

B S R & Associates

(Registered)
Chartered Accountants

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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 nine months ended 31 December 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 13 February 2012. 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 nine months ended 31 December 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 64.16% and 66.72% of total revenues, other operating income and other income as shown in these consolidated unaudited financial results for the quarter and nine months ended 31 December 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. This acquisition involved holding of the 100% shares of Eisenwerk Erla GmbH, Germany (EEG) through multiple wholly owned subsidiaries namely JEGH, JGH, Eisenwerk Erla (B) GmbH. EEG held 100% shareholding in JKM Ferrotech Limited, [erstwhile known as Sanmar Ferrotech Limited]. The Management is in the process of 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 nine months ended 31 December 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

Mumbai

13 February 2012



DYNAMATIC TECHNOLOGIES LIMITED

Dynamatic Park, Peenya, Bangalore-560 058, India

Consolidated Unaudited Financial Results for the quarter and nine months ended 31 December 2011

(Rs. in lakhs)

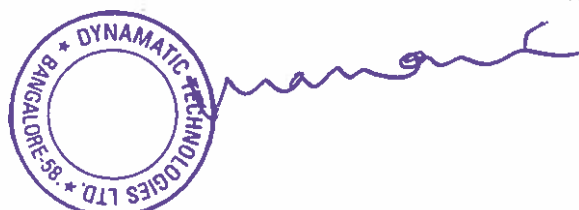
Sl. No.	Particulars	Quarter ended			Nine months ended		Previous accounting year ended 31 March
		31-Dec-11	30-Sep-11	31-Dec-10	31-Dec-11	31-Dec-10	2011
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1.	(a) Net sales/ income from operations	35,881.16	37,586.13	12,216.38	108,844.55	35,887.69	49,503.95
	(b) Other operating income	508.54	459.98	160.41	1,247.76	356.55	627.52
		36,389.70	38,046.11	12,376.79	110,092.31	36,244.24	50,131.47
2.	Expenditure						
	(a) (Increase)/ decrease in stock in trade and work in progress	(102.33)	(78.87)	(77.76)	(305.33)	(382.68)	(861.69)
	(b) Consumption of raw materials	22,960.75	24,163.00	6,139.72	70,385.88	18,175.23	25,490.89
	(c) Employees cost	5,676.64	5,365.58	2,482.66	16,284.29	7,131.07	9,662.37
	(d) Depreciation	1,119.90	1,067.92	667.87	3,174.44	1,885.37	2,504.33
	(e) Other expenditure	4,501.63	4,759.04	1,834.59	13,610.44	5,552.83	7,793.42
	(f) Total	34,156.59	35,276.67	11,047.08	103,149.72	32,361.82	44,589.32
3.	Profit from operations before other income, interest and tax (1-2)	2,233.11	2,769.44	1,329.71	6,942.59	3,882.42	5,542.15
4.	Other income	41.31	40.61	36.12	118.01	93.20	236.35
5.	Profit before interest and tax (3+4)	2,274.42	2,810.05	1,365.83	7,060.60	3,975.62	5,778.50
6.	Interest	1,948.66	1,818.47	688.74	5,201.90	1,965.03	2,745.66
7.	Profit before tax (5-6)	325.76	991.58	677.09	1,858.70	2,010.59	3,032.84
8.	Tax expense	(46.62)	311.01	230.23	417.55	670.43	865.21
9.	Net profit after tax (7-8)	372.38	680.57	446.86	1,441.15	1,340.16	2,167.63
10.	Paid-up equity share capital	541.47	541.47	541.47	541.47	541.47	541.47
	[Face Value of Rs. 10 per share]						
11.	Reserves excluding revaluation reserves	-	-	-	-	-	12,891.58
	[as per balance sheet of previous accounting year]						
12.	Earnings per share (EPS) [in rupees]						
	- basic and diluted EPS	6.88	12.57	8.25	26.62	24.75	40.03
13.	Public shareholding						
	- Number of shares	2,420,309	2,431,891	2,426,181	2,420,309	2,426,181	2,447,569
	- Percentage of shareholding	44.70%	44.91%	44.81%	44.70%	44.81%	45.20%
14.	Promoters and promoter group shareholding:						
	a) Pledged/encumbered						
	- Number of shares	413,500	398,500	345,000	413,500	345,000	345,000
	- Percentage of shares [as a % of the total shareholding of Promoter and promoter group]	13.81%	13.36%	11.54%	13.81%	11.54%	11.63%
	- Percentage of shares [as a % of the total share capital of the Company]	7.64%	7.36%	6.37%	7.64%	6.37%	6.37%
	b) Non encumbered						
	- Number of shares	2,580,894	2,584,312	2,643,522	2,580,894	2,643,522	2,622,134
	- Percentage of shares [as a % of the total shareholding of Promoter and promoter group]	86.19%	86.64%	88.46%	86.19%	88.46%	88.37%
	- Percentage of shares [as a % of the total share capital of the Company]	47.66%	47.73%	48.82%	47.66%	48.82%	48.43%



Segment wise revenue, results and capital employed for the quarter and nine months ended 31 December 2011

(Rs. in lakhs)

Sl. No.	Particulars	Quarter ended			Nine months ended		Previous accounting year ended 31 March
		31-Dec-11	30-Sep-11	31-Dec-10	31-Dec-11	31-Dec-10	2011
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1.	Segment revenue						
	a) Hydraulics & Precision Engineering	7,415.24	6,883.26	5,757.99	20,401.94	16,461.64	22,207.29
	b) Aerospace	3,712.98	3,536.57	2,593.33	10,029.06	7,204.41	10,368.85
	c) Aluminium Castings	1,405.74	1,456.32	812.88	3,878.88	2,516.98	3,463.78
	d) Automotive	25,476.69	27,733.30	4,156.27	80,015.41	12,977.05	17,486.84
	e) Research Farm	27.00	27.00	36.75	81.00	90.75	117.75
	f) Others	244.31	302.11	(2.39)	678.96	0.17	546.28
	Total	38,281.96	39,938.56	13,354.83	115,085.25	39,251.00	54,190.79
	Less: Inter segment revenue	(1,892.26)	(1,892.45)	(978.04)	(4,992.94)	(3,006.76)	(4,059.32)
	Net sales/ income from operations	36,389.70	38,046.11	12,376.79	110,092.31	36,244.24	50,131.47
2.	Segment results						
	[Profit / (loss) before tax and interest from segment]						
	a) Hydraulics & Precision Engineering	757.72	702.34	438.30	2,010.31	1,512.38	1,956.53
	b) Aerospace	1,103.44	1,264.51	747.81	3,137.90	2,223.19	3,185.15
	c) Aluminium Castings	(336.78)	(222.61)	(4.25)	(767.75)	(73.59)	(71.73)
	d) Automotive	722.77	937.96	94.90	2,368.53	87.13	206.24
	e) Research Farm	22.21	22.12	43.08	66.51	77.47	(17.85)
	f) Others	(36.25)	65.12	9.87	127.09	55.84	283.81
	Total	2,233.11	2,769.44	1,329.71	6,942.59	3,882.42	5,542.15
	Less: i) Interest	1,948.66	1,818.47	688.74	5,201.90	1,965.03	2,745.66
	ii) Other unallocated expenditure net of unallocated income	(41.31)	(40.61)	(36.12)	(118.01)	(93.20)	(236.35)
	Profit before tax	325.76	991.58	677.09	1,858.70	2,010.59	3,032.84
3.	Capital employed						
	(Segment assets - segment liabilities)						
	a) Hydraulics & Precision Engineering	17,073.57	17,993.93	9,621.51	17,073.57	9,621.51	17,681.73
	b) Aerospace	17,082.23	15,005.53	7,122.20	17,082.23	7,122.20	11,741.49
	c) Aluminium Castings	1,103.63	1,235.38	2,199.98	1,103.63	2,199.98	1,854.96
	d) Automobile Components	54,877.72	53,125.83	11,356.36	54,877.72	11,356.36	14,658.42
	e) Research Farm	520.36	498.51	453.33	520.36	453.33	498.40
	f) Others	3,754.33	3,746.96	2,981.18	3,754.33	2,981.18	3,134.46
	g) Unallocated	(74,973.35)	(71,716.22)	(18,148.88)	(74,973.35)	(18,148.88)	(34,116.28)
	Total	19,438.49	19,889.92	15,585.68	19,438.49	15,585.68	15,453.18



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 13 February 2012 and subjected to a Limited Review by the statutory auditors of the Company as required by the Listing Agreement with the stock exchanges. The statutory auditors have expressed a qualified review opinion which is detailed in note 4 below. The review opinion has been filed with the stock exchange and is available on the website of the Company.
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 (EEG). This acquisition involved 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*) and Eisenwerk Erla (B) GmbH . EEG held 100% shareholding in JKM Ferrotech Limited, [*erstwhile known as Sanmar Ferrotech Limited*]. The Company is in the process of 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 nine months ended 31 December 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 quarter and nine months ended 31 December 2011 also includes the operating performance of entities as mentioned in note 4 above and hence are not comparable with previous period.
6. The financial results for the corresponding quarter and nine months ended 31 December 2010 were not subjected to a Limited review/audit by the statutory auditors of the Company.
7. 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).



8. Pursuant to the Companies (Accounting standards) Amendment Rules, 2011, vide GSR 914(E) dated 29 December 2011, the Company has exercised the option of accumulating the exchange differences, in respect of accounting periods commencing from 1 April, 2011, on long term foreign currency monetary items, which were hitherto recognized as income or expenses in the period in which they arose. As a result, such exchange differences so far as they relate to the acquisition of non depreciable capital assets have been accumulated in "Foreign currency monetary item translation difference account", to be amortized over the balance period of such long term liability. Consequent upon this change, foreign currency monetary items translation difference account is higher by Rs 177 lakhs and Rs 355 lakhs for the quarter and nine months ended 31 December 2011 (30 September 2011: Rs 186 lakhs) and charge to the profit and loss account is lower by an equivalent amount.
9. Other expenditure includes unrealised foreign exchange loss/ (gain) on reinstatement of monetary assets and liabilities aggregating Rs.78.00 lacs and 395.00 lacs for the quarter and nine months ended 31 December 2011 respectively [Rs.6.00 lacs and Rs. (47.00) lacs for the quarter and nine months ended 31 December 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			Nine months ended		Year ended
	31 December 2011	30 September 2011	31 December 2010	2011	2010	31 March 2011
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Revenues	12,002.51	11,198.88	8,876.98	32,588.58	26,077.10	35,918.42
Profit/(loss) before tax and exceptional items	25.91	111.01	637.11	(562.47)	1,589.91	2,175.78
Profit/(loss) after tax and exceptional items	17.50	78.29	437.56	(379.98)	1,066.41	1,484.21



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12. Status of investor complaints for the quarter and nine months ended 31 December 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 Limited
Mumbai
13 February 2012

