.00 pm on all working days except Sundays, up to and including the date of the Extraordinary General Meeting of the Company.
8. The Shareholders may please note that, no voting by show of hands or poll would be undertaken, pursuant to application of Section 108 read with Section 107 and other applicable provisions of Companies Act, 2013 and rules thereunder. Shareholders would be eligible to vote by ballot at the polling booths that would be stationed at the EGM venue.
9. **Voting through electronic means**

In compliance with provisions of Section 108 of the Companies Act read with the Rules and Clause 35B of the Equity Listing Agreement, the Company is pleased to offer e-voting facility for its members to enable them to cast their votes electronically. **Members have option to vote either through e-voting or through the physical Ballot Form. If a member has opted for e-voting, then he/she should not vote by physical Ballot also and vice-versa. However, in case members cast their vote both via physical Ballot and e-voting, then voting through e-voting shall prevail and voting done by Ballot shall be treated as invalid.** For this purpose, the Company has entered into an arrangement with the KARVY for facilitating e-voting.

The e-voting particulars / login credential for Shareholders whose email ID is not registered is set out in the ballot form:

For shareholders whose email ID is registered with Company or Registrar and Transfer Agent or Depository Participant, the password is shared separately on their respective registered email ID. Shareholders who have not received their passwords may please contact the coordinates mentioned under clause (i) of the general instructions for e-voting.

The procedure and instructions for e-voting are as follows:

- i) Open your web browser during the voting period and navigate to '<https://evoting.karvy.com>'
- ii) Enter the login credentials (i.e., user-id & password) mentioned on the Ballot Form. Your folio/DP Client ID will be your User-ID.

User – ID	For Members holding shares in Demat Form:- a) For NSDL :- 8 Character DP ID followed by 8 Digits Client ID b) For CDSL :- 16 digits beneficiary ID For Members holding shares in Physical Form:- • <u>Event no.</u> followed by Folio Number registered with the company
Password	Your Unique password is printed on the Ballot Form / via email forwarded through the electronic notice
Captcha	Enter the Verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons.
Login	After entering these details appropriately, click on “LOGIN”.

- iii) Members holding shares in Dematerialized / Physical form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this password can be used by the Demat holders for voting on resolution/s of any other Company on which they are eligible to vote, provided that said company has opted for e-voting through **Karvy Computershare Private Limited e-Voting platform** itself. If you are holding shares in Demat form and had logged on to "https://evoting.karvy.com" and casted your vote earlier for any company, then your existing login id and password are to be used. System will prompt you to change your password and update any contact details like mobile number, email ID etc on first login. You may also enter the Secret Question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- iv) You need to login again with the new credentials.
- v) On successful login, system will prompt to select the 'Event' i.e., '**Dynamatic Technologies Limited –Ballot Voting**'.
- vi) On the voting page, you will see resolution description and against the same the option 'FOR/AGAINST/ABSTAIN' for voting. Enter the number of shares (which represents number of votes) under 'FOR/AGAINST/ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR/AGAINST' taken together should not exceed your total shareholding. If the shareholder do not want to cast, select 'ABSTAIN'
- vii) After selecting the resolution you have decided to vote, 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.
- viii) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
- ix) Corporate/Institutional Members (corporate /FIs/FILs/Trust/Mutual Funds/Banks, etc) are required to send scan (PDF format) of the relevant Board resolution to the Company and the Scrutinizer through e-mail to naveen.c@dynamics.net and vijaykumaracs@gmail.com with copy to evoting@karvy.com. The file containing the scanned image of the Board Resolution should be in the naming format "Corporate Name- Ballot- Dynamatic".

General instructions:

- a. The e-voting period commences on **1st October, 2014 at 9:00 hours and ends on 3rd October, 2014, 17:00 hours (both days inclusive)**. 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 13th September, 2014, may cast their vote electronically. The e-voting module shall also be disabled by Karvy for voting after 3rd October, 2014, 17:00 hours. Once the vote on a resolution is cast by the Shareholder, the Shareholder shall not be allowed to change it subsequently.
- b. Members who are unable to use the e-voting facility may kindly send the duly completed ballot form (enclosed to the Notice calling the EGM) using the enclosed business reply envelop, so as to reach the Company on or before 3rd October, 2014, 17:00 hours.
- c. Members have the option to request for physical copy of the ballot form by sending an e-mail to investor.relations@dynamics.net, mentioning therein their Folio / DP ID and Client ID number or can download the same from the investor portal of the Company's website www.dynamics.com
- d. The voting rights of Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on 13th September, 2014.
- e. A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and ballot shall be treated as invalid.
- f. Mr. Vijayakumar, Practicing Company Secretary (membership number FCS 6418), has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- g. The Scrutinizer shall, unlock the votes on 3rd October, 2014 at 17:30 hours, 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 of or against, if any, forthwith to the Chairman of the Board.
- h. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.dynamics.net and on the website of Karvy Computershare Pvt. Ltd. within two days of declaration of the voting results, and shall be communicated to BSE Limited and National Stock Exchange of India Limited.
- i. Any Shareholder having any grievance on the e-voting can contact Karvy's toll free number **1-800-34-54-001** or Registrar & Transfer Agents / Company at the coordinates mentioned hereunder:

Mr. Naveen Chandra P

DGM – Head Legal, Compliance & Company Secretary
 Dynamatic Park, Peenya,
 Bangalore – 560 058
 Tel: +91-80-28394933/34/35 Extension: 254
 Fax: +91-80-28395328
 Email id: investor.relations@dynamics.net

Registrar and Share Transfer Agents

Karvy Computershare Private Limited
 Plot No. 17-24, Vittal Rao Nagar
 Madhapur, Hyderabad – 500 081
 Tel: +91-40-23420815-20
 Email: shobha.anand@karvy.com

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

The Company is in the business of designing and building of engineered products for automotive, aeronautic, hydraulic and security applications.

The Board of Directors is of the opinion that the Company requires additional funds to meet with the needs of growing business, in addition to the funds raised internally and through debt from banks and financial institutions. Hence it is imperative to have enabling approvals to raise a part of the funding requirements for the said purposes as well as for such other corporate purposes as may be permitted under applicable laws through the issue of appropriate securities as defined in the resolution, in Indian or international markets.

Accordingly, it is proposed to raise funds up to INR 100 (Hundred) crores in one or more tranches through a mix of equity/equity-linked instruments or other Securities, as may be appropriate. The Members' approval is sought for the issue of such number of Securities through Qualified Institutions Placement under Chapter VIII of the SEBI ICDR Regulations.

Section 62(1)(c) of the Companies Act, 2013 ("Act") provides that, *inter-alia*, such further securities may be offered to any persons whether or not such persons are existing holders of equity shares of the Company as on the date of offer by way of a Special Resolution passed to that effect by the Company in General Meeting. Further, under regulation 81 of the SEBI ICDR Regulations it is necessary to obtain approval of Shareholders through Special Resolution for issuing Securities through Qualified Institutions Placement. Accordingly, consent of the Shareholders is being sought, pursuant to the provisions of Section 62(1)(c) and other applicable provisions of the Companies Act, 2013, SEBI ICDR Regulations and Listing Agreement and such other approvals as may be necessary to issue and allot Securities as stated in the Special Resolution.

The pricing of the Securities that may be issued to qualified institutional buyers under the Qualified Institutions Placement shall be freely determined subject to such price not being less than the price calculated in accordance with the SEBI ICDR Regulations. The Company may, in accordance with applicable law, offer a discount of not more than 5% or such percentage as permitted under applicable law on the price determined pursuant to the SEBI ICDR Regulations.

The Special Resolution also seeks to give the Board the powers to issue Securities in one or more tranche or tranches, at such time or times, at such price or prices and to such qualified institutional buyers as the Board in its absolute discretion deem fit. The detailed terms and conditions for the issue(s)/offering(s) will be determined by the Board or its committee in its sole discretion in consultation with the advisors, lead managers, underwriters and such other authority or authorities as may be necessary considering the prevailing market conditions and in accordance with the applicable provisions of law and other relevant factors.

The Securities allotted would be listed. The offer/issue/allotment would be subject to the availability of regulatory approvals, if any. As and when the Board does take a decision on matters on which it has the discretion, necessary disclosures will be made to the stock exchanges as may be required under the provisions of the Listing Agreement.

In connection with the proposed issue of Securities, the Company is required, *inter alia*, to prepare various documentations and execute various agreements. Accordingly, it is proposed to authorize the Board/committee of the Board (including certain officers of the Company) to negotiate, finalize and execute such documents and agreements as may be required and do all such acts, deeds and things in this regard for and on behalf of the Company.

The Special Resolution, if passed, will have the effect of allowing the Board to offer, issue and allot Securities to the Investors, who may or may not be the existing shareholders of the Company.

None of the Directors and Key Managerial Personnel and any of their relatives are deemed to be concerned or interested in the passing of resolution, except to the extent of securities issued/allotted to them or to the companies in which they are director or members.

All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company between 11.00 am and 01.00 pm on all working days except Sundays, up to and including the date of the Extra-ordinary General Meeting.

The Board of Directors of the Company recommends the resolution for the approval of the shareholders as a Special Resolution.

By order of the Board
For Dynamatic Technologies Limited
Sd/-

Naveen Chandra
DGM-Head Legal, Compliance and Company Secretary

Place: Bangalore

Date: 13th September, 2014

Registered Office: Dynamatic Park, Peenya, Bangalore – 560 058

Karnataka, India

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