

# B S R & Associates

(Registered)

Chartered Accountants

Maruthi Info-Tech Centre  
11-12/1 Inner Ring Road  
Koramangala  
Bangalore 560 071 India

Telephone +91 80 3980 6000  
Fax +91 80 3980 6999

**Review report to the Board of Directors of Dynamatic Technologies Limited on the consolidated unaudited financial results of Dynamatic Technologies Limited and its subsidiaries.**

1. We have reviewed the accompanying statement of consolidated unaudited financial results of Dynamatic Technologies Limited ('the Company') and its subsidiaries (collectively referred to as 'the Group') for the quarter and half year ended 30 September 2011 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 2011. Our responsibility is to issue a report on these consolidated unaudited financial results based on our review. The consolidated unaudited financial results for the quarter and half year ended 30 September 2010 included in the enclosed statement have not been reviewed by us.
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 financial statements are free of material misstatement. A review is limited primarily to inquiries of Company personnel and an analytical procedure 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. These subsidiaries account for 65.58% and 68.00% of total revenues, other operating income and other income as shown in these consolidated unaudited financial results for the quarter and half year ended 30 September 2011 respectively. The unaudited financial results of these 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. For the purposes of preparation of consolidated unaudited financial results, 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 consolidated unaudited financial results made under the generally accepted accounting principles in India. The reporting packages made for this purpose have been reviewed by the other auditors and reports of those other auditors have been furnished to us. Our opinion on the consolidated unaudited financial results, in so far as it relates to these entities, is based on the aforesaid review reports of these other auditors.

4. As fully explained in note 4 of the accompanying consolidated unaudited financial results, the Company through its subsidiary JKM Erla Holdings GmbH (JEGH) has acquired 100% shareholding in JKM Group GmbH (JGH) [erstwhile known as JEH Group GmbH] (formerly Sanmar Group Germany GmbH) vide share purchase agreement dated 31 May 2011, which is effective 01 April 2011, at an aggregate consideration of Euro 26.40 million. JGH has 100% shareholding in Eisenwerk Erla (B) GmbH (EEB). EEB has 100% shareholding in Eisenwerk Erla GmbH (EEG). EEG has 100% shareholding in JKM Ferrotech Limited, [erstwhile known as Sanmar Ferrotech Limited]. The Management is in the process of amalgamating JGH, EEB and EEG with JEGH and allocating purchase consideration to the various items of assets so acquired. Pending final allocation of purchase consideration to the carrying values of acquired assets, the resultant impact, if any, on depreciation, income-tax, profit and loss for the quarter and half year ended 30 September 2011 and relevant disclosures are not currently determinable.
5. We state that based on our review conducted as above and *subject to our comments on paragraph 4 above* and on consideration of review 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 of consolidated unaudited financial results prepared in accordance with applicable accounting standards as specified in the Companies (Accounting Standards) Rules, 2006 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 & Associates

Chartered Accountants

Registration number: 116231W



**Sunil Gaggar**

Partner

Membership No. 104315

Bangalore

14 November 2011

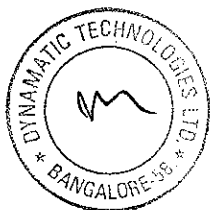
**DYNAMATIC TECHNOLOGIES LIMITED**

Dynamatic Park, Peenya, Bangalore-560 058, India

**Consolidated Unaudited Financial Results for the quarter and half year ended 30 September 2011**

(Rs. in lakhs)

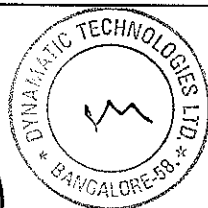
| Sl. No. | Particulars   | Quarter ended 30 September |                  | Half year ended 30 September |                  | Previous accounting year ended 31 March |
|---------|---|----------------------------|------------------|------------------------------|------------------|---|
|         |   | 2011                       | 2010             | 2011                         | 2010             | 2011                                    |
|         |   | Unaudited                  | Unaudited        | Unaudited                    | Unaudited        | Audited                                 |
| 1.      | (a) Net Sales/ income from operations   | 37,586.13                  | 12,389.01        | 72,963.39                    | 23,671.31        | 49,503.95                               |
|         | (b) Other operating income  | 459.98                     | 112.22           | 739.22                       | 204.11           | 627.52                                  |
|         |   | <b>38,046.11</b>           | <b>12,501.23</b> | <b>73,702.61</b>             | <b>23,875.42</b> | <b>50,131.47</b>                        |
| 2.      | Expenditure   |                            |                  |                              |                  |   |
|         | (a) Increase in stock in trade and work in progress   | (78.87)                    | (200.90)         | (203.00)                     | (304.92)         | (861.69)                                |
|         | (b) Consumption of raw materials  | 24,163.00                  | 6,410.35         | 47,425.13                    | 12,035.51        | 25,490.89                               |
|         | (c) Employees cost  | 5,365.58                   | 2,393.15         | 10,607.65                    | 4,648.41         | 9,662.37                                |
|         | (d) Depreciation  | 1,067.92                   | 587.15           | 2,054.54                     | 1,217.50         | 2,504.33                                |
|         | (e) Other expenditure   | 4,759.04                   | 1,698.83         | 9,108.81                     | 3,718.24         | 7,793.42                                |
|         | (f) Total   | <b>35,276.67</b>           | <b>10,888.58</b> | <b>68,993.13</b>             | <b>21,314.74</b> | <b>44,589.32</b>                        |
| 3.      | Profit from operations before other income, Interest and tax (1-2)                            | 2,769.44                   | 1,612.65         | 4,709.48                     | 2,560.68         | 5,542.15                                |
| 4.      | Other income  | 40.61                      | 25.39            | 76.70                        | 49.11            | 236.35                                  |
| 5.      | Profit before interest and tax (3+4)  | 2,810.05                   | 1,638.04         | 4,786.18                     | 2,609.79         | 5,778.50                                |
| 6.      | Interest  | 1,818.47                   | 649.39           | 3,253.24                     | 1,276.29         | 2,745.66                                |
| 7.      | Profit before tax (5-6)   | 991.58                     | 988.65           | 1,532.94                     | 1,333.50         | 3,032.84                                |
| 8.      | Tax expense   | 311.01                     | 314.62           | 464.17                       | 440.20           | 865.21                                  |
| 9.      | Net profit after tax (7-8)  | 680.57                     | 674.03           | 1,068.77                     | 893.30           | 2,167.63                                |
| 10.     | Paid-up Equity Share Capital<br>[Face Value of Rs. 10 per share]                              | 541.47                     | 541.47           | 541.47                       | 541.47           | 541.47                                  |
| 11.     | Reserves excluding revaluation reserves<br>[as per balance sheet of previous accounting year] | -                          | -                | -                            | -                | 12,891.58                               |
| 12.     | Earnings Per Share (EPS) [in Rupees]  |                            |                  |                              |                  |   |
|         | -basic and diluted EPS  | 12.57                      | 12.45            | 19.74                        | 16.50            | 40.03                                   |
| 13.     | Public shareholding   |                            |                  |                              |                  |   |
|         | - Number of shares  | 2,431,891                  | 2,426,181        | 2,431,891                    | 2,426,181        | 2,447,569                               |
|         | - Percentage of shareholding  | 44.91%                     | 44.81%           | 44.91%                       | 44.81%           | 45.20%                                  |
| 14.     | Promoters and promoter group shareholding:  |                            |                  |                              |                  |   |
|         | a) Pledged/Encumbered   |                            |                  |                              |                  |   |
|         | - Number of shares  | 398,500                    | 345,000          | 398,500                      | 345,000          | 345,000                                 |
|         | - Percentage of shares [ as a % of the total shareholding of promoter and promoter group]     | 13.36%                     | 11.54%           | 13.36%                       | 11.54%           | 11.63%                                  |
|         | - Percentage of Shares [as a % of the total share capital of the Company]                     | 7.36%                      | 6.37%            | 7.36%                        | 6.37%            | 6.37%                                   |
|         | b) Non encumbered   |                            |                  |                              |                  |   |
|         | - Number of shares  | 2,584,312                  | 2,643,522        | 2,584,312                    | 2,643,522        | 2,622,134                               |
|         | - Percentage of shares [ as a % of the total shareholding of Promoter and promoter group]     | 86.64%                     | 88.46%           | 86.64%                       | 88.46%           | 88.37%                                  |
|         | - Percentage of shares [as a % of the total share capital of the Company]                     | 47.73%                     | 48.82%           | 47.73%                       | 48.82%           | 48.43%                                  |



**Segment wise revenue, results and capital employed**

(Rs. in lakhs)

| Sl. No. | Particulars   | Quarter ended 30 September |                  | Half year ended 30 September |                  | Previous accounting year ended 31 March |
|---------|---|----------------------------|------------------|------------------------------|------------------|---|
|         |   | 2011                       | 2010             | 2011                         | 2010             | 2011                                    |
|         |   | Unaudited                  | Unaudited        | Unaudited                    | Unaudited        | Audited                                 |
| 1.      | <b>Segment revenue</b>  |                            |                  |                              |                  |   |
|         | a) Hydraulics & Precision Engineering   | 6,883.26                   | 5,539.64         | 12,986.70                    | 10,702.74        | 22,207.29                               |
|         | b) Aerospace  | 3,536.57                   | 2,343.79         | 6,316.08                     | 4,611.62         | 10,368.85                               |
|         | c) Aluminium Castings   | 1,456.32                   | 889.68           | 2,473.14                     | 1,704.10         | 3,463.78                                |
|         | d) Automotive   | 27,733.30                  | 4,765.78         | 54,538.72                    | 8,820.78         | 17,486.84                               |
|         | e) Research Farm  | 27.00                      | 27.00            | 54.00                        | 54.00            | 117.75                                  |
|         | f) Others   | 302.11                     | 4.94             | 434.65                       | 10.90            | 546.28                                  |
|         | <b>Total</b>  | <b>39,938.56</b>           | <b>13,570.83</b> | <b>76,803.29</b>             | <b>25,904.14</b> | <b>54,190.79</b>                        |
|         | Less : Inter segment revenue  | (1,892.45)                 | (1,069.60)       | (3,100.68)                   | (2,028.72)       | (4,059.32)                              |
|         | <b>Net sales/ income from operations</b>                                      | <b>38,046.11</b>           | <b>12,501.23</b> | <b>73,702.61</b>             | <b>23,875.42</b> | <b>50,131.47</b>                        |
| 2.      | <b>Segment results [Profit / (Loss)] before tax and interest from Segment</b> |                            |                  |                              |                  |   |
|         | a) Hydraulics & Precision Engineering   | 702.34                     | 588.74           | 1,252.59                     | 1,074.25         | 1,956.53                                |
|         | b) Aerospace  | 1,264.51                   | 746.07           | 2,034.46                     | 1,474.84         | 3,185.15                                |
|         | c) Aluminium Castings   | (222.61)                   | (23.69)          | (430.97)                     | (69.34)          | (71.73)                                 |
|         | d) Automotive   | 937.96                     | 223.18           | 1,645.76                     | (7.77)           | 206.24                                  |
|         | e) Research Farm  | 22.12                      | 17.27            | 44.30                        | 34.39            | (17.85)                                 |
|         | f) Others   | 65.12                      | 61.08            | 163.34                       | 54.31            | 283.81                                  |
|         | <b>Total</b>  | <b>2,769.44</b>            | <b>1,612.65</b>  | <b>4,709.48</b>              | <b>2,560.68</b>  | <b>5,542.15</b>                         |
|         | Less: i) Interest   | 1,818.47                   | 649.39           | 3,253.24                     | 1,276.29         | 2,745.66                                |
|         | ii) Other unallocated expenditure net of unallocated income                   | (40.61)                    | (25.39)          | (76.70)                      | (49.11)          | (236.35)                                |
|         | <b>Total Profit before Tax</b>  | <b>991.58</b>              | <b>988.65</b>    | <b>1,532.94</b>              | <b>1,333.50</b>  | <b>3,032.84</b>                         |
| 3.      | <b>Capital employed (Segment Assets - Segment Liabilities)</b>                |                            |                  |                              |                  |   |
|         | a) Hydraulics & Precision Engineering   | 17,993.93                  | 13,943.27        | 17,993.93                    | 13,943.27        | 17,681.73                               |
|         | b) Aerospace  | 15,005.53                  | 13,270.09        | 15,005.53                    | 13,270.09        | 11,741.49                               |
|         | c) Aluminium Castings   | 1,235.38                   | 1,873.91         | 1,235.38                     | 1,873.91         | 1,854.96                                |
|         | d) Automobile Components  | 53,125.83                  | 9,906.09         | 53,125.83                    | 9,906.09         | 14,658.42                               |
|         | e) Research Farm  | 498.51                     | 295.76           | 498.51                       | 295.76           | 498.40                                  |
|         | f) Others   | 3,746.96                   | 3,044.19         | 3,746.96                     | 3,044.19         | 3,134.46                                |
|         | g) Unallocated  | (71,716.22)                | (28,918.50)      | (71,716.22)                  | (28,918.50)      | (34,116.28)                             |
|         | <b>Total</b>  | <b>19,889.92</b>           | <b>13,414.81</b> | <b>19,889.92</b>             | <b>13,414.81</b> | <b>15,453.18</b>                        |



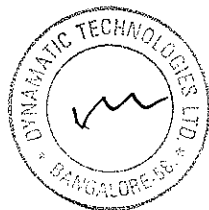
# DYNAMATIC TECHNOLOGIES LIMITED

Dynamatic Park, Peenya, Bangalore-560 058, India

Disclosure of Consolidated Balance Sheet Items as per clause 41(V)(h) of Listing Agreement

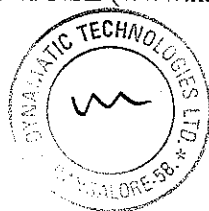
(Rs in lakhs)

| Particulars  | As at 30 September |                  |
|--|--------------------|------------------|
|  | 2011               | 2010             |
|  | (Unaudited)        | (Unaudited)      |
| <b>SHAREHOLDERS' FUNDS:</b>                                    |                    |                  |
| (a) Capital  | 3,836.47           | 541.47           |
| (b) Reserves and Surplus                                       | 16,053.45          | 12,873.34        |
| <b>Loan Funds</b>  | 72,389.94          | 27,699.49        |
| <b>Deferred tax liabilities, net</b>                           | 1,700.39           | 2,485.20         |
| <b>TOTAL</b>   | <b>93,980.25</b>   | <b>43,599.50</b> |
| <b>Fixed assets</b>  | 57,140.91          | 26,963.30        |
| <b>Goodwill</b>  | 15,009.50          | 3,857.72         |
| <b>CURRENT ASSETS, LOANS AND ADVANCES</b>                      |                    |                  |
| (a) Inventories  | 18,870.65          | 7,100.40         |
| (b) Sundry Debtors   | 23,613.25          | 10,598.23        |
| (c) Cash and Bank balances                                     | 3,022.42           | 2,042.57         |
| (d) Other current assets                                       | 1,891.82           | 1,279.22         |
| (e) Loans and Advances   | 4,973.48           | 3,590.07         |
| Less: Current Liabilities and Provisions                       |                    |                  |
| (a) Liabilities  | 30,201.66          | 11,371.50        |
| (b) Provisions   | 340.12             | 460.51           |
| <b>MISCELLANEOUS EXPENDITURE (NOT WRITTEN OFF OR ADJUSTED)</b> | -                  | -                |
| <b>PROFIT AND LOSS ACCOUNT</b>                                 | -                  | -                |
| <b>TOTAL</b>   | <b>93,980.25</b>   | <b>43,599.50</b> |



## NOTES:

1. The consolidated financial results of Dynamatic Technologies Limited ("the Company"), its subsidiaries (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.
2. The consolidated unaudited financial results of the Group were reviewed by the Audit Committee and thereafter approved by the Board of Directors of the Company in their meeting held on 14 November 2011 and subjected to a Limited Review by the statutory auditors of the Company as required by the Listing Agreement with the stock exchanges.
3. The consolidated unaudited financial results of the Group include the financial results of Dynamatic Technologies Limited and its subsidiaries.
4. The Company through its Wholly Owned Subsidiary, JKM Erla Automotive Limited acquired Eisenwerk Erla GmbH, Germany. This acquisition involves holding of the 100% shares of Eisenwerk Erla GmbH, Germany through multiple wholly owned subsidiaries namely JKM Erla Holdings GmbH, JKM Group GmbH (JGH) [*erstwhile known as JEH Group GMBH*] (*formerly Sanmar Group Germany GmbH*), Eisenwerk Erla (B) GmbH and Eisenwerk Erla GmbH. The Company is in the process of amalgamating these subsidiaries and allocating purchase consideration to the various items of assets so acquired. Pending final allocation of purchase consideration to the carrying values of acquired assets, the resultant impact, if any, on depreciation, income-tax, profit and loss for the quarter and half year ended 30 September 2011 and relevant disclosures are not determinable currently and the necessary retro adjustments, if any, would be accounted for in the subsequent quarter.
5. The financial results for the half year ended 30 September 2011 includes expenses aggregating Rs 70.34 lacs incurred as professional fees for carrying out due diligence for the above mentioned business acquisition.
6. The financial results for the quarter and half year ended 30 September 2011 also includes the operating performance of entities as mentioned in note 4 above and hence are not comparable with previous period.
7. The financial results for the corresponding quarter and six month ended 30 September 2010 and statement of assets and liabilities as at 30 September 2010 were not subjected to a Limited review/audit by the statutory auditors of the Company.
8. 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](http://www.dynamatics.com) and also on the websites of BSE ([www.bseindia.com](http://www.bseindia.com)) and NSE ([www.nseindia.com](http://www.nseindia.com)).



9. Other expenditure includes unrealised foreign exchange loss/ (gain) on reinstatement of monetary assets and liabilities aggregating Rs.389.00 lacs and 369.00 lacs for the quarter and half year ended 30 September 2011 respectively (Rs(155.00) lacs and Rs. (53.00) lacs for the quarter and half year ended 30 September 2010 respectively).
10. The Board of Directors has recommended an interim dividend of Rs. 3 per equity share aggregating Rs. 16,244,109.
11. 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 30 September |           | Half year ended 30 September |           | Year ended    |
|--|----------------------------|-----------|------------------------------|-----------|---------------|
|  | 2011                       | 2010      | 2011                         | 2010      | 31 March 2011 |
|  | Unaudited                  | Unaudited | Unaudited                    | Unaudited | Audited       |
| Revenues                                       | 11,198.88                  | 8,969.31  | 20,586.07                    | 17,200.12 | 35,918.42     |
| Profit/(loss) before tax and exceptional items | 111.01                     | 654.35    | (588.38)                     | 952.80    | 2,175.78      |
| Profit/(loss) after tax and exceptional items  | 78.29                      | 431.88    | (397.48)                     | 628.85    | 1,484.21      |

12. Status of investor complaints for the quarter and half year ended 30 September 2011:

| Particulars          | Opening | Received | Resolved | Pending |
|----------------------|---------|----------|----------|---------|
| Number of Complaints | -       | 1        | 1        | -       |

For and on behalf of the Board of Directors

  
**Udayant Malhoutra**  
**CEO and Managing Director**  
Dynamatic Technologies Ltd  
Bangalore  
14 November 2011

