

# B S R & Associates LLP

Chartered Accountants

Maruthi Info-Tech Centre  
11-12/1 Inner Ring Road  
Koramangala  
Bangalore 560 071 India

Telephone: + 91 80 3980 6000  
Fax: + 91 80 3980 6999

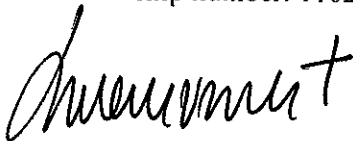
## Review report to the Board of Directors of Dynamatic Technologies Limited

We have reviewed the accompanying standalone unaudited financial results ('the Statement') of Dynamatic Technologies Limited ("the Company") for the quarter ended 30 June 2014, attached herewith, being submitted by the Company pursuant to the requirement 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 reviewed by us. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors in their meeting held on 14 August 2014. Our responsibility is to issue a report on the Statement based on our review. Attention is drawn to the fact that the figures for the three month ended 31 March 2014 as reported in this Statement are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the end of third quarter of the previous financial year. The figures up to the end of the third quarter of the previous financial year had only been reviewed and not subject to an audit.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedure applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the Statement for the quarter ended 30 June 2014, prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement, including the manner in which it is to be disclosed, or that it contains any material misstatement.

for B S R & Associates LLP  
Chartered Accountants  
Membership number: 116231W/W-100024



**Vineet Dhawan**  
Partner  
Membership number: 092084  
Place: Bangalore  
Date: 14 August 2014

**DYNAMATIC TECHNOLOGIES LIMITED**  
DYNAMATIC PARK, PEENYA, BANGALORE-560 058, INDIA  
Unaudited standalone financial results for the quarter ended 30 June 2014

**PART I**

(Rs in lacs, except as otherwise stated)

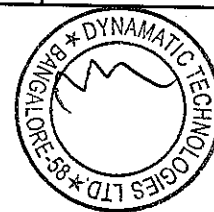
Sl. No.	Particulars	Quarter ended			For the year ended
		30 June 2014 Unaudited	31 March 2014 (Audited)*	30 June 2013 Unaudited	31 March 2014 Audited
<b>1</b>	<b>Income from operations</b>				
	a) Net sales/ income from operations (net of excise duty)	10,627.82	10,445.79	9,315.00	40,558.92
	b) Other operating income	500.86	615.10	426.23	2,333.45
	<b>Total income from operations (net)</b>	<b>11,128.68</b>	<b>11,060.89</b>	<b>9,741.23</b>	<b>42,892.37</b>
<b>2</b>	<b>Expenses</b>				
	a) Cost of materials consumed	5,502.47	5,297.38	4,922.99	20,861.36
	b) Changes in inventories of finished goods and work-in-progress	41.92	232.04	121.74	80.00
	c) Employee benefit expenses	1,460.23	1,280.42	1,173.45	4,838.33
	d) Depreciation and amortisation	688.79	706.69	705.08	2,816.08
	e) Other expenses	2,397.59	2,680.30	2,258.07	9,632.06
	<b>Total expenses</b>	<b>10,091.00</b>	<b>10,196.83</b>	<b>9,181.33</b>	<b>38,227.83</b>
<b>3</b>	<b>Profit from operations before other income, finance costs and exceptional items (1 - 2)</b>	<b>1,037.68</b>	<b>864.06</b>	<b>559.90</b>	<b>4,664.54</b>
<b>4</b>	<b>Other income (refer note 6)</b>	<b>187.26</b>	<b>1,296.41</b>	<b>137.15</b>	<b>1,473.40</b>
<b>5</b>	<b>Profit from ordinary activities before finance costs and exceptional items (3 + 4)</b>	<b>1,224.94</b>	<b>2,160.47</b>	<b>697.05</b>	<b>6,137.94</b>
<b>6</b>	<b>Finance costs</b>	<b>1,421.24</b>	<b>1,720.22</b>	<b>1,228.92</b>	<b>5,957.03</b>
<b>7</b>	<b>(Loss) / profit from ordinary activities after finance costs but before exceptional items (5 - 6)</b>	<b>(196.30)</b>	<b>440.25</b>	<b>(531.87)</b>	<b>180.91</b>
<b>8</b>	<b>Exceptional items (Refer note 3)</b>	<b>445.02</b>	<b>-</b>	<b>150.03</b>	<b>150.03</b>
<b>9</b>	<b>(Loss) / profit from ordinary activities before tax (7 - 8)</b>	<b>(641.32)</b>	<b>440.25</b>	<b>(681.90)</b>	<b>30.88</b>
<b>10</b>	<b>Tax expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>11</b>	<b>Net (loss) / profit for the period/ year (9 - 10)</b>	<b>(641.32)</b>	<b>440.25</b>	<b>(681.90)</b>	<b>30.88</b>
<b>12</b>	<b>Paid-up equity share capital (face value of Rs 10/- each)</b>	<b>575.73</b>	<b>554.01</b>	<b>541.47</b>	<b>554.01</b>
<b>13</b>	<b>Reserves (excluding revaluation reserve)</b>				<b>13,745.00</b>
<b>14</b>	<b>(Loss)/ Earnings per share</b>				
	Basic EPS (in Rs.)	(11.44)	8.13	(12.59)	0.57
	Diluted EPS (in Rs.)	(11.44)	8.13	(12.59)	0.57

\*Balancing figure (refer note 1)

**PART II**

**Select Information for the quarter ended 30 June 2014**

Sl. No.	Particulars	Quarter ended			For the year ended
		30 June 2014	31 March 2014	30 June 2013	31 March 2014
<b>A</b>	<b>PARTICULARS OF SHAREHOLDING</b>				
<b>1</b>	<b>Public shareholding</b>				
	- Number of shares	2,614,198	2,438,189	2,418,616	2,438,189
	- Percentage of shareholding	45.40%	44.01%	44.67%	44.01%
<b>2</b>	<b>Promoters and promoter group shareholding</b>				
	a) Pledged/ encumbered				
	- Number of shares	875,000	1,050,000	968,500	1,050,000
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	27.84%	33.85%	32.33%	33.85%
	- Percentage of shares (as a % of the total share capital of the company)	15.20%	18.95%	17.89%	18.95%
	b) Non-encumbered				
	- Number of shares	2,268,121	2,051,861	2,027,587	2,051,861
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	72.16%	66.15%	67.67%	66.15%
	- Percentage of shares (as a % of the total share capital of the company)	39.40%	37.04%	37.44%	37.04%



## Segment reporting:

(Rs in lacs, except as otherwise stated)

Sl. No.	Particulars	Quarter ended			For the year ended
		30 June 2014	31 March 2014	30 June 2013	31 March 2014
		Unaudited	(Audited)*	Unaudited	Audited
1	<b>Segment revenue</b>				
	a) Hydraulics	4,741.75	4,301.30	3,892.15	17,706.80
	b) Aerospace and Homeland	2,456.93	2,742.77	1,941.75	9,494.76
	c) Automotive and Aluminium Castings	3,930.00	4,016.82	3,883.88	15,592.02
	d) Others	-	-	23.45	98.79
	<b>Total income from operations (net)</b>	<b>11,128.68</b>	<b>11,060.89</b>	<b>9,741.23</b>	<b>42,892.37</b>
2	<b>Segment results (profit / (loss) before tax and interest from each segment)</b>				
	a) Hydraulics	636.24	473.98	513.60	2,590.62
	b) Aerospace and Homeland	809.98	942.78	738.89	3,866.09
	c) Automotive and Aluminium castings	(408.54)	(552.70)	(707.51)	(1,880.49)
	d) Others	-	-	14.92	88.32
	<b>Total</b>	<b>1,037.68</b>	<b>864.06</b>	<b>559.90</b>	<b>4,664.54</b>
	<b>Unallocable</b>				
	- Finance costs	1,421.24	1,720.22	1,228.92	5,957.03
	- Exceptional items (refer note 3)	445.02	-	150.03	150.03
	- Other income (refer note 6)	(187.26)	(1,296.41)	(137.15)	(1,473.40)
	<b>(Loss) / Profit before tax</b>	<b>(641.32)</b>	<b>440.25</b>	<b>(681.90)</b>	<b>30.88</b>
3	<b>Segment capital employed (Segment assets - segment liabilities)</b>				
	a) Hydraulics	7,339.94	7,546.07	7,147.43	7,546.07
	b) Aerospace and Homeland	15,461.25	14,905.26	12,508.26	14,905.26
	c) Automotive and Aluminium castings	10,729.30	11,011.05	15,548.18	11,011.05
	d) Others	2,885.18	2,875.15	2,987.17	2,875.15
	<b>Total</b>	<b>36,415.67</b>	<b>36,337.53</b>	<b>38,191.04</b>	<b>36,337.53</b>
	Unallocable assets, net of liabilities	(5,877.00)	(5,493.11)	(6,308.04)	(5,493.11)
	<b>Total</b>	<b>30,538.67</b>	<b>30,844.42</b>	<b>31,883.00</b>	<b>30,844.42</b>

\*Balancing figure (refer note 1)

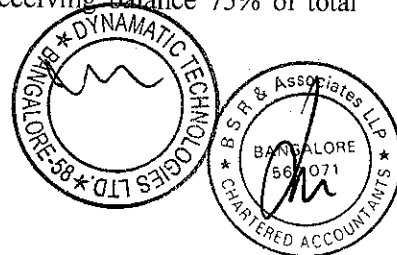


NOTES:

- 1 The above results were reviewed by Audit Committee in their meeting held on 13 August 2014, thereafter approved by the Board of Directors in their meeting held on 14 August 2014 and have undergone a "Limited Review" by the Statutory Auditors of the Company. The review report of the Statutory Auditors is being filed with the Bombay Stock Exchange and the National Stock Exchange and is also available on the Company's website at [www.dynamics.com](http://www.dynamics.com). Figures for three months ended 31 March 2014 as reported in these financial results are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures upto the end of the third quarter of the relevant financial year.
- 2 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](http://www.dynamics.com) and also on the websites of BSE ([www.bseindia.com](http://www.bseindia.com)) and NSE ([www.nseindia.com](http://www.nseindia.com)).
- 3 Exceptional item for the quarter ended 30 June 2014 includes various expenses such as redemption premium charges, prepayment penalty, processing fees, negotiation fees and other ancillary charges incurred by the Company towards prepayment of loan funds to KKR India Financial Services Private Limited, a Non-Banking Financial Company. As these charges are one time and not expected to recur frequently and hence disclosed as "Exceptional items".

Exceptional item for the quarter ended 30 June 2013 and year ended 31 March 2014 includes various expenses such as professional fees and other incidental charges incurred by the Company towards loan funds raised from KKR India Financial Services Private Limited, a Non-Banking Financial Company.

- 4 During the quarter ended 30 June 2014, the Company has entered into an "Agreement for sale" dated 16 May 2014 with M/s Raised on Denim India and Karnataka Texspares and Steel Profiles Private Limited (collectively known as "purchasers") towards the sale of its assets (Land, Industrial or factory buildings and other structures at Dynamic Park, Peenya) at a consideration of Rs.7,000 lacs. The said asset will be leased back to the Company for a lock in period of eight years with no obligation on the Company to buy back. The related written down value of the said asset is Rs.2,887 lacs. As the Company is in the process of completing the necessary conditions mentioned in the "Agreement for sale" and its consequent registration, the profit arising on such sale has not been recognised during the quarter.
- 5 Pursuant to a resolution passed in the Extraordinary General Meeting of shareholders dated 25 March 2013, amounts aggregating Rs 675 lacs and Rs 575 lacs (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. The Company in the previous financial year had issued 125,347 equity shares to Wavell Investments Private Limited by converting 125,347 warrants after receiving balance 75% of total value of 125,347 warrants aggregating Rs.750 lacs.



During the quarter ended 30 June 2014, the Company has further issued 217,269 equity shares by converting 217,269 warrants to Udayant Malhoutra after receiving balance 75% of total value of 217,269 warrants aggregating Rs.1,300 lacs.

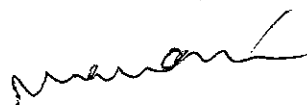
Subsequent to the quarter ended 30 June 2014, the Company has converted the remaining warrants and has issued 121,171 equity shares to Mr. Udayant Malhoutra and 162,953 equity shares to Wavell Investments Private Limited by converting 121,171 and 162,953 warrants respectively after receiving balance 75% of total value aggregating Rs 1,700 lacs.

- 6 During the year ended 31 March 2014, the Company had transferred its right on leasehold land located at the SIPCOT area in Tamil Nadu along with the building and the superstructure constructed on it for aggregate consideration of Rs.2,854 lacs. Accordingly, the Company had credited Rs.1,295 lacs to the statement of profit and loss account including adjustment of revaluation reserve of Rs.1,387 lacs.
- 7 During the quarter ended June 30, 2014, as per the requirement of Section 123 of the Companies Act 2013, the Company, based on internal and external technical evaluation, has reassessed the remaining useful life of assets, primarily consisting of plant and machinery and buildings with effect from April 1, 2014. Based on the reassessment, the Management believes that there would not be any change in the useful life of fixed assets from the previous estimates and accordingly no accounting adjustments is currently required.
- 8 Status of investor complaints for the quarter ended 30 June 2014:

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

- 9 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  
Place: Bangalore  
Date: 14 August 2014

