

**DYNAMATIC TECHNOLOGIES LIMITED**

Regd. Office: Dynamatic Park Peenya, Bangalore - 560 058, India

Unaudited financial results of Dynamatic Technologies Limited for the Quarter ended 31st December, 2008

(in Rs. Lacs, except per share data)

Sl. No.	Particulars	Quarter ended 31 st December		Nine months ended 31 st December		Year ended 31 st March (Audited)
		2008	2007	2008	2007	2008
1	Gross Sales	6880.65	3541.46	26936.99	10411.77	32377.72
2	Less: Excise Duty	882.25	487.59	3557.74	1393.08	4942.81
3	Net Sales / Income from operations	5998.40	3053.87	23379.25	9018.69	27434.91
4	Other Income	109.83	103.90	464.11	267.68	838.40
5	Total Income (3+4)	6108.23	3157.77	23843.36	9286.37	28273.31
6	Expenditure:					
	a) (Increase) / Decrease in Stock in Trade and work in progress	(45.01)	-	(45.01)	-	-
	b) Consumption of raw materials	3367.39	1601.03	13242.97	4796.16	15860.64
	c) Purchase of Traded Goods	8.04	1.90	12.17	10.47	44.55
	d) Employee cost	924.30	407.74	2872.00	1172.29	2960.69
	e) Depreciation	405.09	113.59	1235.30	356.16	1207.04
	f) Other Expenditure	965.72	538.73	3657.55	1632.54	4298.13
	g) Total	5625.53	2662.99	20974.98	7967.62	24371.05
7	Interest	435.82	140.93	1052.49	388.55	879.92
8	Exceptional items (represents Unrealised Forex Loss / (Gain)) (Refer Note 6)	199.67	(37.33)	1009.11	(118.18)	-
9	Profit (+) / Loss(-) from Ordinary Activities before Unrealised Forex Loss / Gain	46.88	353.85	1815.89	930.20	3022.34
10	Profit (+) / Loss (-) from Ordinary Activities after Unrealised Forex Loss / Gain	(152.79)	391.18	806.78	1048.38	3022.34
11	Tax Expense	19.00	143.66	374.18	379.51	1138.64
12	Net Profit (+) / Loss (-) from Ordinary Activities after Tax before Unrealised Forex Loss/Gain (9-11)	27.88	210.19	1441.71	550.69	1883.70
13	Net Profit (+) / Loss (-) from Ordinary Activities after Tax and Unrealised Forex Loss / Gain (10-11)	(171.79)	247.52	432.60	668.87	1883.70
14	Extraordinary items	-	-	-	-	26.02
15	Net Profit (+) / Loss (-) for the period After Extraordinary item (13-14)	(171.79)	247.52	432.60	668.87	1857.68
16	Paid-up equity share capital (Par value Rs.10/- each, fully paid)	541.47	419.36	541.47	419.36	481.07
17	Reserves excluding revaluation reserves	-	-	-	-	5,935.92
18	Earnings Per Share (EPS)					
	a) Basic and diluted EPS before Extraordinary / Exceptional / Unrealised Forex Loss / Gain items	0.51	5.01	28.72	13.13	44.81
	b) Basic and diluted EPS after Extraordinary / Exceptional / Unrealised Forex Loss / Gain items	(3.17)	5.90	8.83	15.95	44.19
19	Public Shareholding					
	- Number of Shares	2511281	1799574	2511281	1799574	1799574
	- Percentage of Shareholding	46.38	42.91	46.38	42.91	37.40
20	EBITDA (Item 5-6(g)+6(e))	887.79	608.37	4103.68	1674.91	5109.30

Notes:

- As per the recent amendment to Clause 41 of the Listing Agreement, Companies are required to publish either stand-alone results or consolidated results. The Company has opted to publish stand-alone results during the current year since consolidating its overseas subsidiaries results would entail conducting a Limited Quarterly review by Auditors of these subsidiaries, and also integrating the financials of the newly acquired UK based Aerospace Company, Oldland CNC Ltd. - a task impossible to accomplish in the available time.
 - The financials for the quarter ended December 2008 represents the merged entity (JKM DAERIM Automotive Ltd merged with Dynamatic Technologies Ltd). Hence, previous period's figures are not comparable.
 - The current quarter is an off-season for Windfarm. Hence the total income generated from windfarm is Rs. 13.45 lacs. However, the Company has recognised all expenditure including Interest and Depreciation amounting to Rs.90.84 lacs. Power generation in the Windfarm at full capacity will occur from mid March to September.
 - The above results were reviewed by the Audit Committee and then approved by the Board of Directors at their meeting held on January 31, 2009. Dynamatic Technologies stand-alone results will be subject to " Limited Review " by the Auditors of the Company as required by the Listing Agreement with the stock exchanges.
 - EPS has been calculated as per Accounting standard AS 22.
 - The Company consistently follows AS 11 on "The Effects of Changes in Foreign Exchange Rates" issued by The Institute of Chartered Accountants of India. Accordingly, the Company has recognised the unrealised forex losses for Q3-FY 2009, shown under exceptional items, as below: - 'unrealised forex loss (net)' of Rs. 199.67 lacs (Net Gain of Rs.37.33 lacs in Q3 FY 08) comprising of Rs. 104.12 lacs (Net Gain of Rs.37.33 lacs in Q3 FY 08) on restatement of assets and liabilities and Rs.94.55 lacs (Q3 FY 08-Nil) on restatement of Foreign Currency borrowings. The loss/gain in this regard is a non cash charge / accrual. There is no loss or gain due to any forex transaction which is speculative in nature.
- Impact of currency fluctuations. The Company has a policy in place to mitigate risk in an environment where currencies are very volatile. This policy has two basic foundations: a) To completely avoid speculative transactions. b) To try and match the Company's income and expenditure currency mix, in a way that will provide a natural hedge against currency fluctuations.
- The Group (Company and its subsidiaries) has long term loans (4 years) denominated in US Dollars totalling US\$ 16.19 million, and the high volatility in foreign exchange markets has resulted in the notional MTM losses mentioned above. The Group expects to achieve US Dollar denominated sales of over US\$ 44 million during the term of the aforementioned loans thereby providing a comprehensive natural hedge against any forex fluctuations. Simply stated, the Company enjoys a natural hedging advantage over the next 48 months, of US\$2.72 against each US\$1 as marked as a notional MTM Loss during the period under review.
- Further, in order to recognise the impact of fluctuation in foreign currency rates arising out of instruments acquired to hedge highly probable forecast transaction in appropriate accounting periods, the Company has from this year decided to apply the principles of recognition set out in the Accounting Standard 30 - Financial Instruments-Recognition and measurement as suggested by The Institute of Chartered Accountants of India. As a result, the impact of unrealised forex loss in Q3 FY 09 Rs.130.42 lacs (Q3 FY 08 - Rs. Nil) are carried as Hedging Reserve to be ultimately set off when the underlying transaction arises.
 - The derivative contracts entered into by the Company has resulted in MTM gain in Q3 FY 09 Rs.480.05 lacs (Q3 FY 08 - Rs.Nil) and Cumulative gain of Rs.772.62 lacs for the Nine Months ended December 08. This has not been recognised in the above financials as per the guidelines issued by the Institute of Chartered Accountants of India.
 - Previous period's figures are recast wherever necessary.
 - Information on investor complaints pursuant to clause 41 of the Listing Agreement for the quarter ended 31st December 2008:

Particulars	Opening	Received	Resolved	Pending
Number of Complaints	0	2	2	0

Segment Reporting

(in Rs. Lacs)

Sl. No.	Particulars	Quarter ended 31 st December		Nine months ended 31 st December		Year ended 31 st March (Audited)
		2008	2007	2008	2007	2008
1	Segment Revenue					
	a) Hydraulics & Precision Eng.	2565.65	2292.74	8498.38	6968.15	9800.48
	b) Aluminium Castings	719.79	865.03	3530.74	2318.22	3779.16
	c) Automobile Components	3494.76	-	14966.12	-	18078.88
	d) Wind Farm	13.45	-	95.78	-	0.00
	e) Unallocated	0.00	-	53.80	-	232.42
	Total:	6793.65	3157.77	27144.82	9286.37	31890.94
	Less: Inter Segment revenue	685.42	-	3301.46	-	3617.63
	Net Sales / Income from operations	6108.23	3157.77	23843.36	9286.37	28273.31
2	Segment Result (Profit)(+) / Loss(-) before tax and interest from Segment					
	a) Hydraulics & Precision Eng.	414.45	409.57	1539.09	1118.56	1660.96
	b) Aluminium Castings	(12.22)	85.21	189.69	200.19	362.73
	c) Automobile Components	114.33	-	1118.46	-	1646.15
	d) Wind Farm	(33.86)	-	21.14	-	0.00
	e) Unallocated	(199.67)	37.33	(1009.11)	118.18	232.42
	Total:	283.03	532.11	1859.27	1436.93	3902.26
	Less: Interest	435.82	140.93	1052.49	388.55	879.92
	Profit before tax	(152.79)	391.18	806.78	1048.38	3022.34
3	Capital Employed (Segment Assets - Segment Liabilities):					
	a) Hydraulics & Precision Eng.	8560.95	6230.25	8560.95	6230.25	5059.95
	b) Aluminium Castings	2150.08	2312.97	2150.08	2312.97	2063.32
	c) Automobile Components	6064.33	-	6064.33	-	5722.13
	d) Wind Farm	3277.61	-	3277.61	-	-
	Total:	20052.97	8543.22	20052.97	8543.22	12845.40

Notes: Segments have been identified in line with the Accounting Standard on Segment Reporting (AS-17), Segment Revenue, Results and Capital.

By order of the Board
for Dynamatic Technologies LimitedPlace: Bangalore
Date : January 31, 2009UDAYANT MALHOUTRA
CEO & Managing Director

www.dynamatics.com

For clarifications please contact:
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