



NOTICE TO SHAREHOLDERS

Notice is hereby given that the **Thirty Sixth Annual General Meeting** of the members of Dynamatic Technologies Limited will be held at the Registered Office of the Company at 'Dynamatic Park Peenya', Bangalore 560 058 on **Saturday, 13th August 2011, at 3:00 p.m.** to transact the following business:

ORDINARY BUSINESS**Item No. 1 - Adoption of accounts**

To receive, consider and adopt the Balance Sheet and the Profit and Loss Account for the year ended 31st March, 2011, together with the report of the Directors and the Auditors thereon.

Item No. 2 - Declaration of dividend

To declare a final Dividend on Equity Shares for the financial year ended 31st March 2011.

Item No. 3 - Re-appointment of Dr. K Aprameyan

To appoint a Director in place of Dr. K. Aprameyan, who retires by rotation and being eligible offers himself for re-appointment.

Item No. 4 - Re-appointment of Mr. Govind Mirchandani

To appoint a Director in place of Mr. Govind Mirchandani, who retires by rotation and being eligible offers himself for re-appointment.

Item No. 5 - Re-appointment of Ms. Malavika Jayaram

To appoint a Director in place of Ms. Malavika Jayaram, who retires by rotation and being eligible offers herself for re-appointment.

Item No. 6 - Appointment of Auditors

To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration and to pass, with or without modifications, the following resolution as an ORDINARY Resolution:

"RESOLVED THAT M/s. B S R & Associates., Chartered Accountants, (Firm Registration Number: 116231W) be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this annual general meeting until the conclusion of the next annual general meeting of the Company on such remuneration as shall be fixed by the Board of Directors."

SPECIAL BUSINESS**Item No. 7 - Increase in the borrowing limits of the Company**

To consider and, if thought fit, to pass with or without modifications, the following resolution as an ORDINARY Resolution:

"RESOLVED THAT in accordance with the provisions of Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956, 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 ₹500 Crores (Rupees Five Hundred Crores Only) at any one time."

Item No. 8 - Approval for Inter-corporate loans and Investments into JKM Erla Automotive Limited.

To consider and thought fit to pass, with or without modification, the following resolution as a SPECIAL Resolution:

"RESOLVED THAT in accordance with the provisions of Section 372A and other applicable provisions, if any of the Companies Act, 1956 and all other necessary approvals or permissions of such authorities and subject to such conditions, stipulations and modifications as applicable under the Companies Act, or any other applicable laws in India, or to such conditions as these authorities may impose while granting such approval and which the Board of Directors of the Company is authorized to accept, approval of the members of the company be and is hereby accorded to the Board of Directors of the Company to make a loan to JKM ERLA Automotive Limited, subject to a maximum limit of ₹100 Crores, to give guarantee(s) or provide security(ies) in connection with loans given / to be given to the said body corporate, subject to a maximum limit of ₹100 Crores and to invest by way of subscription or purchase or otherwise in the Equity Shares of JKM ERLA Automotive Limited, subject to a maximum limit of ₹100 Crores for the purposes stated in the explanatory statement to this notice notwithstanding that the aggregate of such loans and investments or the amounts for which guarantee or security provided/to be provided to or in all other bodies corporate, shall be in excess of any or all of the percentages prescribed under Section 372A(1) of the said Act and applicable provisions thereto."

"RESOLVED FURTHER THAT subject to the provisions of the Companies Act, 1956, the Board of Directors of the Company be and are hereby authorised to do from time to time all such acts, deeds and things necessary or expedient or proper in respect of the aforesaid loan/ investments/ guarantee/security including the amount and other terms and conditions of loan/investments/ guarantee/security and varying the same through transfer, sale, disinvestment or otherwise either in part or in full as may be applicable and as they may, in their absolute discretion, deem necessary to give effect to this resolution."

Item No. 9 - Amendments to terms of appointment of Mr. Udayant Malhoutra as CEO & Managing Director of the Company

To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a SPECIAL Resolution:

"RESOLVED THAT pursuant to the provisions of Section 269 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment(s) thereof, for the time being in force), approval of the Company be and is hereby accorded to the variation in the terms of remuneration of Mr. Udayant Malhoutra as CEO & Managing Director of the Company, details of which are contained in the explanatory statement annexed to this notice, the amended terms to be effective from the date as approved by the Board of Directors of the Company."

"RESOLVED FURTHER THAT in the event of any loss or inadequacy of profits in any financial year during the aforesaid period, the above terms of remuneration and perquisites will be admissible as the minimum remuneration payable to Mr. Udayant Malhoutra, subject to compliance with the provisions of Schedule XIII of the Companies Act, 1956".

"RESOLVED FURTHER THAT any further alteration, variation and modification of the terms of the said appointment/remuneration including the salary, allowances and perquisites shall be in such a manner as may be agreed to between the Board of Directors and Mr. Udayant Malhoutra within and in accordance with and subject to the limits prescribed in Schedule XIII of the Companies Act, 1956, or any amendment or any statutory modifications thereto and conditions, if any, as may be stipulated by the Central Government and as may be agreed to accordingly between the Board of Directors and Mr. Udayant Malhoutra".

*By order of the Board of Directors
for **Dynamatic Technologies Limited***



G. Haritha
GM - Compliance & Company Secretary

Place : Bangalore
Date : 28th May, 2011

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT ANNUAL GENERAL MEETING ("the Meeting") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE MEETING.
2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. In terms of Articles 130 of the Articles of Association of the Company, read with Section 256 of the Companies Act, 1956, Dr. K. Aprameyan, Mr. Govind Mirchandani and Ms. Malavika Jayaram Directors, retire by rotation at the ensuing Meeting and being eligible, offer themselves for re-appointment. The Board of Directors of the Company commends their respective re-appointments.

Brief resume of all Directors including those proposed to be appointed, nature of their expertise in specific functional areas, companies in which they hold directorships and memberships/chairmanships of Board Committees, share holding and relationships between Directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, are provided in the Report on Corporate Governance forming part of the Annual Report.
4. Members are requested to bring their attendance slip along with their copy of annual report to the Meeting.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days, except Sundays, between 11.00 a.m. and 1.00 p.m. up to the date of Meeting.
7. a) The Company has already notified closure of Register of Members and Share Transfer Books from 6th August, 2011 to 13th August, 2011 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.
b) The dividend on Equity shares, if declared at the Meeting, will be paid before 13th September, 2011 to those members whose names shall appear on the Company's Register of Members on 13th August, 2011; in respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on 6th August, 2011.
8. Members holding shares in the electronic (dematerialized) form may note that bank particulars registered against their

respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the members.

9. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change of address immediately to the Company / Registrar and Share Transfer Agents (RTA), M/s. Karvy Computershare Private Limited.
10. Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, the Company has transferred the unpaid or unclaimed dividends for the financial year 2002-03 to the Investor Education and Protection Fund (the IEPF) established by the Central Government.
11. Address all correspondence, including dividend matters, to the Registrar and Share Transfer Agents - M/s. Karvy Computershare Private Limited., Plot No. 17-24, Vittall Rao Nagar, Madhapur, Hyderabad - 500081. Ph No.+ 91 040 23420815-20.
12. The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the RTA.
13. Members holding shares in single name and physical form are advised to make nomination in respect of their share holding in the Company. The nomination form can be obtained from the Registrar.
14. Non-Resident Indian Members are requested to inform Karvy, immediately of:
 - a) Change in their residential status on return to India for permanent settlement.
 - b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 7

Under the provisions of Section 293(1)(d) of the Companies Act, 1956, the Board of Directors shall not except with the approval of the Company in general meeting, borrow money, where the money to be borrowed together with the monies already borrowed, exceeds the aggregate of its paid-up capital and free reserves of the company. In view of the business expansion, growing operations, and the need for higher credit requirements, it is now proposed to

obtain the permission of the members to increase this limit to ₹500 Crores.

None of the Directors is interested or concerned in the above resolution. Your Directors commend the resolution for your approval.

Your Directors recommend the resolution for your approval.

ITEM NO. 8

JKM Erla Automotive Limited was incorporated on 8th February, 2011 a Wholly Owned Subsidiary of the Company.

Your Company intends to acquire 100% share holding of an Automotive Components manufacturing business in Germany, through JKM Erla Holdings GmbH, Wholly Owned Subsidiary of JKM ERLA Automotive Limited, India.

The proposed acquisition is in the automotive business involved in the design, development, manufacturing, processing and distribution of ferrous castings & forming tools for the foundry industry. The company is in a niche product segment, manufacturing complex castings from sophisticated materials, which are difficult to process. The company is a leader in high temperature resistant turbo-charger products such as exhaust manifolds, turbine housings for turbocharger and other similar products.

Further, in the ordinary course of business operations, and subject to compliance with applicable laws, it may become necessary to provide loan funds to JKM ERLA Holdings GmbH, Germany. In addition, the Company may be required to provide guarantees or securities in connection with loans obtained/to be obtained by JKM ERLA Holdings, GmbH, Germany, for its business operations through its subsidiaries.

It is proposed to obtain your approval for granting loans / investments / guarantees / security up to a specific limit of ₹100 Crore each.

The said limits requiring your approval does not fall outside the limits of Section 372A of the Companies Act, 1956, as the loan / investments / guarantee are in respect of Wholly Owned Subsidiary which are exempted for the calculation of Section 372A limit. As such, the said resolution will not fall under the preview of the requirements of postal ballot rules.

None of the Directors is interested or concerned in the above resolution except to the extent of his Directorship.

Your Directors recommend the resolution for your approval.

ITEM NO. 9

Pursuant Pursuant to the provisions of Section 269 read with Schedule XIII and other applicable provisions of the Companies Act, 1956, Mr. Udayant Malhoutra, was re-appointed as CEO & Managing Director of the Company for a period of five years effective from 1st October 2009, as approved by the members at the Annual General Meeting held on 25th August 2009. Mr. Udayant Malhoutra has been the CEO & Managing Director of the Company since 2006 and the Non-Executive Chairman of the Company's Subsidiaries in India and overseas. Over the years, your Company has grown organically and inorganically across multiple geographies and has diversified into multiple businesses with the long term vision of securing market leadership, technological competence and enhancing its brand equity as a global leader.

The multiple businesses of your Company include the Hydraulics Business in India and UK, the Aerospace Business in India and UK as well as the Automotive Business in India and Germany (including the proposed automotive acquisition). This growth has enabled your company to adopt the best technologies and skill sets at its state-of-the-art facilities to deliver the best products and services to its customers. It has also made the global management of the business complex. Mr. Udayant Malhoutra has played a pivotal role in the transformation of the Company into a Multi National Company and has been spearheading the development of the business of Dynamatic® group in India and outside by developing a strong leadership team to manage the businesses in a sustainable manner.

Considering the involvement of Mr. Udayant Malhoutra in the Company's global business development, the Board has strongly recommended the consideration of the following remuneration for Mr. Udayant Malhoutra as CEO & Managing Director of the Company:

SALARY

Salary per month ₹7,00,000 in the scale of ₹6,00,000 to ₹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 P.F 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.

The total remuneration to be drawn by him will be within the limits specified under Part II of Schedule XIII of the Companies Act, 1956.

This explanatory statement may also be construed as the abstract of variation in the terms of appointment of Mr. Udayant Malhoutra pursuant to Section 302 of the Companies Act, 1956.

None of the Directors, except Mr. Udayant Malhoutra are interested in this resolution.

Your Directors recommend the resolution for your approval.

*By order of the Board of Directors
for **Dynamatic Technologies Limited***



G. Haritha
GM - Compliance & Company Secretary

Place : Bangalore
Date : 28th May, 2011

Registered Office:
Dynamatic Park Peenya Bangalore 560 058 India

REQUEST TO UPDATE YOUR EMAIL ID - PARTICIPATING IN GREEN INITIATIVE

Your Company is concerned about the green environment. As you are aware, Ministry of Corporate Affairs ("MCA"), Government of India, vide its circular Nos. 17/2011 and 18/2011 dated 21st April, 2011 and 29th April, 2011 respectively, has allowed companies to send official documents to their shareholders electronically as part of its green initiatives in corporate governance.

Towards the said green initiative, your Company propose to send documents like the Notice convening the general meetings, financial statements, Directors' Report, etc to the email address registered with your Depository Participant.

We request you to update your email address with your depository participants those whose shares are in demat form and those who have their shares in physical form email at **dtl.cs@karvy.com** to ensure that the Annual Report and other documents reach you on your preferred email.