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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 nine months ended 31 December 2015. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors of the Company at their meeting held on 13 February 2016. Our responsibility is to issue a report on the 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 financial statements are 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 of unaudited financial results for the quarter and nine months ended 31 December 2015, 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 Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

for **BSR & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022


Sunil Gaggar
Partner
Membership Number: 104315

Place: Bangalore
Date: 13 February 2015

DYNAMATIC TECHNOLOGIES LIMITED
DYNAMATIC PARK, PEENYA, BANGALORE-560 058, INDIA
Unaudited standalone financial results for the quarter and nine months ended 31 December 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 December 2015 (Unaudited)	30 September 2015 (Unaudited)	31 December 2014 (Unaudited)	31 December 2015 (Unaudited)	31 December 2014 (Unaudited)	31 March 2015 (Audited)
1	Income from operations						
	a) Net sales/ income from operations (net of excise duty)	9,737.00	10,190.83	10,692.43	29,614.31	33,293.46	43,446.99
	b) Other operating income	469.98	481.36	586.66	1,433.82	1,691.78	2,205.79
	Total income from operations (net)	10,206.98	10,672.19	11,279.09	31,048.13	34,985.24	45,652.78
2	Expenses						
	a) Cost of materials consumed	5,143.42	5,618.44	5,398.84	16,061.73	17,338.24	22,490.79
	b) Changes in inventories of finished goods and work-in-progress	(772.39)	(1,084.48)	(74.36)	(2,532.58)	(273.79)	(774.42)
	c) Employee benefits expense	1,435.64	1,435.64	1,737.96	4,419.20	4,834.77	6,515.49
	d) Depreciation and amortisation expense	720.02	727.12	708.71	2,163.83	2,132.94	2,850.32
	e) Other expenses	2,659.24	3,001.41	2,710.86	8,659.96	7,843.26	10,720.01
	Total expenses	9,185.93	9,698.13	10,482.01	28,772.14	31,875.42	41,802.19
3	Profit from operations before other income, finance costs and exceptional items (1 - 2)	1,021.05	974.06	797.08	2,275.99	3,109.82	3,850.59
4	Other income	94.43	88.10	189.05	286.11	559.72	781.19
5	Profit from ordinary activities before finance costs and exceptional items (3 + 4)	1,115.48	1,062.16	986.13	2,562.10	3,669.54	4,631.78
6	Finance costs	1,273.70	1,319.76	1,241.25	3,996.85	4,103.77	5,373.05
7	(Loss) from ordinary activities after finance costs but before exceptional items (5 - 6)	(158.22)	(257.60)	(255.12)	(1,434.75)	(434.23)	(741.27)
8	Exceptional income, net (refer note 3)	-	-	-	-	3,719.04	3,719.04
9	(Loss) / Profit from ordinary activities before tax (7 + 8)	(158.22)	(257.60)	(255.12)	(1,434.75)	3,284.81	2,977.77
10	Tax (credit)/ expenses, net	(415.10)	-	-	(415.10)	865.00	873.02
11	Net profit/ (loss) for the period/ year (9 - 10)	256.88	(257.60)	(255.12)	(1,019.65)	2,419.81	2,104.75
12	Paid-up equity share capital (face value of Rs 10 each)	634.14	634.14	634.14	634.14	634.14	634.14
13	Reserves (excluding revaluation reserve)						26,380
14	Earnings/ (Loss) per share (not annualised)						
	Basic (in Rs.)	4.05	(4.06)	(4.06)	(16.08)	40.56	34.74
	Diluted (in Rs.)	4.05	(4.06)	(4.06)	(16.08)	40.56	34.74

PART II

Segment reporting:

(Rs in lacs, except as otherwise stated)

	Particulars	Quarter ended			Year to date figures for the period ended		Previous Year ended
		31 December 2015 (Unaudited)	30 September 2015 (Unaudited)	31 December 2014 (Unaudited)	31 December 2015 (Unaudited)	31 December 2014 (Unaudited)	31 March 2015 (Audited)
1	Segment revenue						
	a) Hydraulics	3,992.85	4,440.27	4,254.63	12,358.59	13,953.07	17,886.21
	b) Aerospace and Defence	3,515.18	3,360.72	3,351.93	9,536.58	8,614.64	11,579.80
	c) Automotive and Aluminium castings	2,340.20	2,528.16	3,315.18	8,105.34	11,304.15	14,727.92
	d) Others	358.75	343.04	357.35	1,047.62	1,113.38	1,458.85
	Total income from operations (net)	10,206.98	10,672.19	11,279.09	31,048.13	34,985.24	45,652.78
2	Segment results (profit / (loss) before tax and interest from each segment)						
	a) Hydraulics	550.95	658.65	406.92	1,630.13	1,785.84	2,350.28
	b) Aerospace and Defence	1,183.11	941.43	1,096.00	2,892.50	2,888.20	3,822.91
	c) Automotive and Aluminium castings	(580.59)	(551.16)	(606.20)	(1,872.78)	(1,377.62)	(1,969.54)
	d) Others	(132.42)	(74.86)	(99.64)	(373.86)	(186.60)	(353.06)
	Total	1,021.05	974.06	797.08	2,275.99	3,109.82	3,850.59
	Unallocable						
	- Finance costs	1,273.70	1,319.76	1,241.25	3,996.85	4,103.77	5,373.05
	- Exceptional income (refer note 3)	-	-	-	-	3,719.04	3,719.04
	- Other income	94.43	88.10	189.05	286.11	559.72	781.19
	(Loss) / Profit before tax	(158.22)	(257.60)	(255.12)	(1,434.75)	3,284.81	2,977.77
3	Segment capital employed (Segment assets - Segment liabilities)						
	a) Hydraulics	6,519.23	5,791.79	6,431.92	6,519.23	6,431.92	7,256.17
	b) Aerospace and Defence	20,133.21	18,627.30	15,061.14	20,133.21	15,061.14	15,656.32
	c) Automotive and Aluminium castings	10,180.79	10,680.47	10,335.24	10,180.79	10,335.24	10,077.35
	d) Others	4,411.69	4,186.90	3,920.22	4,411.69	3,920.22	4,279.04
	Total	41,244.92	39,286.46	35,748.52	41,244.92	35,748.52	37,268.88
	Unallocable assets, net of liabilities	9,016.08	11,828.55	1,402.48	9,016.08	1,402.48	1,757.12
	Total	50,261.00	51,115.01	37,151.00	50,261.00	37,151.00	39,026.00

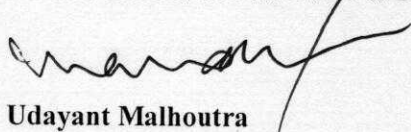
NOTES:

- 1 The above results of Dynamatic Technologies Limited ('the Company') are prepared in accordance with the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (herein after referred to as 'the Listing Regulation 2015').
- 2 The above results were reviewed by the Audit Committee in their meeting held on 12 February 2016 and thereafter approved by the Board of Directors in their meetings held on 13 February 2016 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 Exceptional items for the year ended 31 March 2015, 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 year ended 31 March 2015, 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 had 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 nine months ended 31 December 2014 and the year ended 31 March 2015 also includes 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 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
Managing Director & CEO
Dynamatic Technologies Limited
Place: Bangalore
Date: 13 February 2016