

B S R & Co. LLP

Chartered Accountants

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Review report to the Board of Directors of Dynamatic Technologies Limited

We have reviewed the accompanying statement of unaudited financial results ("the Statement") of Dynamatic Technologies Limited ("the Company") for the quarter and six months ended 30 September 2015, 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 2015. Our responsibility is to issue a report on this Statement, based on our review.

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 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.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement for the quarter and six months ended 30 September 2015, 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 & Co. LLP**

Chartered Accountants

Firm registration number: 101248W/W-100022



Sunil Gaggar

Partner

Membership number: 104315

Place: Bangalore

Date: 14 November 2015

DYNAMATIC TECHNOLOGIES LIMITED
DYNAMATIC PARK, PEENYA, BANGALORE-560 058, INDIA
Unaudited standalone financial results for the quarter and six months ended 30 September 2015

(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 31 March 2015 Audited
		30 September 2015 Unaudited	30 June 2015 Unaudited	30 September 2014 Unaudited	30 September 2015 Unaudited	30 September 2014 Unaudited	
1	Income from operations						
	a) Net sales/ income from operations (net of excise duty)	10,190.83	9,686.47	11,973.21	19,877.30	22,601.03	43,446.99
	b) Other operating income	481.36	482.49	604.26	963.85	1,105.12	2,205.79
	Total income from operations (net)	10,672.19	10,168.96	12,577.47	20,841.15	23,706.15	45,652.78
2	Expenses						
	a) Cost of materials consumed	5,618.44	5,299.87	6,436.93	10,918.31	11,939.40	22,490.79
	b) Changes in inventories of finished goods and work-in-progress	(1,084.48)	(675.71)	(241.35)	(1,760.19)	(199.43)	(774.42)
	c) Employee benefits expense	1,435.64	1,547.93	1,636.58	2,983.57	3,096.81	6,515.49
	d) Depreciation and amortisation expense	727.12	716.69	735.44	1,443.81	1,424.23	2,850.32
	e) Other expenses	3,001.41	2,999.30	2,734.81	6,000.71	5,132.40	10,720.01
	Total expenses	9,698.13	9,888.08	11,302.41	19,586.21	21,393.41	41,802.19
3	Profit from operations before other income, finance costs and exceptional items (1 - 2)	974.06	280.88	1,275.06	1,254.94	2,312.74	3,850.59
4	Other income	88.10	103.58	183.41	191.68	370.67	781.19
5	Profit from ordinary activities before finance costs and exceptional items (3 + 4)	1,062.16	384.46	1,458.47	1,446.62	2,683.41	4,631.78
6	Finance costs	1,319.76	1,403.39	1,441.28	2,723.15	2,862.52	5,373.05
7	(Loss) / profit from ordinary activities after finance costs but before exceptional items (5 - 6)	(257.60)	(1,018.93)	17.19	(1,276.53)	(179.11)	(741.27)
8	Exceptional income (refer note 3)	-	-	4,164.06	-	3,719.04	3,719.04
9	(Loss) / profit from ordinary activities before tax (7 - 8)	(257.60)	(1,018.93)	4,181.25	(1,276.53)	3,539.93	2,977.77
10	Tax expense	-	-	865.00	-	865.00	873.02
11	(Loss)/ profit for the period/ year (9 - 10)	(257.60)	(1,018.93)	3,316.25	(1,276.53)	2,674.93	2,104.75
12	Paid-up equity share capital (face value of Rs 10 each)	634.14	634.14	604.14	634.14	604.14	634.14
13	Reserves (excluding revaluation reserve)						26,380
14	Earnings per share (not annualised)						
	Basic (in Rs.)	(4.06)	(16.07)	55.28	(20.13)	46.09	34.74
	Diluted (in Rs.)	(4.06)	(16.07)	55.28	(20.13)	46.09	34.74

PART II

Select information for the quarter and six months ended 30 September 2015

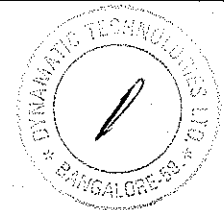
Sl. No.	Particulars	Quarter ended			Year to date figures for the period ended		Previous Year ended 31 March 2015
		30 September 2015	30 June 2015	30 September 2014	30 September 2015	30 September 2014	
PARTICULARS OF SHAREHOLDING							
1	Public shareholding						
	- Number of shares	3,099,198	3,099,198	2,794,198	3,099,198	2,794,198	3,099,198
	- Percentage of shareholding	48.87%	48.87%	46.25%	48.87%	46.25%	48.87%
2	Promoters and promoter group shareholding						
	a) Pledged/ encumbered						
	- Number of shares	530,000	532,500	450,000	530,000	450,000	532,500
	- Percentage of shares (as a % of the total shareholding of promoters and promoter group)	16.35%	16.42%	13.86%	16.35%	13.86%	16.42%
	- Percentage of shares (as a % of the total share capital of the Company)	8.36%	8.40%	7.45%	8.36%	7.45%	8.40%
	b) Non-encumbered						
	- Number of shares	2,712,245	2,709,745	2,797,245	2,712,245	2,797,245	2,709,745
	- Percentage of shares (as a % of the total shareholding of promoters and promoter group)	83.65%	83.58%	86.14%	83.65%	86.14%	83.58%
	- Percentage of shares (as a % of the total share capital of the Company)	42.77%	42.73%	46.30%	42.77%	46.30%	42.73%



Segment reporting:

(Rs in laacs, except as otherwise stated)

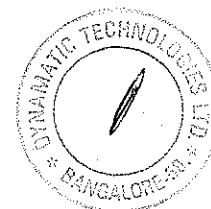
	Particulars	Quarter ended			Year to date figures for the period ended		Previous Year ended
		30 September 2015 Unaudited	30 June 2015 Unaudited	30 September 2014 Unaudited	30 September 2015 Unaudited	30 September 2014 Unaudited	31 March 2015 Audited
1	Segment revenue						
	a) Hydraulics	4,440.27	3,925.47	5,101.66	8,365.74	9,697.87	17,886.21
	b) Aerospace and Defence	3,360.72	2,660.68	2,933.49	6,021.40	5,261.71	11,579.80
	c) Automotive and Aluminium castings	2,528.16	3,236.99	4,176.39	5,765.15	7,990.57	14,727.92
	d) Others	343.04	345.82	365.93	688.86	756.00	1,458.85
	Total income from operations (net)	10,672.19	10,168.96	12,577.47	20,841.15	23,706.15	45,652.78
2	Segment results (profit / (loss) before tax and interest from each segment)						
	a) Hydraulics	658.65	420.52	749.61	1,079.17	1,378.94	2,350.28
	b) Aerospace and Defence	941.43	767.96	975.25	1,709.39	1,792.21	3,822.91
	c) Automotive and Aluminium castings	(551.16)	(741.02)	(337.30)	(1,292.18)	(771.45)	(1,969.54)
	d) Others	(74.86)	(166.58)	(112.50)	(241.44)	(86.96)	(353.06)
	Total	974.06	280.88	1,275.06	1,254.94	2,312.74	3,850.59
	Unallocable						
	- Finance costs	1,319.76	1,403.39	1,441.28	2,723.15	2,862.52	5,373.05
	- Exceptional items income			4,164.06		3,719.04	3,719.04
	- Other income	(88.10)	(103.58)	(183.41)	(191.68)	(370.67)	(781.19)
	(Loss)/ profit before tax	(257.60)	(1,018.93)	4,181.25	(1,276.53)	3,539.93	2,977.77
3	Segment capital employed (Segment assets - Segment liabilities)						
	a) Hydraulics	5,791.79	5,761.70	6,034.59	5,791.79	6,034.59	7,256.17
	b) Aerospace and Defence	18,627.30	17,166.46	14,761.61	18,627.30	14,761.61	15,656.32
	c) Automotive and Aluminium castings	10,680.47	11,160.54	11,298.53	10,680.47	11,298.53	10,077.35
	d) Others	4,186.90	4,564.13	4,381.00	4,186.90	4,381.00	4,279.04
	Total	39,286.46	38,652.83	36,475.73	39,286.46	36,475.73	37,268.88
	Unallocable assets, net of liabilities	11,828.55	9,125.17	(3,437.73)	11,828.55	(3,437.73)	1,757.12
	Total	51,115.01	47,778.00	33,038.00	51,115.01	33,038.00	39,026.00



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

(Rs in lacs, except as otherwise stated)

Particulars	As At	
	30 September 2015	31 March 2015
	(Unaudited)	(Audited)
Equity and liabilities		
Shareholders' funds		
Share capital	634	634
Reserves and surplus	25,843	26,852
	26,477	27,486
Non-current liabilities		
Long-term borrowings	24,638	11,540
Deferred tax liabilities (net)	2,223	2,223
Other long-term liabilities	115	115
Long-term provisions	673	679
	27,649	14,557
Current liabilities		
Short-term borrowings	9,262	13,547
Trade payables	9,303	10,098
Other current liabilities	5,138	8,349
Short-term provisions	1,258	1,311
	24,961	33,305
Total	79,087	75,348
Assets		
Non current assets		
Fixed assets		
- Tangible fixed assets	25,744	26,716
- Intangible fixed assets	1,698	1,920
- Capital work in progress	814	8
	28,256	28,644
Non-current investments	17,540	16,540
Long-term loans and advances	1,408	1,447
Other non-current assets	1,157	1,306
	20,105	19,293
Current assets		
Inventories	10,854	8,256
Trade receivables	8,115	9,012
Cash and bank balances	1,334	883
Short-term loan and advances	8,955	7,654
Other current assets	1,468	1,606
	30,726	27,411
Total	79,087	75,348



NOTES:

- 1 The above results were reviewed by the Audit Committee and thereafter approved by the Board of Directors in their meetings held on 14 November 2015 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.dynamatics.com.
- 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.dynamatics.com and also on the websites of BSE (www.bseindia.com) and NSE (www.nseindia.com).
- 3 Exceptional item for the quarter ended 30 September 2014 represents profit on sale of one of its assets (Land, Buildings and other structures at Dynamic Park, Peenya, hereinafter referred to as "Peenya Property"). The Company 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 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. 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.


Further, exceptional items for the six months ended 30 September 2014 and the year ended 31 March 2015 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 aggregating to Rs 445 lacs.

- 4 Status of investor complaints for the quarter ended 30 September 2015:

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

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

For and on behalf of the Board of Directors


Vijai Kapur
Chairman
Dynamic Technologies Limited
Place: Bangalore
Date: 14 November 2015