

MINUTES OF THE THIRTY NINTH ANNUAL GENERAL MEETING OF THE MEMBERS OF DYNAMATIC TECHNOLOGIES LIMITED (the 'Company') HELD AT THE REGISTERED OFFICE OF THE COMPANY AT DYNAMATIC PARK, PEENYA, BANGALORE 560 058 ON THURSDAY, AUGUST 14, 2014 AT 10.00 AM.

PRESENT:

Mr. Vijai Kapur	...	Chairman of Board & Audit Committee
Air Chief Marshal S Krishnaswamy (Retd.)	...	Director
Mr. Govind Mirchandani	...	Director
Ms. Malavika Jayaram	...	Director
Mr. Nalini Ranjan Mohanty	...	Director
Mr. Raymond Keith Lawton	...	Director
Mr. Dietmar Hahn	...	Director
Mr. Udayant Malhoutra	...	CEO & Managing Director

IN ATTENDANCE:

Mr. Naveen Chandra	...	DGM – Head Legal, Compliance, and Company Secretary
Mr. Umang Banka	...	Senior Manager, B S R & Associates, LLP, Statutory Auditors
Mr. Hanuman Sharma	...	Chief Financial Officer

The Company Secretary welcomed the Chairman, Directors, Shareholders, Auditors, Dynamatic Leadership team, Senior Management, Employee Shareholders, other associates and well-wishers of the Company.

1. Chairman of the Meeting

In accordance with Article 88 of the Articles of Association of the Company, Mr. Vijai Kapur, Chairman of the Board, occupied the chair and welcomed the Shareholders of the Company to the Thirty Ninth Annual General Meeting ('AGM') of the Company.

2. Quorum

The Chairman ascertained the presence of quorum from the Company Secretary. The Company Secretary reported that, 118 Members were present in person and 5 by proxy. The Chairman declared that the quorum was present and called the meeting to order.

3. Register of Director's Shareholding and Register of Proxies

The Chairman announced that the Register of Directors' shareholdings as per Section 170(1) of the Companies Act, 2013 and the Register of Proxies were kept open and were available for inspection by the Members.

4. Presentation by Mr. Udayant Malhoutra, CEO & Managing Director, on the Company's performance

Mr. Udayant Malhoutra, CEO & Managing Director of the Company, made a presentation on the Company's performance. He explained that the economic uncertainties and the negative sentiments of the previous year continued to prevail throughout the Financial Year 2013-14. During the presentation, Mr. Udayant Malhoutra touched upon the following key points amongst others:

- A brief of the performance of 4 major divisions of the Company, viz., Hydraulics, Automotive & Metallurgy and Aerospace and Defence each of the divisions was provided
- Some challenges / accomplishments during the Financial Year 2013-14:
 - Aggressive Debt Reduction
 - ✓ Fresh Equity in the Business – Promoter Warrants
 - ✓ Monetisation of Non-Core Assets (2/3)
 - Turnaround of operations in Chennai
 - ✓ Product Mix Rationalisation
 - ✓ Aided by Weak Rupee and Exports Growth
 - ✓ In-sourcing of supply chain – Iron Foundry
 - Restructuring & Decentralisation of Hydraulics Operations in India
 - Asset Light Aerospace Growth
 - The Company was successful in receiving the two new business orders i.e. Chinook -Cargo Ramp Assembly Aft Pylon and Boeing P8 - Mission & Power Cabinets
 - Centre of Excellence for Airbus Flap Track Beams

- Presently contracted for 90 % of all Airbus Projects.

Mr. Udayant Malhoutra mentioned that, the Company is committed in securing the Company's market leadership, technological competence and brand equity through the difficult times and remains confident in its abilities to continue on its existing high growth curves.

5. Chairman's Address to the members

The Chairman addressed the Members, highlighting the global scenario in Hydraulics, Automotive and Aerospace industries and Indian economy and the way forward.

6. Auditors' Report

The Chairman requested the Company Secretary to read the Auditors' Report. At the request of the Members present, the report of the Auditors on the Company's Balance Sheet as at March 31, 2014, Profit & Loss Account and the Cash Flow Statement for the year ended on that date was taken as read.

7. Notice, Directors' Report along with the audited statement of accounts

With the consent of the Members present, the Notice convening the Thirty Ninth AGM of the Company, Directors' Report along with the audited statement of accounts, as printed and circulated, were taken as read.

8. E-voting facility and voting through Postal Ballot

The Chairman informed the Members present that the Company had provided e-voting facility and also voting through ballot to the Shareholders. He also informed that pursuant to provisions of Section 108 read with Section 107 and other applicable provisions of Companies Act, 2013 and rules thereunder, no voting by show of hands or poll would be undertaken. It was also informed that, those Shareholders who had not cast their vote through e-voting or ballot method could cast their vote at the polling booths stationed for the purpose at the meeting venue.

ORDINARY BUSINESS:

1. Adoption of Audited Balance Sheet as at March 31, 2014 and the Profit & Loss Account for the year ended March 31, 2014 together with the report of the Auditors and the Directors thereon

The Chairman invited the Members to share their concerns / questions / comments on the Audited Statement of Accounts.

Dr. Ashok, a Shareholder, requested the management to provide an update on the new Research & Developments undertaken by the Company. He suggested the management to produce more of OEM components rather than laying too much reliance on the Aerospace industry which is an industry with low volume, high value and high risk. He also suggested increasing the investment in R&D considering the huge sales turnover.

CEO & Managing Director responded stating that, all businesses were equally good. It was informed that, while aviation industry does not make much money, there is huge potential market for manufacturing Aircrafts and is a large business in India with 45% EBITDA margin. It was mentioned that, the Company is into other businesses and adequate emphasis was being laid on Hydraulics, Automotive and Homeland Security divisions.

Mr. B L Kamath, a Shareholder, requested the management to provide reasons / update on the reasons for not declaring bonus when the Company had adequate Reserves & Surplus.

On the request for bonus / dividends, Mr. Udayant Malhoutra responded that, that, during times of crisis and cash crunch tantalizing the economy, the Shareholders' small bit of sacrifice could yield greater benefits to them in terms of better appreciation in share value in the long term.

Mr. Ramakrishna, Shareholder requested the management to support the cause of institutions, schools involved in the tutoring vedas as part of the Corporate Social Responsibility initiatives.

Mr. Udayant Malhoutra responded stating, that, the Company was in the process of evolving a Corporate Social Responsibility policy and as part of such initiative, the Company was in the process of adopting an educational institution which would impart technical training to youths.

All questions raised were addressed conclusively.

Thereafter, the following resolution which was unanimously passed as an ordinary resolution with 1491 votes being cast in favour of the proposal through e-voting, voting by ballot method and secret ballot method by the Members at the meeting venue, was adopted by the Shareholders:

"RESOLVED THAT the Audited Balance Sheet of the Company as at March 31, 2014, Profit & Loss Account and the Cash Flow Statement for the year ended March 31, 2014, together with the reports of the Auditors and Directors thereon be and are hereby considered and adopted."

2. Appointment of M/s. B S R & Associates, Chartered Accountants as Statutory Auditors of the Company

The Chairman invited queries and/or comments if any, from the Members, on the appointment of M/s. B S R & Associates, Chartered Accountants as Statutory Auditors of the Company.

There being no questions from the Members, the following resolution which was unanimously passed as an ordinary resolution with 1491 votes being cast in favour of the proposal through e-voting, voting by ballot method and secret ballot method by the Members at the meeting venue, was adopted by the Shareholders:

"RESOLVED THAT pursuant to the provisions of section 139 of the Companies Act, 2013 and the rules made thereunder, and pursuant to the recommendations of the Audit Committee of the Board of Directors Messrs. B S R & Co., LLP, Chartered Accountants (LLP registration number AAB-8181), be and are hereby appointed as the statutory auditors of the Company, to hold office for a period of five years from the conclusion of this Annual General Meeting (AGM) (subject to ratification of the appointment by the members at every AGM held after this AGM) in place of the retiring auditors, Messrs. B S R & Associates, LLP, who have opted not to be re-appointed as the statutory auditors of the Company by tendering their resignation to the Company suitably".

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to fix such remuneration as may be recommended by the Audit Committee in consultation with Messrs. B S R & Co., LLP."

The Chairman informed that the next item of business being his appointment as Director of the Company, he sought the permission of the members present to vacate the chair. He requested Air Chief Marshal S Krishnaswamy (Retd.) to Chair the next item.

Accordingly, with the permission of the members present, Air Chief Marshal S Krishnaswamy (Retd.) thanked Mr. Vijai Kapur, occupied the chair and conducted the proceedings of the Meeting.

SPECIAL BUSINESS:

3. Appointment of Mr. Vijai Kapur as an Independent Director of the Company

The Chairman informed that none of the Directors or key managerial personnel or their respective relatives were interested in the appointment of Mr. Vijai Kapur as an Independent Director of the Company.

The Chairman then invited the Members to share any queries and/or comments on appointment of Mr. Vijai Kapur as an Independent Director of the Company.

There being no questions from the Members, the following resolution which was unanimously passed as an ordinary resolution with 1491 votes being cast in favour of the proposal through e-voting, voting by ballot method and secret ballot method by the Members at the meeting venue, was adopted by the Shareholders:

"RESOLVED THAT pursuant to sections 149(10) / (11), 152 and other applicable provisions of the Companies Act, 2013, and the rules made thereunder, read with schedule IV to the Companies Act, 2013, Mr. Vijai Kapur, in respect of whom the Company has received a notice in writing from a Member under section 160 of the Companies Act, 2013 signifying her intention to appoint Mr. Vijai Kapur as an Independent Director of the Company be and is hereby appointed as an Independent Director of the Company for a period of 3 (three) years from the conclusion of this AGM and shall not liable to retire by rotation."

Air Chief Marshal S Krishnaswamy (Retd.) thereafter requested Mr. Vijai Kapur, Chairman of the Board to resume the Chair and conduct the

proceedings of the rest of the meeting. Thereafter, Mr. Vijai Kapur occupied the Chair and conducted the rest of the proceedings.

4. Appointment of Air Chief Marshal S Krishnaswamy (Retd.) as an Independent Director of the Company

The Chairman informed that none of the Directors (except the proposed appointee) or key managerial personnel or their respective relatives were interested in the appointment of Air Chief Marshal S Krishnaswamy (Retd.) as an Independent Director of the Company.

The Chairman then invited the Members to share any queries and/or comments on appointment of Air Chief Marshal S Krishnaswamy (Retd.) as an Independent Director of the Company.

There being no questions from the Members, the following resolution which was unanimously passed as an ordinary resolution with 1491 votes being cast in favour of the proposal through e-voting voting by ballot method and secret ballot method by the Members at the meeting venue, was adopted by the Shareholders:

"RESOLVED THAT pursuant to sections 149(10) / (11), 152 and other applicable provisions of the Companies Act, 2013, and the rules made thereunder, read with schedule IV to the Companies Act, 2013, Air Chief Marshal S. Krishnaswamy (Retd.), in respect of whom the Company has received a notice in writing from a Member under section 160 of the Companies Act, 2013 signifying her intention to appoint Air Chief Marshal S. Krishnaswamy (Retd.), as an Independent Director of the Company be and is hereby appointed as an Independent Director of the Company for a period of 3 (three) years from the conclusion of this AGM and shall not liable to retire by rotation."

5. Appointment of Mr. Govind Mirchandani as an Independent Director of the Company

The Chairman informed that none of the Directors (except the proposed appointee) or key managerial personnel or their respective relatives were interested in the appointment of Mr. Govind Mirchandani as an Independent Director of the Company.

The Chairman then invited the Members to share any queries and/or comments on appointment of Mr. Govind Mirchandani as an Independent Director of the Company.

There being no questions from the Members, the following resolution which was unanimously passed as an ordinary resolution with 1491 votes being cast in favour of the proposal through e-voting voting by ballot method and secret ballot method by the Members at the meeting venue, was adopted by the Shareholders:

“RESOLVED THAT pursuant to sections 149(10) / (11), 152 and other applicable provisions of the Companies Act, 2013, and the rules made thereunder, read with schedule IV to the Companies Act, 2013, Mr. Govind Mirchandani, in respect of whom the Company has received a notice in writing from a Member under section 160 of the Companies Act, 2013 signifying her intention to appoint Mr. Govind Mirchandani, as an Independent Director of the Company be and is hereby appointed as an Independent Director of the Company for a period of 4 (four) years from the conclusion of this AGM and shall not liable to retire by rotation.”

6. Appointment of Ms. Malavika Jayaram as an Independent Director of the Company

The Chairman informed that none of the Directors (except the proposed appointee) or key managerial personnel or their respective relatives were interested in the appointment of Ms. Malavika Jayaram as an Independent Director of the Company.

The Chairman then invited the Members to share any queries and/or comments on appointment of Ms. Malavika Jayaram as an Independent Director of the Company.

There being no questions from the Members, the following resolution which was unanimously passed as an ordinary resolution with 1491 votes being cast in favour of the proposal through e-voting voting by ballot method and secret ballot method by the Members at the meeting venue, was adopted by the Shareholders:

“RESOLVED THAT pursuant to sections 149(10)/(11), 152 and other applicable provisions of the Companies Act, 2013, and the rules made

thereunder, read with schedule IV to the Companies Act, 2013, Ms. Malavika Jayaram, in respect of whom the Company has received a notice in writing from a Member under section 160 of the Companies Act, 2013 signifying her intention to appoint Ms. Malavika Jayaram, as an Independent Director of the Company be and is hereby appointed as an Independent Director of the Company for a period of 4 (four) years from the conclusion of this AGM and shall not liable to retire by rotation."

7. Appointment of Mr. Nalini Ranjan Mohanty as an Independent Director of the Company

The Chairman informed that none of the Directors (except the proposed appointee) or key managerial personnel or their respective relatives were interested in the appointment of Mr. Nalini Ranjan Mohanty as an Independent Director of the Company.

The Chairman then invited the Members to share any queries and/or comments on appointment of Mr. Nalini Ranjan Mohanty as an Independent Director of the Company.

There being no questions from the Members, the following resolution which was unanimously passed as an ordinary resolution with 1491 votes being cast in favour of the proposal through e-voting, voting by ballot method and secret ballot method by the Members at the meeting venue, was adopted by the Shareholders:

"RESOLVED THAT pursuant to sections 149(10) / (11), 152 and other applicable provisions of the Companies Act, 2013, and the rules made thereunder, read with schedule IV to the Companies Act, 2013, Mr. Nalini Ranjan Mohanty, who was appointed as an Additional Director of the Company by the Board of Directors with effect from September 27, 2013 and who holds office until the date of this AGM in terms of section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a Member under section 160 of the Companies Act, 2013 signifying her intention to appoint Mr. Nalini Ranjan Mohanty as a candidate for the office of a Director of the Company, be and is hereby appointed as an Independent Director of the Company for a period of 5 (five) years from the conclusion of this AGM and shall not liable to retire by rotation."

8. Appointment of Mr. Ramesh Venkataraman as an Independent Director of the Company

The Chairman informed that none of the Directors (except the proposed appointee) or key managerial personnel or their respective relatives were interested in the appointment of Mr. Ramesh Venkataraman as an Independent Director of the Company.

The Chairman then invited the Members to share any queries and/or comments on the proposal.

There being no questions from the Members, the following resolution which was unanimously passed as an ordinary resolution with 1491 votes being cast in favour of the proposal through e-voting, voting by ballot method and secret ballot method by the Members at the meeting venue, was adopted by the Shareholders:

"RESOLVED THAT pursuant to sections 149(10) / (11), 152 and other applicable provisions of the Companies Act, 2013, and the rules made thereunder, read with schedule IV to the Companies Act, 2013, Mr. Ramesh Venkataraman, who was appointed as an Additional Director of the Company by the Board of Directors with effect from November 08, 2013 and who holds office until the date of this AGM in terms of section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a Member under section 160 of the Companies Act, 2013 signifying her intention to appoint Mr. Ramesh Venkataraman as a candidate for the office of a Director of the Company, be and is hereby appointed as an Independent Director of the Company for a period of 5 (five) years from the conclusion of this AGM and shall not be liable to retire by rotation."

9. Create Mortgage / charge on the assets of the Company

The Chairman informed that none of the Directors or key managerial personnel or their respective relatives were interested in the proposal.

The Chairman then invited the Members to share any queries and/or comments on the proposal.

There being no questions from the Members, the following resolution which was unanimously passed as an ordinary resolution with 1489 votes being cast

in favour of the proposal through e-voting, voting by ballot method and secret ballot method by the Members at the meeting venue, was adopted by the Shareholders:

"RESOLVED THAT in supercession of all earlier resolutions passed in this connection, the approval and consent of the Shareholders be and is hereby accorded in terms of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, for:

- All and any mortgages and charges created or to be created on all the immovable and movable properties of the Company wherever situated (whether present or future); or on the whole of the undertaking/s of the Company and / or
- taking over the management of the business and undertaking/s of the Company in certain events (whether such power is contained in the documents creating the mortgage/charge or otherwise)

to or in favour of any Bank or Financial Institutions to secure repayment of any Terms Loan, Subscription to Debenture or other monies lent or advanced by them from time to time together with interest at the agreed rates, compound interest , additional interest, commitment charges, premium on pre-payment or on redemption, costs, charges expenses and all other monies including any increase as a result of devaluation/revaluation/fluctuation in the rate exchange of foreign currencies involved payable by the company in terms of the respective loan agreements/heads of agreements/letters of sanction/memorandum of terms and conditions entered into/to be entered into by the Company, within overall limits of INR 500 crore (Indian Rupees Five Hundred Crores only)."

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary, usual or expedient for giving effect to the above resolution and also to make any alterations or amendments thereto from time to time as may be required by the respective bank or financial institution."

10. Avail secured loans by the Company

The Chairman informed that none of the Directors or key managerial personnel or their respective relatives were interested in the proposal.

The Chairman then invited the Members to share any queries and/or comments on the proposal.

There being no questions from the Members, the following resolution which was unanimously passed as an ordinary resolution with 1486 votes being cast in favour of the proposal through e-voting, voting by ballot method and secret ballot method by the Members at the meeting venue, was adopted by the Shareholders:

“RESOLVED THAT in accordance with the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, and also subject to other approvals as may be required, the Board of Directors of the Company be and is hereby authorized to borrow monies for the purpose of the business of the Company, notwithstanding that the monies to be so borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose for the time being, provided that the total amount including the money/s already borrowed by the Company shall not exceed **INR 500 Crores (Indian Rupees Five Hundred Crores only)** at any one time.”

11. Reappointment of Mr. Udayant Malhoutra as the CEO and Managing Director of the Company

The Chairman informed that none of the Directors or key managerial personnel or their respective relatives were interested in the proposal.

The Chairman then invited the Members to share any queries and/or comments on the proposal.

There being no questions from the Members, the following resolution which was unanimously passed as a special resolution with 1489 votes being cast in favour of the proposal through e-voting, voting by ballot method and secret ballot method by the Members at the meeting venue, was adopted by the Shareholders:

“RESOLVED THAT pursuant to the provisions of Article of Association of the Company and Section 197 read with Schedule V and any other applicable provisions, if any, of the Companies Act, 2013, and subject to such other

consents, approvals and permissions, if any, as may be required, the consent of the Shareholders be and is hereby accorded for the reappointment of Mr. Udayant Malhoutra as the CEO & Managing Director of the Company for a period of 3 (three) years with effect from October 1, 2014 on the terms and conditions hereinafter mentioned."

SALARY

Salary per month Rs.7,00,000 in the scale of Rs.6,00,000 to Rs.25,00,000

PERQUISITES

Category A

Housing: The Company will provide unfurnished accommodation, subject to the condition that expenditure by the Company on hiring such accommodation will not exceed one month's Basic salary.

Medical reimbursement: Medical expenses will be paid by the Company for Mr. Udayant Malhoutra and his family, viz. wife, dependent children and dependent parents, subject to a ceiling of one month's Basic Salary in a year.

Leave Travel Concession: : Mr. Udayant Malhoutra will be paid the expenses incurred on actual basis, subject to a ceiling of one month's Basic Salary in a year, in accordance with the rules of the Company, for himself, his wife, dependent children and dependent parents.

Club Fees: Club Fees will be paid subject to a maximum of two clubs, which will not include admission and life membership fees.

Category B

Provident Fund: He shall be entitled to Company's contributions to PF as per prevailing rules.

Gratuity: He shall be paid as per provisions of The Payment of Gratuity Act.

Category C

Telephone: He will be provided with a telephone at his residence for the purpose of Company's business.

“RESOLVED FURTHER THAT in accordance with the Articles of Association of the Company, Mr. Udayant Malhoutra, CEO & Managing Director, be not liable to retire by rotation during his tenure as CEO & Managing Director of the Company.”

“RESOLVED FURTHER THAT notwithstanding anything herein above stated wherein any financial year closing on or after March 31, 2014, during the tenure of Mr. Udayant Malhoutra as the CEO & Managing Director of the Company, the Company incurs a loss or its profits are inadequate, the Company shall pay to Mr. Udayant Malhoutra the above remuneration by way of salary, bonus and other allowances as a minimum remuneration but not exceeding the limits specified under section II of part II of schedule V to the Companies Act, 2013, or such other limits as may be prescribed by the Central Government from time to time as minimum remuneration.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter and vary the terms and conditions of appointment and / or remuneration, subject to the same not exceeding the limits specified under section 197, read with schedule V of the Companies Act, 2013.”

“RESOLVED FURTHER THAT any of the Directors of the Company and the Company Secretary of the Company be and are hereby severally authorized to take such steps as may be necessary for obtaining approvals - whether statutory or otherwise, in relation to the above and to settle all or any matters arising out of and incidental thereto and sign and execute all applications, documents and writings that may be required to be executed on behalf of the Company and generally to do all or any acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to these resolutions.”

12. Take on record, cessation of Mrs. Claire Louise

The Chairman informed that none of the Directors or key managerial personnel or their respective relatives were interested in the proposal.

The Chairman then invited the Members to share any queries and/or comments on the proposal.

The Chairman requested the Members if they had any questions / comments on the proposal.

There being no questions from the Members, the following resolution which was unanimously passed as an ordinary resolution with 1489 votes being cast in favour of the proposal through e-voting, voting by ballot method and secret ballot method by the Members at the meeting venue, was adopted by the Shareholders:

"RESOLVED THAT the vacancy caused by retirement of Ms. Claire Louise Tucker by rotation in accordance with section 152 of the Companies Act, 2013 and who does not seek re-appointment, be not filled-up".

13. Ratify the remuneration agreed to be paid to Cost Auditors for the financial year 2014-15

The Chairman informed that none of the Directors or key managerial personnel or their respective relatives were interested in the proposal.

The Chairman then invited the Members to share any queries and/or comments on the proposal.

There being no questions from the Members, the following resolution which was unanimously passed as an ordinary resolution with 1489 votes being cast in favour of the proposal through e-voting, voting by ballot method and secret ballot method by the Members at the meeting venue, was adopted by the Shareholders:

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of INR 4,50,000 (Indian Rupees four lakhs and fifty thousand only) agreed to be paid to M/s. Rao Murthy and Associates, Cost Auditors appointed by the Board of Directors of the Company for the financial year 2014-15, be and is hereby ratified."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Upon the request of the Chairman, the Company Secretary read out the results of the e-voting and voting by ballot method which was taken note by the Shareholders.

There being no other business, the Chairman thanked the Members for attending the Meeting and the proceedings of the Thirty-Ninth Annual General Meeting of the Company was concluded.

Place: Bangalore

Date:

**VIJAI KAPUR
CHAIRMAN**