



# DYNAMATIC TECHNOLOGIES LIMITED

Regd. Office: Dynamatic Park Peenya, Bangalore - 560 058, India

## Unaudited consolidated financial results of Dynamatic Technologies Limited and its subsidiaries for the Quarter ended 30th June, 2008

Sl. No.	Particulars	(in Rs. Lacs, except per share data)		
		Quarter ended 30th June,		Year ended 31st March, (Audited)
		2008	2007	2008
1	Gross Sales	12149.54	7656.41	40538.88
2	Less: Excise Duty	1209.65	1283.86	4942.81
3	Net Sales / Income from operations	10939.89	6372.55	35596.07
4	Other Income	212.89	149.00	1035.26
5	Total Income (3+4)	11152.78	6521.55	36631.33
6	Expenditure:			
a)	(Increase) / Decrease in Stock in Trade and work in progress	-	-	18418.72
b)	Consumption of raw materials	5656.55	4072.37	44.55
c)	Purchase of Traded Goods	182	2.05	6037.76
d)	Employee cost	1849.27	649.76	1316.13
e)	Depreciation	433.99	287.17	6433.57
f)	Other expenditure	2070.47	806.49	32250.73
g)	Total	10012.10	5817.84	1078.21
7	Interest	346.86	194.88	-
8	Exceptional items/(represents Unrealised Forex Loss / (Gain)/(Ref Note 4)	411.73	(43.85)	-
9	Profit (+) / Loss (-) from Ordinary Activities before Unrealised Forex Loss / Gain	793.82	508.63	3302.39
10	Profit (+) / Loss (-) from Ordinary Activities after Unrealised Forex Loss / Gain	382.09	552.68	3302.39
11	Tax Expense	205.20	194.31	1209.61
12	Net Profit (+) / Loss (-) from Ordinary Activities after Tax before Unrealised Forex Loss / Gain (9-11)	586.82	314.52	2092.78
13	Net Profit (+) / Loss (-) from Ordinary Activities after Tax and Unrealised Forex Loss/Gain (10-11)	176.89	358.37	2092.78
14	Extraordinary items	-	-	287.92
15	Net Profit (+) / Loss (-) for the period after extraordinary item (13-14)	176.89	358.37	1804.86
16	Paid-up equity share capital (Par value Rs.10/- each, fully paid)	481.07	419.36	481.07
17	Paid-up equity share capital (Par value Rs.10/- each, fully paid) (Minority interest in subsidiary)	-	216.01	-
18	Reserves excluding revaluation reserves	-	-	5822.07
19	Earnings Per Share (EPS)			
a)	Basic and diluted EPS before Extraordinary / Exceptional / Unrealised Forex Loss / Gain items	12.24	6.41	49.78
b)	Basic and diluted EPS after Extraordinary / Exceptional / Unrealised Forex Loss / Gain items	3.68	7.45	42.94
20	EBITDA (Item 5-6(g)+6(e))	1574.67	990.88	5696.73

Principles of consolidation: The financial statements are prepared in accordance with principles and procedures for the preparation and presentation of consolidated financial statements as set out in the Accounting Standard on Consolidated Financial Statements as notified under section 211(3C) of the Companies Act, 1956.

The adjustment for deferred tax liability / asset for the current quarter has been made in accordance with the provisions of Accounting Standard 22 'Accounting for Taxes on Income'.

### NOTES:

- The above results were reviewed by the Audit Committee and then approved by the Board of Directors at their meeting held on July 30, 2008.
- The financials for the quarter ending June 2008 include financials of Dynamatic Ltd., UK. Hence, previous figures are not comparable.
- EPS has been calculated as per Accounting Standard AS 22.
- Impact of currency fluctuations: The company has a policy in place to mitigate risk in an environment where currencies are very volatile. This policy has two basic foundations: A) To completely avoid speculative transactions. B) To try and match the company's income and expenditure currency mix, in a way that will provide a natural hedge against currency fluctuations. However, the Company consistently follows AS 11 on 'The Effects of Changes in Foreign Exchange Rates' issued by the Institute of Chartered Accountants of India. Accordingly, the company has recognised the unrealised forex losses for Q1-FY 2009, shown under exceptional items, as below:
  - unrealised forex loss (net) of Rs. 411.73 lacs comprising of Rs. 186.17 lacs on restatement of assets and liabilities for Q1-FY 2009 on restatement of Foreign Currency borrowings.

The loss / gain in this regard is a non cash charge/accrual. There is no loss or gain due to any forex transaction which is speculative in nature.
- Further, in order to recognise the impact of fluctuation in foreign currency rates arising out of instruments acquired to hedge highly probable forecast transaction in appropriate accounting periods, the company has from this year decided to apply the principles of recognition set out in the Accounting Standard 30 - Financial Instruments-Recognition and measurement as suggested by the Institute of Chartered Accountants of India. As a result, the impact of unrealised forex loss of Rs. 399.13 lacs are carried as Hedging Reserve to be ultimately set off when the underlying transaction arises.
- Other derivative contract entered into by the company has resulted in MTM gain of Rs. 214.95 lacs for the period ended June 30, 2008. This has not been recognised in the above financials as per the guidelines issued by the Institute of Chartered Accountants of India.
- During the period under review, Dynamatic Ltd., UK achieved a turnover of Rs. 2500.92 lacs (GBP 3.05 million) with a EBITDA of Rs. (29.33) lacs (GBP (0.04) million) and PAT of Rs. (128.81) lacs (GBP (0.16) million). In this period, the company has successfully shifted the distribution network, especially in the USA, from the previous arrangement of entering the Sauer Danfoss's network to its own network. This has resulted in a temporary drop in turnover as the pipeline stocks, which hitherto were considered as sale to distributor, is now being held as stock in company's own warehouse. However, the situation will correct when the company's direct sales in the US markets gathers momentum. This will also reduce company's distribution overheads.
- Further, sourcing of ferrous and non-ferrous castings from India is progressing well and the company expects significant cost savings in the raw material costs on account of this during the second half of the year.
- The consolidated results are not subject to Limited Review by the Statutory Auditors.
- Previous period's figures are recast wherever necessary.

### Segment Reporting

Sl. No.	Particulars	(in Rs. Lacs)		
		Quarter ended 30th June,		Year ended 31st March, (Audited)
		2008	2007	2008
1	Segment Revenue			
a)	Hydraulics & Precision Eng.*	5235.57	2183.70	18180.84
b)	Aluminium Castings	1461.89	748.92	3779.15
c)	Automobile Components	5830.36	4215.09	18078.88
d)	Research Farm	10.50	10.50	42.00
e)	Unallocated	-	-	342.82
	Less: Inter Segment revenue	12538.32	7158.21	40423.69
	Net Sales/ Income from operations	1385.53	636.66	3792.36
2	Segment Result (Profit/+) / Loss(-) before tax and interest from Segment	11152.79	6521.55	36631.33
a)	Hydraulics & Precision Eng.*	448.33	293.47	2043.87
b)	Aluminium Castings	116.42	69.64	486.47
c)	Automobile Components	591.07	345.87	1868.73
d)	Research Farm	(15.14)	(5.27)	(41.25)
e)	Unallocated	(411.73)	43.85	22.78
	Less: Interest	728.95	747.56	4380.60
	Profit before tax	346.86	194.88	1078.21
3	Capital Employed (Segment Assets - Segment Liabilities):	382.09	552.68	3302.39
a)	Hydraulics & Precision Eng.*	6161.38	5001.82	6019.42
b)	Aluminium Castings	2109.02	1894.68	2063.32
c)	Automobile Components	6041.78	5481.28	5722.13
d)	Research Farm	341.15	399.29	348.29
	Total:	14653.33	12777.20	14153.16

\* Includes operations and balance sheet items of Dynamatic Ltd., UK and JKM Global PTE Ltd., Singapore.

NOTES: Segments have been identified in line with the Accounting Standard on Segment Reporting (AS-17). Segment Revenue, Results and Capital Employed figures include the respective amounts identifiable to each of the segments based on Consolidation of Parent and its subsidiaries Dynamatic Ltd., UK, JKM Global PTE Ltd., Singapore and JKM Research Farm Limited.

## Unaudited financial results of Dynamatic Technologies Limited for the Quarter ended 30th June, 2008

Sl. No.	Particulars	(in Rs. Lacs, except per share data)		
		Quarter ended 30th June,		Year ended 31st March, (Audited)
		2008	2007	2008
1	Gross Sales	9648.62	3323.04	32377.72
2	Less: Excise Duty	1209.65	473.91	4942.81
3	Net Sales / Income from operations	8438.97	2849.13	27434.91
4	Other Income	195.21	83.49	838.40
5	Total Income (3+4)	8634.18	2932.62	28273.31
6	Expenditure:			
a)	(Increase) / Decrease in Stock in Trade and work in progress	-	-	-
b)	Consumption of raw materials	4739.62	1678.14	15860.64
c)	Purchase of Traded Goods	1.82	2.05	44.55
d)	Employee cost	925.41	371.93	2960.69
e)	Depreciation	393.54	111.99	1207.04
f)	Other Expenditure	1329.84	415.90	4298.13
g)	Total	7390.23	2580.01	24371.05
7	Interest	304.43	109.27	879.92
8	Exceptional items (represents Unrealised Forex Loss / (Gain)/(Ref Note 4)	380.10	(43.85)	-
9	Profit (+) / Loss (-) from Ordinary Activities before Unrealised Forex Loss / Gain	939.52	243.34	3022.34
10	Profit (+) / Loss (-) from Ordinary Activities after Unrealised Forex Loss / Gain	559.42	287.19	3022.34
11	Tax Expense	205.20	102.64	1138.64
12	Net Profit (+) / Loss (-) from Ordinary Activities after Tax before Unrealised Forex Loss / Gain (9-11)	734.32	140.70	1883.70
13	Net Profit (+) / Loss (-) from Ordinary Activities after Tax and Unrealised Forex Loss / Gain (10-11)	354.22	184.55	1883.70
14	Extraordinary items	-	-	26.02
15	Net Profit (+) / Loss (-) for the period After Extraordinary item (13-14)	354.22	184.55	1857.68
16	Paid-up equity share capital (Par value Rs.10/- each, fully paid)	481.07	419.36	481.07
17	Reserves excluding revaluation reserves	-	-	5935.92
18	Earnings Per Share (EPS)			
a)	Basic and diluted EPS before Extraordinary / Exceptional / Unrealised Forex Loss / Gain items	15.26	3.36	44.81
b)	Basic and diluted EPS after Extraordinary / Exceptional / Unrealised Forex Loss / Gain items	7.36	4.40	44.19
19	Public Shareholding			
-	Number of Shares	1919574	1799574	1799574
-	Percentage of Shareholding	39.91	42.91	37.40
20	EBITDA (Item 5-6(g)+6(e))	1637.49	464.60	5109.30

### NOTES:

- The financials for the quarter ended June 2008 represents the merged entity (JKM DAERIM Automotive Ltd merged with Dynamatic Technologies Ltd). Hence, previous period's figures are not comparable.
- The above results were reviewed by the Audit Committee and then approved by the Board of Directors at their meeting held on July 30, 2008. Dynamatic Technologies stand alone results will be subject to 'Limited Review' by the auditors of the company as required by the listing agreement with the stock exchanges.
- EPS has been calculated as per Accounting Standard AS 22.
- Impact of currency fluctuations: The company has a policy in place to mitigate risk in an environment where currencies are very volatile. This policy has two basic foundations: A) To completely avoid speculative transactions. B) To try and match the company's income and expenditure currency mix, in a way that will provide a natural hedge against currency fluctuations. However, the Company consistently follows AS 11 on 'The Effects of Changes in Foreign Exchange Rates' issued by the Institute of Chartered Accountants of India. Accordingly, the company has recognised the unrealised forex losses for Q1-FY 2009, shown under exceptional items, as below:
  - unrealised forex loss (net) of Rs. 380.10 lacs comprising of Rs. 184.63 lacs on restatement of assets and liabilities and Rs. 195.47 lacs on restatement of Foreign Currency borrowings.

The loss/gain in this regard is a non cash charge/accrual. There is no loss or gain due to any forex transaction which is speculative in nature.
- Further, in order to recognise the impact of fluctuation in foreign currency rates arising out of instruments acquired to hedge highly probable forecast transaction in appropriate accounting periods, the company has from this year decided to apply the principles of recognition set out in the Accounting Standard 30 - Financial Instruments-Recognition and measurement as suggested by the Institute of Chartered Accountants of India. As a result, the impact of unrealised forex loss of Rs. 399.13 lacs are carried as Hedging Reserve to be ultimately set off when the underlying transaction arises.
- Other derivative contract entered into by the company has resulted in MTM gain of Rs. 214.95 lacs for the period ended June 30, 2008. This has not been recognised in the above financials as per the guidelines issued by the Institute of Chartered Accountants of India.
- Previous period's figures are recast wherever necessary.
- Information on investor complaints pursuant to clause 41 of the listing agreement for the quarter ended 30th June 2008: During the quarter we have received nine complaints of which five have been resolved and four are pending.

By order of the Board  
for Dynamatic Technologies Limited

Place : Bangalore  
Date : July 30, 2008

UDAYANT MALHOUTRA  
CEO & Managing Director

Revenue  
up by  
72%

EBITDA  
up by  
59%

(growth based on consolidated results of the 1st quarter 08-09 with corresponding quarter 07-08)



www.dynamatics.com  
For clarifications please contact:  
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