



# DYNAMATIC TECHNOLOGIES LIMITED

## UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30 SEPTEMBER 2013

Unaudited consolidated financial results for the quarter and six months ended 30 September 2013							
PART - I							
(Rs in lacs, except as otherwise stated)							
Sl. No.	Particulars	Quarter ended			Year to date figures for the period ended		Previous year ended
		30-Sep-2013	30-Jun-2013	30-Sep-2012	30-Sep-2013	30-Sep-2012	31-Mar-2013
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	<b>Income from operations</b>						
	a) Net Sales / income from operations (Net of excise duty)	39,843.77	35,091.27	34,931.72	74,935.04	72,581.30	143,717.05
	b) Other operating income	400.10	385.13	410.85	785.23	841.52	1,496.11
	<b>Total income from operations (net)</b>	<b>40,243.87</b>	<b>35,476.40</b>	<b>35,342.57</b>	<b>75,720.27</b>	<b>73,422.82</b>	<b>145,213.16</b>
2	<b>Expenses</b>						
	a) Cost of materials consumed	22,806.15	20,358.05	21,839.00	43,164.20	43,864.40	85,810.45
	b) Changes in inventories of finished goods and work-in-progress	(315.04)	(197.11)	(1,657.37)	(512.15)	(1,289.13)	(1,674.65)
	c) Employee benefit expenses	5,501.21	4,932.26	4,695.00	10,433.47	9,530.74	18,914.07
	d) Depreciation	1,291.22	1,284.80	1,142.13	2,576.02	2,274.67	4,638.12
	e) Other expenses	7,514.11	7,416.05	6,604.92	14,930.16	13,871.13	28,613.57
	<b>Total expenses</b>	<b>36,797.65</b>	<b>33,794.05</b>	<b>32,623.68</b>	<b>70,591.70</b>	<b>68,251.81</b>	<b>136,301.56</b>
3	<b>Profit from operations before other income, finance costs and exceptional items (1-2)</b>	<b>3,446.22</b>	<b>1,682.35</b>	<b>2,718.89</b>	<b>5,128.57</b>	<b>5,171.01</b>	<b>8,911.60</b>
4	Other income	56.58	125.43	50.75	182.01	74.82	545.42
5	<b>Profit from ordinary activities before finance costs and exceptional items (3+4)</b>	<b>3,502.80</b>	<b>1,807.78</b>	<b>2,769.64</b>	<b>5,310.58</b>	<b>5,245.83</b>	<b>9,457.02</b>
6	Finance costs	2,441.45	2,319.91	2,077.76	4,761.36	4,076.31	8,227.31
7	<b>Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5-6)</b>	<b>1,061.35</b>	<b>(512.13)</b>	<b>691.88</b>	<b>549.22</b>	<b>1,169.52</b>	<b>1,229.71</b>
8	Exceptional items (Refer note 6)	-	150.03	-	150.03	-	-
9	<b>Profit / (Loss) from ordinary activities before tax (7-8)</b>	<b>1,061.35</b>	<b>(662.16)</b>	<b>691.88</b>	<b>399.19</b>	<b>1,169.52</b>	<b>1,229.71</b>
10	Tax expense/ (benefit), net	357.90	377.66	220.29	735.56	367.38	2,421.26
11	<b>Net Profit / (Loss) from ordinary activities after Tax (9-10)</b>	<b>703.45</b>	<b>(1,039.82)</b>	<b>471.59</b>	<b>(336.37)</b>	<b>802.14</b>	<b>(1,191.55)</b>
12	<b>Net Profit / (Loss) for the period/ year (9-10)</b>	<b>703.45</b>	<b>(1,039.82)</b>	<b>471.59</b>	<b>(336.37)</b>	<b>802.14</b>	<b>(1,191.55)</b>
13	Paid-up equity share capital (face value of Rs 10/- each)	541.47	541.47	541.47	541.47	541.47	541.47
14	Reserves (excluding revaluation reserve)	-	-	-	-	-	9,559.49
15	<b>Earnings / (Loss) per share (Rs.)</b>						
	- Basic	12.99	(19.20)	8.71	(6.21)	14.81	(22.01)
	- Diluted	12.99	(19.20)	8.71	(6.21)	14.81	(22.01)

PART - II							
Select Information for the quarter and six months ended 30 September 2013							
A	<b>PARTICULARS OF SHAREHOLDING</b>						
1	Public shareholding						
	- Number of shares	2,418,616	2,418,616	2,418,616	2,418,616	2,418,616	2,418,616
	- Percentage of shareholding	44.67%	44.67%	44.67%	44.67%	44.67%	44.67%
2	Promoters and promoter group shareholding						
a)	Pledged / Encumbered						
	- Number of shares	1,050,000	968,500	1,118,500	1,050,000	1,118,500	968,500
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	35.05%	32.33%	37.33%	35.05%	37.33%	32.33%
	- Percentage of shares (as a % of the total share capital of the company)	19.39%	17.89%	20.66%	19.39%	20.66%	17.89%
b)	Non-encumbered						
	- Number of shares	1,946,087	2,027,587	1,877,587	1,946,087	1,877,587	2,027,587
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	64.95%	67.67%	62.67%	64.95%	62.67%	67.67%
	- Percentage of shares (as a % of the total share capital of the company)	35.94%	37.44%	34.67%	35.94%	34.67%	37.44%

- Notes:**
- The above results of Dynamatic Technologies Limited ("the Company"), its subsidiaries and an associate, as listed below, (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 (as amended).

Sl. No.	Name of the entity	Subsidiary / associate	Country of incorporation	Effective group shareholding%
1	JKM Erla Automotive Limited	Subsidiary	India	99.99
2	JKM Ferrotech Limited	Subsidiary	India	99.99
3	JKM Research Farm limited	Subsidiary	India	99.99
4	JKM Global Pte Limited	Subsidiary	Singapore	100
5	Dynamatic Limited	Subsidiary	United Kingdom	100
6	Yew Tree Investments Limited	Subsidiary	United Kingdom	100
7	JKM Erla Holdings GmbH	Subsidiary	Germany	100
8	Eisenwerk Erla GmbH	Subsidiary	Germany	100
9	Harasfera Design Private Limited	Associate	India	50

- The above results were reviewed by Audit Committee and thereafter approved by the Board of Directors at their meeting held on 8 November 2013 and have undergone a "Limited Review" by Statutory Auditors of the Company. The review report of the Statutory Auditors is being filed with the Bombay Stock Exchange and the National Stock Exchange and is also available on the Company's website at [www.dynamatics.com](http://www.dynamatics.com).

Segmental reporting							
(Rs in lacs, except as otherwise stated)							
Sl. No.	Particulars	Quarter ended			Year to date figures for the period ended		Previous year ended
		30-Sep-2013	30-Jun-2013	30-Sep-2012	30-Sep-2013	30-Sep-2012	31-Mar-2013
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	<b>Segment revenue</b>						
	a) Hydraulics	8,175.51	6,933.06	7,446.29	15,108.57	15,192.77	28,674.74
	b) Aerospace	5,549.12	4,539.61	4,062.19	10,088.73	8,001.83	17,246.71
	c) Automotive	26,492.24	23,976.73	23,807.08	50,468.97	50,174.22	99,183.71
	d) Research farm	27.00	27.00	27.00	54.00	54.00	108.00
	<b>Total income from operations (net)</b>	<b>40,243.87</b>	<b>35,476.40</b>	<b>35,342.56</b>	<b>75,720.27</b>	<b>73,422.82</b>	<b>145,213.16</b>
2	<b>Segment results Profit / (Loss) before tax and interest from each segment</b>						
	a) Hydraulics	789.63	458.71	417.44	1,248.34	1,348.31	2,052.85
	b) Aerospace	1,571.67	1,199.10	1,153.23	2,770.77	2,211.95	4,764.59
	c) Automotive	1,103.42	13.94	1,129.80	1,117.36	1,573.34	2,018.74
	d) Research farm	(18.50)	10.60	18.42	(7.90)	37.41	75.42
	<b>Total</b>	<b>3,446.22</b>	<b>1,682.35</b>	<b>2,718.89</b>	<b>5,128.57</b>	<b>5,171.01</b>	<b>8,911.60</b>
	Unallocable						
	- Finance costs	2,441.45	2,319.91	2,077.76	4,761.36	4,076.31	8,227.31
	- Exceptional items (refer note 6)	-	150.03	-	150.03	-	-
	- Other income	(56.58)	(125.43)	(50.75)	(182.01)	(74.82)	(545.42)
	<b>Profit / (Loss) before tax</b>	<b>1,061.35</b>	<b>(662.16)</b>	<b>691.88</b>	<b>399.19</b>	<b>1,169.52</b>	<b>1,229.71</b>
3	<b>Segment capital employed (Segment assets - segment liabilities)</b>						
	a) Hydraulics	8,074.54	9,696.84	11,825.77	8,074.54	11,825.77	10,852.80
	b) Aerospace	21,142.40	21,306.65	20,222.48	21,142.40	20,222.48	20,182.11
	c) Automotive	22,274.35	23,007.39	26,208.28	22,274.35	26,208.28	21,426.37
	d) Research farm	543.48	551.11	552.42	543.48	552.42	585.11
	e) Others	3,116.65	2,964.99	3,003.97	3,116.65	3,003.97	2,974.81
	<b>Total</b>	<b>55,151.42</b>	<b>57,526.98</b>	<b>61,812.92</b>	<b>55,151.42</b>	<b>61,812.92</b>	<b>56,021.20</b>
	Unallocable assets	(5,026.61)	(6,564.30)	(16.79)	(5,026.61)	(16.79)	(4,946.20)
	<b>Total</b>	<b>50,124.81</b>	<b>50,962.68</b>	<b>61,796.13</b>	<b>50,124.81</b>	<b>61,796.13</b>	<b>51,075.00</b>

- In accordance with the Scheme of Arrangement between JKMErla Automotive Limited and its respective shareholders and creditors duly approved by the Honourable High Court of Karnataka vide its order dated 30 July 2012, effective 1 April 2011, the following adjustments were recorded in the consolidated financial statement of the Company as at 30 September 2013:

Particulars	Amount in Rs lacs
Fair valuation adjustment of tangible fixed assets of Eisenwerk Erla GmbH with a corresponding credit to Business Restructuring Reserve (BRR)	7,560
Reduction of securities premium with a credit to BRR	(200)
Cumulative incremental depreciation (for the six months ended 30 September 2013: INR 397 lacs) on the fair value of tangible fixed assets as described above has been debited to "debit balance arising on consolidation"	1,983
BRR balance has been set off with the goodwill arising on consolidation to the extent of fair value adjustment of tangible fixed assets as described above	(7,560)

Section 6 (paragraphs 6.1 to 6.11) of the said scheme specifies the accounting treatment and inter alia specifies that such accounting treatment would be reflected in the financial statement of the Company, prepared as per the Indian Generally Accepted Accounting Principles.

Had the Company alternatively followed the Accounting Standards, notified under the Companies Act, 1956, the goodwill arising on consolidation of Rs 6,788 lacs would have increased to Rs 14,348 lacs, the tangible fixed assets of Rs 56,845 lacs would have reduced to Rs 51,268 lacs, the debit balance arising on consolidation of Rs 1,783 lacs would have reduced to Rs nil and the securities premium of Rs 7,111 lacs would have increased to Rs 7,311 lacs.

- 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)).
- Tax expense for the year ended 31 March 2013 include write down of deferred tax asset balance of Rs 1,036 lacs in a subsidiary in the absence of virtual certainty of the same being realised in the future.
- Exceptional item includes various expenses such as professional fees and other ancillary charges incurred by the Company during the quarter ended 30 June 2013 towards loan funds raised from KKR India Financials Services Private Limited, a Non-Banking Financial Company.
- Information of standalone unaudited financial results of the Company in terms of Clause 41 (VI) (b) of the Listing Agreement is as under:

Particulars	Quarter ended			Six months ended		Previous year ended
	30-Sep-2013	30-Jun-2013	30-Sep-2012	30-Sep-2013	30-Sep-2012	31-Mar-2013
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Revenue	10,866.12	9,558.49	9,925.21	20,424.61	21,299.40	41,721.77
Profit / (Loss) before tax and exceptional items	38.84	(531.87)	(77.20)	(493.03)	(39.42)	143.29
Profit / (Loss) after tax and exceptional items	38.84	(681.90)	(52.14)	(643.06)	(26.63)	29.96

Disclosure of Consolidated Balance Sheet Items as per Clause 41 (V)(h) of Listing Agreement		
(Rs in lacs, except as otherwise stated)		
Particulars	As at	
	30-Sep-2013 (Unaudited)	31-Mar-2013 (Audited)
<b>Equity and liabilities</b>		
Share capital	541	541
Reserves and surplus	8,587	11,573
Money received against share warrants	1,250	1,250
<b>Sub total-Shareholders' funds</b>	<b>10,378</b>	<b>13,364</b>
Non- controlling interest (Preference capital)	3,295	3,295
<b>Non-current liabilities</b>		
Long-term borrowings	36,452	34,416
Deferred tax liabilities (net)	3,151	3,131
Other long-term liabilities	2,010	1,916
Long-term provisions	311	157
<b>Sub total-Non-current liabilities</b>	<b>41,924</b>	<b>39,620</b>
<b>Current liabilities</b>		
Short-term borrowings	14,121	17,433
Trade payables	25,874	24,441
Other current liabilities	24,564	20,487
Short-term provisions	1,972	2,831
<b>Sub total-Current liabilities</b>	<b>66,531</b>	<b>65,192</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>122,128</b>	<b>121,471</b>
<b>Assets</b>		
<b>Non current assets</b>		
Goodwill	6,788	6,788
<b>Fixed assets</b>		
- Tangible fixed assets	56,845	56,709
- Intangible fixed assets	2,718	2,602
- Capital work in progress	7,691	7,422
- Intangible fixed assets under development	-	188
	<b>67,254</b>	<b>66,921</b>
Non current investments	1	1
Long-term loans and advances	2,420	2,160
Other non-current assets	890	159
<b>Sub total-Non-current assets</b>	<b>77,353</b>	<b>76,029</b>
<b>Current assets</b>		
Inventories	23,129	20,253
Trade receivables	10,688	14,612
Cash and cash equivalent	5,446	5,932
Short-term loan and advances	2,328	2,507
Other current assets	3,184	2,138
<b>Sub total-Current assets</b>	<b>44,775</b>	<b>45,442</b>
<b>TOTAL ASSETS</b>	<b>122,128</b>	<b>121,471</b>

- Pursuant to a resolution passed in the Extraordinary General Meeting of shareholders dated 25 March 2013, amounts aggregating Rs 67,500,166 and Rs 57,499,994 (being 25% of the total value of warrants at the date of allotment) has been brought in by Mr Udayant Malhoutra in his capacity as Promoter and by Wavell Investments Private Limited, being a Promoter group company, towards subscription of 338,440 and 288,300 convertible warrants of Rs 797.78 each respectively. These warrants give the right to the warrantholders to subscribe for one equity share of Rs 10 each in the Company per warrant which is exercisable within 18 (eighteen) months from the date of allotment i.e. 26 March 2013.

- Status of investor complaints for the quarter ended 30 September 2013:

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

- Previous period / year figures have been reclassified to conform with current period/year presentation, where applicable.

For clarifications please contact:

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For and on behalf of the Board of Directors

**UDAYANT MALHOUTRA**  
**CEO and Managing Director**  
Dynamatic Technologies Limited

Place : Bangalore  
Date : 08 November 2013