



15<sup>th</sup> May 2023

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 / 26598346

**Sub:** Monitoring Agency Report for the quarter ended 31st March 2023

**Ref: Scrip Code: 505242 / DYNAMATECH**

Dear Sir / Madam,

Pursuant to Regulation 32(6) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, we are enclosing herewith Monitoring Agency Report issued by India Ratings and Research, Monitoring Agency, for the quarter ended 31<sup>st</sup> March 2023 in respect of utilization of proceeds of the preferential issue of the Company.

We kindly request you to take this intimation on record.

Thanking you,

Yours sincerely,  
For **Dynamatic Technologies Limited**

**Shivaram V**  
Head- Legal, Compliance and Company Secretary

Registered Office  
Dynamatic Technologies Limited  
JKM Plaza Dynamatic Aerotropolis  
55 KIADB Aerospace Park  
Devanahalli Bangalore 562 110 India  
Tel +91 80 2839 4933 / 34 / 35 Fax +91 80 2839 5823

[www.dynamatics.com](http://www.dynamatics.com)

Corporate Identity Number: L72200KA1973PLC002308

Date: 15<sup>th</sup> May 2023

To,

Dynamatic Technologies Limited.

JKM Plaza, Dynamatic Aerotropolis,

55 KIADB Aerospace Park,

Devanahalli Bangalore 562110

**Subject: Monitoring Agency Report for the quarter ended 31<sup>st</sup> March 2023 in relation to preferential allotment of equity shares.**

Dear Sir,

Pursuant to Regulation 162A(2) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations") and Monitoring Agency Agreement dated 23<sup>rd</sup> March 2023, please find enclosed herewith the Monitoring Agency Report, as per Schedule XI of the SEBI ICDR Regulations towards utilization of proceeds of preferential allotment for the quarter ended March 31, 2023.

Request you to kindly take the same on records.

Thanking You,

For and on behalf of India Ratings & Research Private Limited



Name: Shrikant Dey  
Designation: Director, Secretarial

**Report of the Monitoring Agency (MA)**

Name of the issuer: Dynamatic Technologies Limited

For quarter ended: March 2023

Name of the Monitoring Agency: India Ratings & Research Private Limited

(a) Deviation from the objects: No Deviation from the object.

Based on the Management undertaking and as per Statutory Auditor certificate dated 12<sup>th</sup> May 2023 issued by DELOITTE HASKINS & SELLS LLP, Chartered Accountants (FRN – 117366W/W-100018) having UDIN 232069208GYMEC1719\* and documents provided to us.

\*The reference to the Statutory Auditor certificate anywhere in the MA report refers to the said certificate.

(b) Range of Deviation: Not Applicable

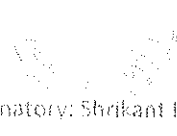
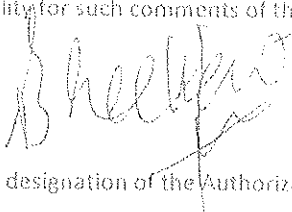
**Declaration:**

We declare that this report provides an objective view of the utilization of the issue proceeds in relation to the objects of the issue based on the information provided by the issuer and information obtained from sources believed by it to be accurate and reliable. The MA does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives. This Report is not intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever. Nothing mentioned in this report is intended to or should be construed as creating a fiduciary relationship between the MA and any issuer or between the agency and any user of this report. The MA and its affiliates also do not act as an expert as defined under Section 2(38) of the Companies Act, 2013.

The MA or its affiliates may have credit rating or other commercial transactions with the entity to which the report pertains and may receive separate compensation for its ratings and certain credit-related analyses. We confirm that there is no conflict of interest in such relationship/interest while monitoring and reporting the utilization of the issue proceeds by the issuer, or while undertaking credit rating or other commercial transactions with the entity.

We have submitted the report herewith in line with the format prescribed by SEBI, capturing our comments, where applicable. There are certain sections of the report under the title "Comments of the Board of Directors", that shall be captured by the Issuer's Management / Audit Committee of the Board of Directors subsequent to the MA submitting their report to the issuer and before dissemination of the report through stock exchanges. These sections have not been reviewed by the MA, and the MA takes no responsibility for such comments of the issuer's Management/Board.

Signature:



Name and designation of the Authorized Signatory: Shrikant Dev (Director, Secretarial)

1) Issuer Details:

Name of the issuer: Dynamatic Technologies Limited

Names of the promoter: Mr Udayant Malhoutra

Industry/sector to which it belongs: Manufacturing of precision engineering products for Hydraulics, Aerospace & Defence and Metallurgy segments.

2) Issue Details:

Issue/offer Period: 13<sup>th</sup> March 2023 to 21<sup>st</sup> March 2023.

Type of issue (public/rights): Preferential Issue

Type of specified securities: Equity Shares

IPO Grading, if any: Not Applicable

Issue size: INR 112.91 Crores

3) Details of the arrangement made to ensure the monitoring of issue proceeds:

Particulars	Reply	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
Whether all utilization is as per the disclosures in the Offer Document?	Yes	Management undertaking, Statutory Auditor certificate, Notice to Shareholders for EGM, Bank Statement and outstanding balance confirmation from Banks.	NA	NA
Whether shareholder approval has been obtained in case of material deviations from expenditures disclosed in the Offer Document?	NA	NA	NA	NA
Whether the means of finance for the disclosed objects of the issue has changed?	No	Management undertaking, Statutory Auditor certificate.	NA	NA
Is there any major deviation observed over the earlier monitoring agency reports?	NA	NA	NA	NA
Whether all Government/statutory approvals related to the object(s) have been obtained?	NA	Management undertaking, Statutory Auditor certificate.	NA	NA

Whether all arrangements pertaining to technical assistance/collaboration are in operation?	NA	NA	NA	NA
Are there any favorable events improving the viability of these object(s)?	NA	NA	NA	NA
Are there any unfavorable events affecting the viability of the object(s)?	NA	NA	NA	NA
Is there any other relevant information that may materially affect the decision making of the investors?	NA	NA	NA	NA

4) Details of object(s) to be monitored:

i. Cost of object(s)-

Sr. No.	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Original cost (as per the Offer Document) (INR Crores)		Revised Cost (INR Crores)	Comments of the Monitoring Agency	Comments of the Board of Directors		
							Reason of Cost revision	Proposed financing option	Particulars of firm arrangements made
1	Repayment of Loans from Banks:	Management undertaking, Statutory Auditor certificate, Notice to Shareholders for EGM, Bank account statements and Balance confirmation from Banks and other relevant Documents.							
	Kotak Mahindra Bank Limited		45.00	NA	NA	NA	NA	NA	
	Axis Bank Limited		25.00	NA	NA	NA	NA	NA	
	IndusInd Bank Limited		30.00	NA	NA	NA	NA	NA	
2	General Corporate Purpose		12.91	NA	NA	NA	NA	NA	
	TOTAL		112.91						

ii. Progress in the object(s) --

Sr. No.	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Offer Document (INR Crores)	Amount Utilized (INR Crores)			Total Unutilized Amount (INR Crore)	Comments of the Monitoring Agency	Comments of the Board of Directors	
				As at beginning of the quarter	During the quarter	At the end of the quarter			Reasons for idle funds	Proposed course of action
1	Repayment of Loans from Banks	Management undertaking, Statutory Auditor certificate,	45.00	-	11.34	11.34	33.66	Refer Below Note*	Utilized in 1 <sup>st</sup> week of April 2023	NA
	Kotak Mahindra Bank Limited*	Notice to Shareholders for EGM, Bank account statements, Balance confirmation from Banks.	25.00	-	5.00	5.00	20.00	Refer Below Note^	Utilized in 1 <sup>st</sup> week of April 2023	NA
	Axis Bank Limited^	IndusInd Bank Limited	30.00	-	-	-	30.00	Nil	Utilized in 1 <sup>st</sup> week of April 2023	NA
2	General Corporate Purpose#	Management undertaking, Statutory Auditor certificate, Bank account statements, Advance Tax Challan	12.91	-	11.14	11.14	1.76	Refer Below Note#	NA	NA
<b>TOTAL</b>			<b>112.91</b>	<b>-</b>	<b>27.48</b>	<b>27.48</b>	<b>85.42</b>			

\*Includes repayment of WCDL loan, repayment of outstanding CC balance, LC payment, interest on CC/WCDL/PCFC and processing cost.

^Represents reduction in CC outstanding balance and CC limit by INR 5 Crores.

#Includes payment for advance tax, Capex, Salary, interest on bank loans and service vendor payments.

iii. Deployment of unutilized IPO proceeds:

Sr. No.	Type of instrument and name of the entity invested in	Amount invested	Maturity date	Earning	Return on Investment (%)	Market value as at the end of quarter
				Not Applicable		

The unutilized amount of INR 85.42 Crores is not invested in any instruments but lying in bank accounts of the issuer as on 31<sup>st</sup> March 2023

iv. Delay in implementation of the object(s)

Object(s)	Completion Date		Delay (no. of days/months)	Comments of the Board of Directors	
	As per the Offer Document #	Actual		Reason of Delay	Proposed Course of action
<b>Repayment of Loans from Banks:</b>					
- Kotak Mahindra Bank Limited <sup>^</sup>	On or before 31st March 2023	4th April 2023	4 Days	The Company transferred the amount of Rs.45 crores to the bank on March 23, 2023 and had intimated the Bank on March 24, 2023 to recover such amount and adjust the same against the loan outstanding. However, the Bank processed the request only on April 4, 2023.	NA
- Axis Bank Limited	On or before 15th April 2023			NA	NA
- Indusind Bank Limited	On or before 15th April 2023	NA as on 31 <sup>st</sup> March 2023	NA	NA	NA
General Corporate Purpose	On or before 15th April 2023			NA	NA

<sup>†</sup> Tentative timeline for utilization as per notice to shareholders.

<sup>^</sup> out of INR 45 Crores, INR 11.34 Crores utilized on or before 31st March 2023.



5) Details of utilization of proceeds stated as General Corporate Purpose (GCP) amount in the offer document:

Sr. No.	Item Head	Amount (INR Crores)	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
1	Bank Obligations	3.82			
2	Capex Payments	1.06	Management undertaking,		
3	Salary Payments	2.16	Statutory Auditor certificate, Bank	NIL	NIL
4	Tax Payments	2.00	account statements, Advance Tax		
5	Vendor Payments	2.09	Challan.		
	<b>TOTAL</b>	<b>11.14</b>			

Disclaimers:

The MA Report is prepared by India Ratings. India Ratings has taken utmost care to ensure accuracy and objectivity while developing this Report based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable.

India Ratings declare that the MA Report is based on the format prescribed by the SEBI (ICDR) Regulations, 2018. This declaration forms part of and applies to each MA Report that is issued by India Ratings. The MA Report does not constitute an offer of services. Access or use of any MA Report does not create a client relationship between India Ratings and the Applicant or between India Ratings and User of the report.

This Report has to be seen in its entirety; the selective review of portions of the Report may lead to inaccurate assessments.

Please note that the information presented in the MA Report is based solely on the review of the requisite information, documents, papers, statements received from the Company with regard to the use of the Issue Proceeds including the status of implementation of the activities proposed to be funded out of the Issue proceeds as stated in the Prospectus. India Ratings has not verified any source of information such as invoices, ledgers or payment receipts and other documents either in normal course or in case of deviations from the objects, as the same is the duty of the management and the statutory auditors. India Ratings has relied in good faith and without any liability, upon the contents thereof. The user of the MA Report should understand that India Ratings does not perform an audit and undertakes no independent verification of any information/certifications/statements it receives from auditors, lawyers, chartered





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India Ratings may rate the Company or any debt instruments or facilities issued or proposed to be issued by the Company that is subject matter of the MA Report.

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The issuance of the MA Report by India Ratings shall not constitute consent by the agency to use its name as an expert in connection with any registration statement, offering document or other filings under any relevant securities laws.

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