

B S R & Co. LLP

Chartered Accountants

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Review report to the Board of Directors of Dynamatic Technologies Limited

1. We have reviewed the accompanying consolidated unaudited 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 'Dynamatic Group') for the quarter and six months ended 30 September 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 'Promoters 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 November 2014. Our responsibility is to issue a report on this Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagements ('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 procedures 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.
3. We did not review the unaudited financial results of certain subsidiaries and an associate which have been incorporated in the Statement. These subsidiaries and the associate account for 42.45 % of total assets as at 30 September 2014 and 71.72 % and 72.05% of aggregate of total income from operations (net) and other income as shown in the Statement for the quarter and six months ended 30 September 2014 respectively. Of the above:
 - a) The unaudited 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 reviewed by other auditors duly qualified to act as auditors in those countries. These subsidiaries account for 41.77% of total assets as at 30 September 2014 and 71.72% and 72.05% of total income from operations (net) and other income for the quarter and six months ended 30 September 2014 respectively, as shown in the Statement. For the purposes of preparation of the Statement, the aforesaid local GAAP financial results have been 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 reviewed by 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 solely on the aforesaid review reports of those other auditors.
 - b) The unaudited financial results of the remaining subsidiaries and an associate have not been subjected to review either by us or other auditors, and therefore, the unaudited financial results for the quarter and six months period ended 30 September 2014 of these entities have been furnished to us by the Management. These subsidiaries and the associate account for 0.68% of the total assets as at 30 September 2014 as shown in the Statement, and therefore, are not material to the Statement, either individually or in aggregate.

B S R & Co. LLP

4. Based on our review conducted as explained in paragraphs 1 and 2 and on consideration of reports of other auditors explained in the paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement for the quarter and the six months ended 30 September 2014, prepared in accordance with applicable Accounting Standards and other recognised 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 & Co. LLP**

Chartered Accountants

Membership number: 101248W/W-100022



Sunil Gaggar

Partner

Membership number: 104315

Place: Bangalore

Date: 14 November 2014

DYNAMATIC TECHNOLOGIES LIMITED
DYNAMATIC PARK, PEENYA, BANGALORE-560 058, INDIA

Consolidated unaudited financial results for the quarter and six months ended 30 September 2014

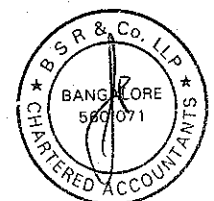
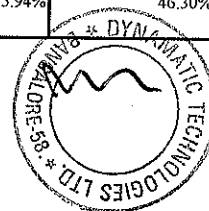
(Rs in lacs, except as otherwise stated)

PART I

Sl. No.	Particulars	Quarter ended			Year to date figures for the period ended		Previous year ended
		30 September 2014 Unaudited	30 June 2014 Unaudited	30 September 2013 Unaudited	30 September 2014 Unaudited	30 September 2013 Unaudited	31 March 2014 Audited
1	Income from operations						
	a) Net sales/income from operations (net of excise duty)	42,702.17	42,169.93	39,843.77	84,872.10	74,935.04	157,191.40
	b) Other operating income	487.86	326.38	400.10	814.24	785.23	1,562.61
	Total income from operations (net)	43,190.03	42,496.31	40,243.87	85,686.34	75,720.27	158,754.01
2	Expenses						
	a) Cost of materials consumed	25,321.90	24,406.54	22,806.15	49,728.44	43,164.20	89,824.83
	b) Changes in inventories of finished goods and work-in-progress	8.67	135.28	(315.04)	143.95	(512.15)	(706.94)
	c) Employee benefit expense	6,115.74	5,958.57	5,501.21	12,074.31	10,433.47	22,155.82
	d) Depreciation and amortisation expenses	1,274.21	1,219.62	1,291.22	2,493.83	2,576.02	5,125.51
	e) Other expenses	8,003.03	7,365.93	7,514.11	15,368.96	14,930.16	31,187.38
	Total expenses	40,723.55	39,085.94	36,797.65	79,809.49	70,591.70	147,586.60
3	Profit from operations before other income, finance costs and exceptional items (1 - 2)	2,466.48	3,410.37	3,446.22	5,876.85	5,128.57	11,167.41
4	Other income (refer note 4)	105.46	112.98	56.58	218.44	182.01	1,536.00
5	Profit from ordinary activities before finance costs and exceptional items (3 + 4)	2,571.94	3,523.35	3,502.80	6,095.29	5,310.58	12,703.41
6	Finance costs	2,128.46	2,136.22	2,441.45	4,264.68	4,761.36	9,973.03
7	Profit from ordinary activities after finance costs but before exceptional items (5 - 6)	443.48	1,387.13	1,061.35	1,830.61	549.22	2,730.38
8	Exceptional income/ (expense) (refer note 5)	4,164.06	(2,255.55)	-	1,908.51	(150.03)	(150.03)
9	Profit/ (loss) from ordinary activities before tax (7 - 8)	4,607.54	(868.42)	1,061.35	3,739.12	399.19	2,580.35
10	Tax expense, net	1,202.99	233.00	357.90	1,435.99	735.56	1,203.49
11	Net profit/ (loss) for the period/ year (9 - 10)	3,404.55	(1,101.42)	703.45	2,303.13	(336.37)	1,376.86
12	Paid-up equity share capital (face value of Rs 10 each)	604.14	575.73	541.47	604.14	541.47	554.01
13	Reserves (excluding revaluation reserve)						13,134.88
14	Earnings/ (loss) per share (not annualised)						
	Basic (Rs)	56.75	(19.64)	12.99	39.68	(6.21)	25.42
	Diluted (Rs)	56.75	(19.64)	12.99	39.68	(6.21)	25.42

PART II

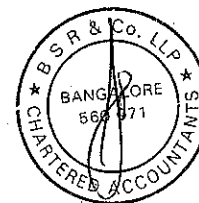
Select information for the quarter and six months ended 30 September 2014							
Sl. No.	Particulars	Quarter ended			Year to date figures for the period ended		Previous year ended
		30 September 2014	30 June 2014	30 September 2013	30 September 2014	30 September 2013	31 March 2014
1	PARTICULARS OF SHAREHOLDING						
	Public shareholding						
	- Number of shares	2,794,198	2,614,198	2,418,616	2,794,198	2,418,616	2,438,189
	- Percentage of shareholding	46.25%	45.40%	44.67%	46.25%	44.67%	44.01%
2	Promoters and promoter group shareholding						
	a) Pledged/Encumbered						
	- Number of shares	450,000	875,000	1,050,000	450,000	1,050,000	1,050,000
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	13.86%	27.84%	35.05%	13.86%	35.05%	33.85%
	- Percentage of shares (as a % of the total share capital of the Company)	7.45%	15.20%	19.39%	7.45%	19.39%	18.95%
	b) Non-encumbered						
	- Number of shares	2,797,245	2,268,121	1,946,087	2,797,245	1,946,087	2,051,861
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	86.14%	72.16%	64.95%	86.14%	64.95%	66.15%
	- Percentage of shares (as a % of the total share capital of the Company)	46.30%	39.40%	35.94%	46.30%	35.94%	37.04%



Segment reporting:

(Rs in lacs, except as otherwise stated)

Particulars	Quarter ended			Year to date figures for the period ended		Previous year ended
	30 September 2014	30 June 2014	30 September 2013	30 September 2014	30 September 2013	31 March 2014
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 Segment revenue						
a) Hydraulics	8,166.38	7,815.61	8,074.06	15,981.99	14,935.07	30,952.73
b) Aerospace and Defence	6,891.23	5,927.02	5,549.07	12,818.25	10,089.11	22,333.05
c) Automotive and Aluminium castings	28,132.42	28,753.68	26,620.74	56,886.10	50,696.09	105,468.23
Total income from operations (net)	43,190.03	42,496.31	40,243.87	85,686.34	75,720.27	158,754.01
2 Segment results (profit / (loss) before tax and interest from each segment)						
a) Hydraulics	775.26	645.12	789.63	1,420.38	1,248.34	3,342.24
b) Aerospace and Defence	1,544.93	1,178.11	1,571.67	2,723.04	2,770.77	5,712.69
c) Automotive and Aluminium castings	146.29	1,587.14	1,084.92	1,733.43	1,109.46	2,112.48
Total	2,466.48	3,410.37	3,446.22	5,876.85	5,128.57	11,167.41
Unallocable						
- Finance costs	2,128.46	2,136.22	2,441.45	4,264.68	4,761.36	9,973.03
- Exceptional (income)/ expense (refer note 5)	(4,164.06)	2,255.55	-	(1,908.51)	150.03	150.03
- Other income (refer note 4)	(105.46)	(112.98)	(56.58)	(218.44)	(182.01)	(1,536.00)
Profit/ (loss) before tax	4,607.54	(868.42)	1,061.35	3,739.12	399.19	2,580.35
3 Segment capital employed (Segment assets - segment liabilities)						
a) Hydraulics	8,501.55	9,523.96	8,618.02	8,501.55	8,618.02	9,582.85
b) Aerospace and Defence	22,121.93	22,622.25	21,296.92	22,121.93	21,296.92	21,638.16
c) Automotive and Aluminium castings	25,329.92	22,246.51	22,274.35	25,329.92	22,274.35	23,898.32
d) Others	2,901.59	2,885.18	2,962.13	2,901.59	2,962.13	2,875.00
Total	58,854.99	57,277.90	55,151.42	58,854.99	55,151.42	57,994.33
Unallocable assets	(6,605.39)	(5,364.71)	(5,026.61)	(6,605.39)	(5,026.61)	(6,230.34)
	52,249.60	51,913.19	50,124.81	52,249.60	50,124.81	51,763.99

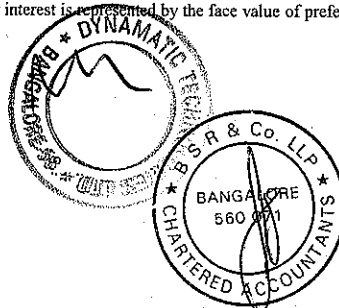


DYNAMATIC TECHNOLOGIES LIMITED
DYNAMATIC PARK, PEENYA, BANGALORE-560 058, INDIA
Consolidated Statement of Assets and Liabilities

(Rs in lacs, except as otherwise stated)

Particulars	As at	
	30 September 2014 (Unaudited)	31 March 2014 (Audited)
Equity and liabilities		
Shareholders' funds		
Share capital	604	554
Reserves and surplus	21,336	13,761
Money received against share warrants	-	1,000
	21,940	15,315
Minority Interest #	264	264
Non-current liabilities		
Long-term borrowings	30,046	36,185
Deferred tax liabilities (net)	2,777	3,411
Other long-term liabilities	326	1,385
Long-term provisions	368	288
	33,517	41,269
Current liabilities		
Short-term borrowings	12,653	10,077
Trade payables	26,173	27,625
Other current liabilities	15,777	19,529
Short-term provisions	2,653	1,566
	57,256	58,797
	112,977	115,645
Assets		
Non current assets		
Fixed assets		
- Tangible fixed assets	55,583	59,672
- Intangible fixed assets	1,935	2,235
- Capital work in progress	705	278
	58,223	62,185
Goodwill on consolidation	6,788	6,788
	6,788	6,788
Non-current investments		
Deferred tax assets (net)	1	1
Long-term loans and advances	46	-
Other non-current assets	2,734	2,499
	788	1,103
	3,569	3,603
Current assets		
Inventories	22,566	22,799
Trade receivables	10,198	10,163
Cash and bank balances	5,570	4,410
Short-term loan and advances	3,522	2,916
Other current assets	2,541	2,781
	44,397	43,069
	112,977	115,645

In the previous 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 preference shares issued.

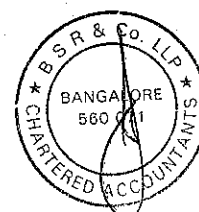


NOTES:

1. The above 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.	Name of the entity	Subsidiary / associate	Country of incorporation	Effective group shareholding %
1	JKM Erla Automotive Limited	Subsidiary	India	99.99
2	JKM Ferrotech Limited	Step Subsidiary	India	99.99
3	JKM Research Farm Limited	Subsidiary	India	99.99
4	JKM Global Pte Limited	Subsidiary	Singapore	100
5	Dynamatic Limited	Step Subsidiary	United Kingdom	100
6	Yew Tree Investments Limited	Step Subsidiary	United Kingdom	100
7	JKM Erla Holdings GmbH	Step Subsidiary	Germany	100
8	Eisenwerk Erla GmbH	Step Subsidiary	Germany	100
9	Harasfera Design Private Limited	Associate	India	50

2. The above results were reviewed by Audit Committee and thereafter approved by the Board of Directors in their meeting held on 14 November 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 ("BSE") and the National Stock Exchange ("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.dynamatics.com and also on the websites of BSE (www.bseindia.com) and NSE (www.nseindia.com).
4. 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.



5. Exceptional item for the quarter ended 30 September 2014 includes profit on sale of one of its assets (Land, Buildings and other structures at Dynamatic Park, Peenya, hereinafter referred to as "Peenya Property"). During the quarter ended 30 September 2014, the Company has entered into a "Deed of Conveyance and Absolute Sale" ("Sale deed") dated 22 August 2014 with M/s Raised on Denim India and Karnataka Texspares and Steel Profiles Private Limited (collectively known as "Purchasers") towards the sale of Peenya Property at a gross consideration of Rs 7,000 lacs. The related written down value of the aforesaid asset as at the date of sale was Rs 2,830 lacs. Upon the execution of Sale deed and corresponding sale of the Peenya Property on 22 August 2014, the Company has credited Rs 4,164 lacs (after netting off selling expenses of Rs 160 lacs and adjusting Revaluation Reserve of Rs 154 lacs) to the statement of profit and loss account. The aforesaid asset is leased back to the Company for a lock in period of eight years with an option to continue the same for a further period of two years. The Company does not have any obligation to buy back the Peenya Property at the end of the lease term.

During the quarter ended 30 June 2014, the Group has carried out a deleverage exercise and has prepaid certain loans to the banks and other parties in the books of the Company as well as at subsidiaries. As a part of this deleverage exercise and repayment of loans the Group had incurred various charges such as redemption premium to banks, prepayment penalty, swap cancellation, upfront fees etc aggregating Rs 2,255.55 lacs.

Exceptional item for the six months ended 30 September 2013 and the 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.

6. 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. Out of these 338,440 and 288,300 convertible warrants, the Company had already issued 217,269 and 125,347 equity shares to Mr. Udayant Malhoutra and Wavell Investments Private Limited vide Board resolution dated 26 March 2014 and 3 June 2014 respectively.

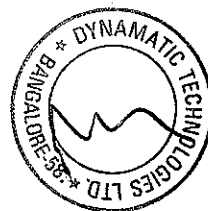
During the quarter ended 30 September 2014, the Company has issued the remaining 121,171 equity shares and 162,953 equity shares by converting 121,171 and 162,953 warrants to Udayant Malhoutra and Wavell Investments Private Limited respectively, after receiving balance 75% consideration aggregating Rs 1,700 lacs.



7. During the six months ended 30 September 2014, as per the requirement of Section 123 of the Companies Act 2013, the Group, based on the external technical evaluation, has reassessed the remaining useful lives of assets, primarily consisting of plant and machinery and buildings with effect from 1 April 2014. Based on the reassessment, the Management believes that there would not be any change in the useful lives of fixed assets from the previous estimates and accordingly no accounting adjustments is currently required.
8. The Board of Directors of the Company vide its meeting dated 8 September 2014 has delegated its power to the Finance Committee to act as deemed necessary in relation to the issue of equity shares by way of Qualified Institutional Placement (QIP) in accordance with Chapter VIII of Securities and Exchange Board of India ("Issue of Capital and Disclosure Requirements") Regulations, 2009, as amended and Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and other relevant provisions in connection with this QIP. The Finance Committee in its meeting dated 13 September 2014 has accorded its approval to create, issue, offer and allot equity shares subject to Shareholders' approval. The Company has obtained the Shareholders' approval by way of special resolution passed in Extraordinary General Meeting dated 11 October 2014. The Finance Committee on 17 October 2014 has approved the allotment of 300,000 equity shares pursuant to the QIP on the receipt of funds aggregating Rs 5,400 lacs.
9. Subsequent to the quarter ended 30 September 2014, JKM Erla Automotive Limited has made the partial redemption of 2,278,306 preference shares by paying Rs 5,000 lacs to SHL Trading Limited ("Subscriber") out of the proceeds of fresh issue of equity shares.
10. Information of standalone unaudited 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			Six months ended		Year ended
	30 September 2014	30 June 2014	30 September 2013	30 September 2014	30 September 2013	31 March 2014
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Total income from operations (net)	12,577.47	11,128.68	11,077.81	23,706.15	20,819.04	42,892.37
Profit/ (loss) before tax and exceptional items	17.19	(196.30)	38.84	(179.11)	(493.03)	180.91
Profit/ (loss) after tax and exceptional items	3,316.25	(641.32)	38.84	2,674.93	(643.06)	30.88

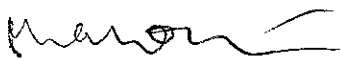


11. Status of investor complaints for the quarter ended 30 September 2014:

Particulars	Opening	Received	Resolved	Pending
Number of complaints	-	1	1	-

12. 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 November 2014

