

# DYNAMATIC TECHNOLOGIES LIMITED

11<sup>th</sup> February, 2020



1. The Secretary  
Bombay Stock Exchange Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street, MUMBAI 400 001.  
**Fax No. 022 - 2272 3121 / 3719 / 2037 / 2039 / 2041 / 2061**

2. The Secretary  
National Stock Exchange of India Limited  
"Exchange Plaza", Bandra-Kurla Complex  
Bandra East, MUMBAI 400 051.  
**Fax No. 022 - 26598237 / 38**

**Dear Sir/Madam,**

**Sub:** Board Meeting Outcome

**Ref:** Scrip code: NSE: DYNAMATECH; BSE: 505242

Further to our letter dated 31<sup>st</sup> January, 2020, we write to inform you that the significant matters arising out of the Board Meeting held today i.e. 11<sup>th</sup> February 2020, are as appended hereunder:

1. The Board considered and approved the Standalone and Consolidated un-audited Financial Results for the quarter ended 31<sup>st</sup> December 2019 along with the limited review report by Statutory Auditors of the Company. Copy of the un-audited financial results have been enclosed in compliance with the provisions of Regulation 30 of SEBI (LODR) Regulations, 2015.
2. The Board of our Wholly Owned Subsidiary, M/s JKM Ferrotech Limited ('JFTL'), has approved a capital reduction resolution u/s 66 of the Companies Act 2013, subject to approval by its shareholders through a special resolution and confirmation by the Bengaluru bench of National Company Law Tribunal.

Pursuant to above, the Company has:

- a. made necessary provisions in its books of accounts for impairment of investments amounting to INR 12,621 lakhs; and
- b. written off trade advance provided to JFTL amounting to INR 6,567 lakhs.

The same is included under exceptional item in the standalone financial results in the quarter ended 31<sup>st</sup> December 2019. It may be noted that there is no impact on the Consolidated Financial Results due to above.

We kindly request you to take this information on record.

Thank you.

Yours faithfully,  
for **DYNAMATIC TECHNOLOGIES LIMITED**

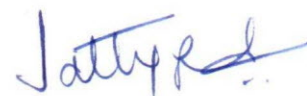
  
**Shivaram V**  
**Head – Legal, Compliance & Company Secretary**

**INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM STANDALONE  
FINANCIAL RESULTS**

**TO THE BOARD OF DIRECTORS OF  
DYNAMATIC TECHNOLOGIES LIMITED**

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of **DYNAMATIC TECHNOLOGIES LIMITED** ("the Company") for the quarter and nine months ended 31 December 2019 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement 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 (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)



**Sathya P. Koushik**  
Partner

(Membership No. 206920)  
UDIN: 20206920AAAABV9924

Bengaluru, February 11, 2020  
SPK/JKS/DSS/2020

**DYNAMATIC TECHNOLOGIES LIMITED**  
CIN: L72200KA1973PLC002308  
DYNAMATIC PARK, PEENYA, BANGALORE-560 058, INDIA

Statement of unaudited standalone financial results for the quarter and nine months ended 31 December 2019

		(INR in lacs, except as otherwise stated)					
Sl. No.	Particulars	3 months ended 31 December 2019 Unaudited	Preceding 3 months ended 30 September 2019 Unaudited	Corresponding 3 months ended in previous period 31 December 2018 Unaudited	Year to date figures for the current period ended 31 December 2019 Unaudited	Year to date figures for the previous period ended 31 December 2018 Unaudited	Previous year ended 31 March 2019 Audited
1	<b>Continuing operations</b>						
	<b>Income</b>						
	a) Revenue from operations	14,102	14,967	15,210	44,406	43,855	59,215
	b) Other income	209	477	(111)	964	537	892
	<b>Total income (a+b)</b>	<b>14,311</b>	<b>15,444</b>	<b>15,099</b>	<b>45,370</b>	<b>44,392</b>	<b>60,107</b>
2	<b>Expenses</b>						
	a) Cost of raw materials and components consumed	6,195	6,837	6,913	19,113	20,333	27,064
	b) Changes in inventories of finished goods and work-in-progress	(135)	(375)	(12)	254	354	742
	c) Employee benefits expense	2,093	2,137	1,952	6,282	5,538	7,247
	d) Finance costs	1,789	1,686	1,749	5,235	4,999	6,832
	e) Depreciation and amortisation expense	875	827	450	2,518	1,451	1,865
	f) Other expenses	2,251	2,392	2,798	7,123	7,586	10,821
	<b>Total expenses (a+b+c+d+e+f)</b>	<b>13,068</b>	<b>13,504</b>	<b>13,850</b>	<b>40,525</b>	<b>40,261</b>	<b>54,571</b>
3	<b>Profit from continuing operations before exceptional item and tax (1 - 2)</b>	<b>1,243</b>	<b>1,940</b>	<b>1,249</b>	<b>4,845</b>	<b>4,131</b>	<b>5,536</b>
4	Exceptional items (Net) (Refer Note 6)	19,188	-	-	19,188	-	-
5	<b>Profit/ (loss) from continuing operations before tax (3 - 4)</b>	<b>(17,945)</b>	<b>1,940</b>	<b>1,249</b>	<b>(14,343)</b>	<b>4,131</b>	<b>5,536</b>
6	<b>Tax expense</b>						
	a) Current tax	(845)	280	404	-	1,624	1,294
	b) Deferred tax	(259)	(29)	18	(336)	(219)	643
	<b>Total tax expense (a+b)</b>	<b>(1,104)</b>	<b>251</b>	<b>422</b>	<b>(336)</b>	<b>1,405</b>	<b>1,937</b>
7	<b>Profit/ (loss) after tax from continuing operations (5 - 6)</b>	<b>(16,841)</b>	<b>1,689</b>	<b>827</b>	<b>(14,007)</b>	<b>2,726</b>	<b>3,599</b>
	<b>Discontinued operations (Refer Note 4)</b>						
8	Profit/(Loss) from discontinued operations	(387)	(150)	(190)	(650)	(210)	(460)
9	Tax expense/(credit) of discontinued operations	66	(30)	(1)	-	(8)	(91)
10	<b>Profit/(Loss) after tax from discontinued operations (6-7)</b>	<b>(453)</b>	<b>(120)</b>	<b>(189)</b>	<b>(650)</b>	<b>(202)</b>	<b>(369)</b>
11	<b>Profit/ (loss) for the period (7+10)</b>	<b>(17,294)</b>	<b>1,569</b>	<b>638</b>	<b>(14,657)</b>	<b>2,524</b>	<b>3,230</b>
12	<b>Other comprehensive income/(loss) (OCI)</b>						
	Items that will not to be reclassified subsequently to statement of profit and loss						
	Remeasurement gain/(loss) on defined benefit plans	(11)	(66)	40	(71)	126	24
	Income tax relating to items that will not be reclassified to statement of profit and loss	(15)	17	(14)	-	(44)	(9)
	<b>Other comprehensive income for the period, net of tax</b>	<b>(26)</b>	<b>(49)</b>	<b>26</b>	<b>(71)</b>	<b>82</b>	<b>15</b>
13	<b>Total comprehensive income/ (loss) for the period (11+12)</b>	<b>(17,320)</b>	<b>1,520</b>	<b>664</b>	<b>(14,728)</b>	<b>2,606</b>	<b>3,245</b>
12	Paid-up equity share capital (face value of Rs 10/- each)	634	634	634	634	634	634
13	Reserves (Other equity)	-	-	-	-	-	51,046
	<b>Earnings per equity share</b>	(not annualised)	(not annualised)	(not annualised)	(not annualised)	(not annualised)	(annualised)
	<b>Earnings per share (for continuing operations)</b>						
	Basic and Diluted (Rs)	(265.63)	26.64	13.04	(220.93)	43.00	56.77
	<b>Earnings per equity share (for discontinued operations)</b>						
	Basic and Diluted (Rs)	(7.15)	(1.89)	(2.98)	(10.25)	(3.19)	(5.82)
	<b>Earnings per equity share (for continuing and discontinued operations)</b>						
	Basic and Diluted (Rs)	(272.78)	24.75	10.06	(231.18)	39.81	50.95

See accompanying notes to these financial results.



**DYNAMATIC TECHNOLOGIES LIMITED**  
CIN: L72200KA1973PLC002308  
DYNAMATIC PARK, PEENYA, BANGALORE-560 058, INDIA

Statement of unaudited standalone financial results for the quarter and Nine months ended 31 December 2019

Annexure I: Statement of Standalone segment wise revenue, results, assets and liabilities for the quarter and Nine months ended 31 December 2019

(INR in lacs, except as otherwise stated)

	Particulars	3 months ended 31 December 2019 Unaudited	Preceding 3 months ended 30 September 2019 Unaudited	Corresponding 3 months ended in previous period 31 December 2018 Unaudited	Year to date figures for the current period ended 31 December 2019 Unaudited	Year to date figures for the previous period ended 31 December 2018 Unaudited	Previous year ended 31 March 2019 Audited
<b>1</b>	<b>Segment revenue</b>						
	a) Hydraulics	4,708	5,943	6,345	16,851	19,086	25,577
	b) Aerospace	9,106	8,999	8,657	27,136	24,139	32,802
	c) Others	288	25	208	419	630	836
	<b>Revenue from operations (continuing operations)</b>	<b>14,102</b>	<b>14,967</b>	<b>15,210</b>	<b>44,406</b>	<b>43,855</b>	<b>59,215</b>
	d) from discontinued operations- (Refer note 4)	458	541	2,318	1,661	6,230	7,853
	<b>Total revenue from operations (continuing and discontinued operations)</b>	<b>14,560</b>	<b>15,508</b>	<b>17,528</b>	<b>46,067</b>	<b>50,085</b>	<b>67,068</b>
<b>2</b>	<b>Segment results [profit/ (loss) before finance costs, other income and tax from each segment]</b>						
	a) Hydraulics	226	457	805	1,511	2,301	3,024
	b) Aerospace	2,842	3,098	2,531	8,677	6,888	9,321
	c) Others	(245)	(406)	(227)	(1,072)	(596)	(869)
	<b>Total (continuing operations)</b>	<b>2,823</b>	<b>3,149</b>	<b>3,109</b>	<b>9,116</b>	<b>8,593</b>	<b>11,476</b>
	d) From discontinued operations- (Refer note 4)	(387)	(150)	(190)	(650)	(210)	(460)
	<b>Total (continuing operations and discontinued operations)</b>	<b>2,436</b>	<b>2,999</b>	<b>2,919</b>	<b>8,466</b>	<b>8,383</b>	<b>11,016</b>
	<b>Unallocable</b>						
	- Finance Cost	1,789	1,686	1,749	5,235	4,999	6,832
	- Other income	209	477	(111)	964	537	892
	- Exceptional item	19,188	-	-	19,188	-	-
	<b>Profit before tax (continuing and discontinued operation)</b>	<b>(18,332)</b>	<b>1,790</b>	<b>1,059</b>	<b>(14,993)</b>	<b>3,921</b>	<b>5,076</b>
<b>3</b>	<b>Segment Assets</b>						
	a) Hydraulics	15,741	16,587	13,588	15,741	13,588	14,987
	b) Aerospace	44,350	44,605	41,114	44,350	41,114	39,275
	c) Others	2,348	8,101	8,253	2,348	8,253	7,495
	d) Unallocated	45,473	57,243	58,778	45,473	58,778	57,450
	<b>Segment assets from continuing operations</b>	<b>1,07,912</b>	<b>1,26,536</b>	<b>1,21,733</b>	<b>1,07,912</b>	<b>1,21,733</b>	<b>1,19,207</b>
	e) Relating to discontinued operations	7,347	7,718	11,619	7,347	11,619	7,574
	<b>Total assets (continuing and discontinued operation)</b>	<b>1,15,259</b>	<b>1,34,254</b>	<b>1,33,352</b>	<b>1,15,259</b>	<b>1,33,352</b>	<b>1,26,781</b>
<b>4</b>	<b>Segment Liabilities</b>						
	a) Hydraulics	9,287	9,655	7,589	9,287	7,589	8,031
	b) Aerospace	9,659	9,764	5,627	9,659	5,627	5,192
	c) Others	2,049	2,164	6,182	2,049	6,182	1,590
	d) Unallocated	57,179	58,283	62,158	57,179	62,158	60,207
	<b>Segment Liabilities from continuing operations</b>	<b>78,174</b>	<b>79,866</b>	<b>81,556</b>	<b>78,174</b>	<b>81,556</b>	<b>75,020</b>
	e) Relating to discontinued operations	133	116	761	133	761	81
	<b>Total Liabilities (continuing and discontinued operation)</b>	<b>78,307</b>	<b>79,982</b>	<b>82,317</b>	<b>78,307</b>	<b>82,317</b>	<b>75,101</b>

See accompanying notes to the financial results.



**DYNAMATIC TECHNOLOGIES LIMITED**  
CIN: L72200KA1973PLC002308  
DYNAMATIC PARK, PEENYA, BANGALORE-560 058, INDIA

**Statement of unaudited standalone financial results for the quarter and nine months ended 31 December 2019**

**Notes:**

- The above financial results for the quarter and Nine months ended 31 December 2019 were reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 11 February 2020.
- The above results for the quarter and nine months ended 31 December 2019 has been subjected to 'Limited Review' by Statutory Auditors of the Company. The report of the Statutory Auditors is unmodified. The Ind AS financial results of the Company for quarter ended 30 June 2019, quarter and nine months ended 31 December 2018 and year ended 31 March 2019, were reviewed/ audited by the B S R & Co LLP Chartered Accountants, the predecessor auditor who have expressed an unmodified review conclusion/ opinion.
- Based on the 'Management approach' as defined in Ind AS 108 - Operating Segments, the Chief Operating Decision Maker evaluates the Company performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented along with these business segments viz. Hydraulics, Aerospace, Automotive and Metallurgy (formerly known as Automotive and Aluminium Castings) and Others. The accounting principles used in the preparation of these financial results are consistently applied to record revenue and expenditure in individual segments. Refer 'Annexure I' for segment results.

**4 Discontinued operations and assets held for sale**

During the year ended 31 March 2018, the Board of Directors of the Company vide its meeting dated 28 February 2018, had approved the divestment of 'Automotive and Aluminium Castings' ('discontinued business'). Subsequently, the Company had obtained the Shareholders' approval (a substantive approval) vide postal ballot dated 15 May 2018 and accordingly 'Automotive and Aluminium Castings' as appearing in the unaudited standalone financial results of the Company was classified as discontinued operation from the quarter ended 30 June 2018.

During the year ended 31 March 2019, the Company had entered into a business transfer agreement with Hi-Tech to sell certain assets of the Aluminium business. The transaction was consummated on 17 January 2019.

The Company continues to disclose the assets and liabilities of the Iron business and Windfarm business (part of 'Automotive and Metallurgy') as appearing in the unaudited standalone financial results as 'Asset held for sale' as on 31 December 2019 in accordance with Ind AS 105.

The results of discontinued business included in the standalone financial results are as follows:

(INR in lacs, except as otherwise stated)

Particulars	Quarter ended			Nine months ended		Year ended
	31 December 2019 # Unaudited	30 September 2019 # Unaudited	31 December 2018 Unaudited	31 December 2019 # Unaudited	31 December 2018 Unaudited	31 March 2019 Audited
Revenue	458	541	2318	1,661	6230	7,853
Expenses	845	691	2508	2,311	6440	8,313
Loss before tax	(387)	(150)	(190)	(650)	(210)	(460)

# represents the iron business and windfarm business as the Aluminium business sale got consummated on 17 January 2019.

- Effective 1 April 2019, the Company adopted Ind AS 116 'Leases' applied to its lease contracts existing on 1 April 2019 under the modified retrospective method. Accordingly, the comparative numbers have not been retrospectively adjusted. The implementation of Ind AS 116 resulted in recognition of Right-of-Use asset of INR 5,772 lakhs and INR 4,969 lakhs and Lease liability of INR 5,772 lakhs and INR 5,232 lakhs as on 01 April 2019 and 31 December 2019 respectively. For the quarter and Nine month ended 31 December 2019, the implementation of Ind AS 116 resulted in lower Profit before tax by INR 84 lakhs and by INR 258 lakhs respectively on account of higher interest cost and depreciation offset by reversal in rent expenses. In the statement of profit and loss for the current period, the nature of expenses in respect of operating leases has changed from lease rent in previous periods to depreciation cost for the 'Right-of-Use' asset and finance cost for interest accrued on 'Lease Liability'.
- On 11 February 2020, the board of JKM Ferrotech Limited ('JFTL'), a subsidiary of the Company, have approved a Scheme of capital reduction, subject to regulatory approvals. The Company undertook an impairment analysis in respect of its direct and indirect investments in JFTL and has recognised an impairment loss of INR 12,621 lakhs and written off trade advances given to JFTL of INR 6,567 lakhs in the current quarter. The same has been included in the above standalone financial results under 'Exceptional items'. This does not impact consolidated results since such losses relate to a consolidated subsidiary.

The Earning per equity share of the Company without considering the aforesaid exceptional item is provided in the below proforma table:

Particulars	3 months ended 31 December 2019 Unaudited	Preceding 3 months ended 30 September 2019 Unaudited	Corresponding 3 months ended in previous period 31 December 2018 Unaudited	Year to date figures for the current period ended 31 December 2019 Unaudited	Year to date figures for the previous period ended 31 December 2018 Unaudited	Previous year ended 31 March 2019 Audited
<b>Earnings per equity share (for continuing and discontinued operations before exceptional item)</b>						
Basic and Diluted (Rs)	29.87	24.75	10.06	71.47	39.81	50.95

**DYNAMATIC TECHNOLOGIES LIMITED**  
**CIN: L72200KA1973PLC002308**  
**DYNAMATIC PARK, PEENYA, BANGALORE-560 058, INDIA**

**Statement of unaudited standalone financial results for the quarter and nine months ended 31 December 2019**

**Notes (continued):**

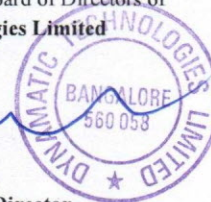
- 7 The Company has elected to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for income tax for the quarter and nine months ended on 31 December 2019 and re-measured its deferred tax balances basis the rate prescribed in the said section.
- 8 Previous period figures have been regrouped to confirm with the classification adopted in these financial results.



for and on behalf of Board of Directors of  
**Dynamatic Technologies Limited**

A handwritten signature in blue ink, appearing to read "Udayant Malhoutra".

**Udayant Malhoutra**  
**CEO and Managing Director**



Place: Bengaluru  
Date: 11 February 2020

**INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM CONSOLIDATED  
FINANCIAL RESULTS**

**TO THE BOARD OF DIRECTORS OF  
DYNAMATIC TECHNOLOGIES LIMITED**

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of **DYNAMATIC TECHNOLOGIES LIMITED** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), for the quarter and nine months ended 31 December 2019 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement 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 (ICAI). A review of interim financial information consists of making inquiries, primarily of Parent's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. The Statement includes the results of the Parents and the following entities:
  - i. JKM Research Farm Limited, India
  - ii. JKM Global Pte Limited, Singapore
  - iii. Dynamatic Limited, UK
  - iv. Yew Tree Investment Limited, UK
  - v. Dynamatic US LLC, USA
  - vi. JKM Erla Automotive Limited, India
  - vii. JKM Automotive Limited, India
  - viii. JKM Erla Holdings GmbH, Germany
  - ix. Eisenwerk Erla GmbH, Germany
  - x. JKM Ferrotech Limited, India
5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the

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**Deloitte  
Haskins & Sells LLP**

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. We did not review the financial results of five subsidiaries included in the unaudited consolidated financial results, whose financial results reflect total revenues of Rs. 15,064 lakhs and Rs. 49,532 lakhs for the quarter and nine months ended 31 December 2019 respectively, total net loss after tax of Rs. 605 lakhs and Rs. 750 lakhs for the quarter and nine months ended 31 December 2019 respectively and total comprehensive loss of Rs. 605 lakhs and Rs. 750 lakhs for the quarter and nine months ended 31 December 2019 respectively, as considered in the Statement. These financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement is not modified in respect of these matters.

7. The unaudited consolidated financial results includes the financial results of three subsidiaries which have not been reviewed by their auditors, whose financial results reflect total revenue of Rs. 44 lakhs and Rs. 134 lakhs for the quarter and nine months ended 31 December 2019 respectively, total net loss of Rs. 35 lakhs and Rs. 6 lakhs for the quarter and nine months ended 31 December 2019 respectively and total comprehensive loss of Rs. 35 lakhs and Rs. 6 lakhs for the quarter and nine months ended 31 December 2019 respectively, as considered in the Statement. According to the information and explanations given to us by the Management, these financial results are not material to the Group.

Our Conclusion on the Statement is not modified in respect of our reliance on the financial results certified by the Management.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)



**Sathya P. Koushik**  
Partner

(Membership No. 206920)  
UDIN: 20206920AAAABW8842

Bengaluru, February 11, 2020  
SPK/JKS/DSS/2019

**DYNAMATIC TECHNOLOGIES LIMITED**  
CIN: L72200KA1973PLC002308  
DYNAMATIC PARK, PEENYA, BENGALURU-560 058, INDIA  
**Statement of unaudited consolidated financial results for the quarter and nine months ended 31 December 2019**

(INR in lacs, except as otherwise stated)

Sl. No.	Particulars	3 months ended 31 December 2019 Unaudited	Preceding 3 months ended 30 September 2019 Unaudited	Corresponding 3 months ended in previous period 31 December 2018 Unaudited	Year to date figures for the current period ended 31 December 2019 Unaudited	Year to date figures for the previous period ended 31 December 2018 Unaudited	Previous year ended 31 March 2019 Audited
<b>1</b>	<b>Continuing operations</b>						
	<b>Income</b>						
	a) Revenue from operations	30,781	32,049	36,656	1,00,298	1,11,544	1,50,030
	b) Other income	23	329	(124)	546	635	724
	<b>Total income (a+b)</b>	<b>30,804</b>	<b>32,378</b>	<b>36,532</b>	<b>1,00,844</b>	<b>1,12,179</b>	<b>1,50,754</b>
<b>2</b>	<b>Expenses</b>						
	a) Cost of materials and components consumed	13,944	15,191	18,911	46,882	58,278	77,411
	b) Change in inventory of finished goods and work-in-progress	901	223	(650)	2,150	(810)	(670)
	c) Employee benefits expense	6,147	6,063	6,526	18,690	19,292	25,388
	d) Finance costs	2,174	2,007	2,008	6,278	5,844	7,950
	e) Depreciation and amortisation expense	2,311	2,224	1,231	6,715	3,753	4,925
	f) Other expenses	5,360	5,790	7,483	17,631	22,001	30,377
	<b>Total expenses (a+b+c+d+e+f)</b>	<b>30,837</b>	<b>31,498</b>	<b>35,509</b>	<b>98,346</b>	<b>1,08,358</b>	<b>1,45,381</b>
<b>3</b>	<b>Profit/(loss) from continuing operations before tax (1 - 2)</b>	<b>(33)</b>	<b>880</b>	<b>1,023</b>	<b>2,498</b>	<b>3,821</b>	<b>5,373</b>
<b>4</b>	<b>Tax expense/(credit)</b>						
	a) Current tax	(1,034)	229	436	(97)	1,903	1,209
	b) Deferred tax	(276)	(30)	17	(379)	(273)	1,048
	<b>Total tax expense (a+b)</b>	<b>(1,310)</b>	<b>199</b>	<b>453</b>	<b>(476)</b>	<b>1,630</b>	<b>2,257</b>
<b>5</b>	<b>Profit after tax from continuing operations (3 - 4)</b>	<b>1,277</b>	<b>681</b>	<b>570</b>	<b>2,974</b>	<b>2,191</b>	<b>3,116</b>
	<b>Discontinued operations (Refer Note 4)</b>						
<b>6</b>	<b>Profit/(Loss) from discontinued operations</b>	<b>(387)</b>	<b>(150)</b>	<b>(190)</b>	<b>(650)</b>	<b>(210)</b>	<b>(460)</b>
<b>7</b>	<b>Tax expense/(credit) of discontinued operations</b>	<b>66</b>	<b>(30)</b>	<b>(1)</b>	<b>-</b>	<b>(8)</b>	<b>(91)</b>
<b>8</b>	<b>Profit/(Loss) after tax from discontinued operations (6-7)</b>	<b>(453)</b>	<b>(120)</b>	<b>(189)</b>	<b>(650)</b>	<b>(202)</b>	<b>(369)</b>
<b>9</b>	<b>Profit for the period (5+8)</b>	<b>824</b>	<b>561</b>	<b>381</b>	<b>2,324</b>	<b>1,989</b>	<b>2,747</b>
<b>10</b>	<b>Other comprehensive income/(loss) (OCI)</b>						
	Items that will not to be reclassified subsequently to statement of profit and loss						
	Premeasurement gain/(loss) on defined benefit plans	(11)	(66)	40	(71)	126	24
	Income tax relating to items that will not be reclassified to statement of profit and loss	(15)	17	(14)	-	(44)	(9)
	Items that will be reclassified subsequently to Statement of profit and loss						
	Exchange differences in translating financial statements of foreign operations	1,749	(356)	(1,526)	1,197	(719)	(721)
<b>11</b>	<b>Other comprehensive income for the period, net of tax</b>	<b>1,723</b>	<b>(405)</b>	<b>(1,500)</b>	<b>1,126</b>	<b>(637)</b>	<b>(706)</b>
<b>12</b>	<b>Total comprehensive income for the period (9+11)</b>	<b>2,547</b>	<b>156</b>	<b>(1,119)</b>	<b>3,450</b>	<b>1,352</b>	<b>2,041</b>
<b>13</b>	<b>Paid-up equity share capital (face value of Rs 10/- each)</b>	<b>634</b>	<b>634</b>	<b>634</b>	<b>634</b>	<b>634</b>	<b>634</b>
<b>14</b>	<b>Reserves (Other equity)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31,855</b>
	<b>Earnings per equity share</b>	(not annualised)	(not annualised)	(not annualised)	(not annualised)	(not annualised)	(annualised)
	Earnings per share (for continuing operations) Basic and diluted (Rs)	20.14	10.74	8.99	46.91	34.56	49.15
	<b>Earnings per equity share (for discontinued operations)</b>						
	Basic and diluted (Rs)	(7.15)	(1.89)	(2.98)	(10.25)	(3.19)	(5.81)
	<b>Earnings per equity share (for continuing and discontinued operations)</b>						
	Basic and diluted (Rs)	12.99	8.85	6.01	36.66	31.37	43.34

See accompanying notes to these financial results.



**DYNAMATIC TECHNOLOGIES LIMITED**  
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Statement of unaudited consolidated financial results for the quarter and nine months ended 31 December 2019

Annexure I: Statement of consolidated segment wise revenue, results, assets and liabilities for the quarter and nine months ended 31 December 2019

(INR in lacs, except as otherwise stated)

Sl. No.	Particulars	3 months ended 31 December 2019 Unaudited	Preceding 3 months ended 30 September 2019 Unaudited	Corresponding 3 months ended in previous period 31 December 2018 Unaudited	Year to date figures for the current period ended 31 December 2019 Unaudited	Year to date figures for the previous period ended 31 December 2018 Unaudited	Previous year ended 31 March 2019 Audited
1	<b>Segment revenue</b>						
	a) Hydraulics	6,644	7,662	8,913	22,986	26,971	36,310
	b) Aerospace	13,246	11,900	11,975	37,122	34,565	46,885
	c) Automotive and Metallurgy	10,674	12,487	15,767	39,973	50,006	66,833
	d) Others	217	-	1	217	2	2
	<b>Revenue from operations (continuing operations)</b>	<b>30,781</b>	<b>32,049</b>	<b>36,656</b>	<b>1,00,298</b>	<b>1,11,544</b>	<b>1,50,030</b>
	e) From discontinued operations - (Refer note 4)	458	527	2,318	1,661	6,230	7,853
	<b>Total revenue from operations (continuing and discontinued operations)</b>	<b>31,239</b>	<b>32,576</b>	<b>38,974</b>	<b>1,01,959</b>	<b>1,17,774</b>	<b>1,57,883</b>
2	<b>Segment results [profit/ (loss) before finance costs, other income and tax from each segment]</b>						
	a) Hydraulics	74	222	847	1,059	2,349	3,278
	b) Aerospace	2,625	3,089	2,758	8,600	7,668	10,255
	c) Automotive and Metallurgy	(29)	(482)	27	(23)	379	889
	d) Others	(552)	(271)	(477)	(1,406)	(1,366)	(1,823)
	<b>Total (continuing operations)</b>	<b>2,118</b>	<b>2,558</b>	<b>3,155</b>	<b>8,230</b>	<b>9,030</b>	<b>12,599</b>
	e) From discontinued operations - (Refer note 4)	(387)	(150)	(190)	(650)	(210)	(460)
	<b>Total (continuing and discontinued operations)</b>	<b>1,731</b>	<b>2,408</b>	<b>2,965</b>	<b>7,580</b>	<b>8,820</b>	<b>12,139</b>
	<b>Unallocable</b>						
	- Finance costs	2,174	2,007	2,008	6,278	5,844	7,950
	- Other income	23	329	(124)	546	635	724
	<b>Profit before tax (continuing and discontinued operations)</b>	<b>(420)</b>	<b>730</b>	<b>833</b>	<b>1,848</b>	<b>3,611</b>	<b>4,913</b>
3	<b>Segment assets</b>						
	a) Hydraulics	30,033	30,249	23,597	30,033	23,597	26,064
	b) Aerospace	63,166	61,410	53,753	63,166	53,753	51,847
	c) Automotive and Metallurgy	40,198	41,334	42,191	40,198	42,191	41,572
	d) Others	3,303	3,132	5,539	3,303	5,539	3,990
	e) Unallocated	6,067	4,721	5,964	6,067	5,964	7,437
	<b>Segment assets from continuing operations</b>	<b>1,42,767</b>	<b>1,40,846</b>	<b>1,31,044</b>	<b>1,42,767</b>	<b>1,31,044</b>	<b>1,30,910</b>
	f) Relating to discontinued operations	7,347	7,718	11,619	7,347	11,619	7,574
	<b>Total assets (continuing and discontinued operations)</b>	<b>1,50,114</b>	<b>1,48,564</b>	<b>1,42,663</b>	<b>1,50,114</b>	<b>1,42,663</b>	<b>1,38,484</b>
4	<b>Segment liabilities</b>						
	a) Hydraulics	14,706	14,560	8,916	14,706	8,916	10,209
	b) Aerospace	18,133	16,537	7,794	18,133	7,794	6,244
	c) Automotive and Metallurgy	13,158	14,183	13,783	13,158	13,783	16,693
	d) Others	2,055	1,928	6,151	2,055	6,151	1,630
	e) Unallocated	65,987	67,862	73,062	65,987	73,062	71,138
	<b>Segment liabilities from continuing operations</b>	<b>1,14,039</b>	<b>1,15,070</b>	<b>1,09,706</b>	<b>1,14,039</b>	<b>1,09,706</b>	<b>1,05,914</b>
	f) Relating to discontinued operations	133	116	761	133	761	81
	<b>Total liabilities (continuing and discontinued operations)</b>	<b>1,14,172</b>	<b>1,15,186</b>	<b>1,10,467</b>	<b>1,14,172</b>	<b>1,10,467</b>	<b>1,05,995</b>



**DYNAMATIC TECHNOLOGIES LIMITED**  
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**Statement of unaudited consolidated financial results for the quarter and nine months ended 31 December 2019**

**Notes:**

- 1 The above financial results for the quarter and nine months ended 31 December 2019 were reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 11 February 2020.
- 2 The above results for the quarter and nine months ended 31 December 2019 has been subjected to 'Limited Review' by Statutory Auditors of the Company. The report of the Statutory Auditors is unmodified. The Ind AS financial results of the Company for quarter ended 30 June 2019, quarter and nine months ended 31 December 2018 and year ended 31 March 2019, were reviewed/ audited by the B S R & Co LLP Chartered Accountants, the predecessor auditor who have expressed an unmodified review conclusion/ opinion.
- 3 Based on the 'Management approach' as defined in Ind AS 108 - Operating Segments, the Chief Operating Decision Maker evaluates the Group performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented along with these business segments viz. Hydraulics, Aerospace, Automotive and Metallurgy (formerly known as Automotive and Aluminium Castings) and Others. The accounting principles used in the preparation of these financial results are consistently applied to record revenue and expenditure in individual segments. Refer "Annexure I" for segment results.
- 4 Discontinued operations and assets held for sale

During the year ended 31 March 2018, the Board of Directors of the Company vide its meeting dated 28 February 2018, had approved the divestment of 'Automotive and Aluminium Castings' ('discontinued business'). Subsequently, the Company had obtained the Shareholders' approval (a substantive approval) vide postal ballot dated 15 May 2018 and accordingly 'Automotive and Aluminium Castings' as appearing in the unaudited standalone financial results of the Company was classified as discontinued operation from the quarter ended 30 June 2018.

During the year ended 31 March 2019, the Company had entered into a business transfer agreement with Hi-Tech to sell certain assets of the Aluminium business. The transaction was consummated on 17 January 2019.

The Group continues to disclose the assets and liabilities of the Iron business and Windfarm business (part of 'Automotive and Metallurgy') as appearing in the consolidated financial results as 'Asset held for sale' as on 31 December 2019 in accordance with Ind AS 105.

The results of discontinued business included in the consolidated financial results are as follows:

Particulars	Quarter ended			Nine months ended		Year ended
	31 December 2019 # Unaudited	30 September 2019 # Unaudited	31 December 2018 Unaudited	31 December 2019 # Unaudited	31 December 2018 Unaudited	31 March 2019 Audited
Revenue	458	527	2,318	1,661	6,230	7,853
Expenses	845	677	2,508	2,311	6,440	8,313
Loss before tax	(387)	(150)	(190)	(650)	(210)	(460)

# represents the iron business and windfarm business as the Aluminium business sale got consummated on 17 January 2019.



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**Statement of unaudited consolidated financial results for the quarter and nine months ended 31 December 2019**

**Notes (continued):**

**5 Information on standalone financial results**

*(INR in lacs, except as otherwise stated)*

Particulars	3 months ended 31 December 2019 Unaudited	Preceding 3 months ended 30 September 2019 Unaudited	Corresponding 3 months ended in previous period 31 December 2018 Unaudited	Year to date figures for the current period ended 31 December 2019 Unaudited	Year to date figures for the previous period ended 31 December 2018 Unaudited	Previous year ended 31 March 2019 Audited
a. Revenue from continuing operations	14,102	14,967	15,210	44,406	43,855	59,215
b. Profit from continuing operations before tax	1,243	1,940	1,249	4,845	4,131	5,536
c. Profit from continuing operations after tax	(16,841)	1,689	827	(14,007)	2,726	3,599
d. Profit/ (Loss) from discontinued operations before tax	(387)	(150)	(190)	(650)	(210)	(460)
e. Profit/(Loss) from discontinued operations after tax	(453)	(120)	(189)	(650)	(202)	(369)

6 Effective 1 April 2019, the Group adopted Ind AS 116 "Leases" applied to its lease contracts existing on 1 April 2019 under the modified retrospective method. Accordingly, the Group has not restated the comparative information for the year ended 31 March 2019. The implementation of Ind AS 116 resulted in recognition of Right-of-Use asset of INR 14,022 lacs and INR 12,448 lacs and Lease liability of INR 14,022 Lacs and INR 14,305 Lacs as on 01 April 2019 and 31 December 2019 respectively. For the quarter and nine month ended 31 December 2019, the implementation of Ind AS 116 resulted in lower Profit before tax by INR 122 lacs and by INR 369 lacs respectively on account of higher interest cost and depreciation offset by revenue in rent expenses. In the statement of profit and loss for the current period, the nature of expenses in respect of operating leases has changed from lease rent in previous periods to depreciation cost for the "Right-of-Use" asset and finance cost for interest accrued on "Lease Liability".

7 On 11 February 2020, the board of JKM Ferrotech Limited ('JFTL'), a subsidiary of the Company, have approved a Scheme of capital reduction, subject to regulatory approvals.

8 Previous period figures have been regrouped to confirm with the classification adopted in these financial results.



for and on behalf of Board of Directors of  
**Dynamatic Technologies Limited**



**Udayant Malhoutra**  
CEO and Managing Director

Place: Bengaluru  
Date: 11 February 2020