



2nd September 2020

To,

The Secretary Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai 400 001.	The Secretary National Stock Exchange of India Limited "Exchange Plaza" Bandra-Kurla Complex, Bandra East Mumbai 400 051.
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Sub: Annual General Meeting - Annual Report 2019-20.

Ref: Scrip code: NSE: DYNAMATECH; BSE: 505242

Dear Sir / Madam,

We would like to inform that the Forty-Fifth (45th) Annual General Meeting ("AGM") of the Company will be held on Thursday, the 24th (Twenty Fourth) day of September 2020 (Two Thousand and Twenty), at 10.00 (Ten) A.M. IST through Video Conference ("VC") / Other Audio-Visual Means ("OAVM").

Pursuant to Regulation 34(1) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), we are submitting herewith the Annual Report of the Company along with the Notice of AGM for the financial year 2019-20, which is being sent in electronic mode to the Members.

The Annual Report containing the Notice of AGM is also uploaded on the Company's website <https://www.dynamatics.com>

We kindly request you to take this on record.

Thank you.

Yours faithfully,
for **DYNAMATIC TECHNOLOGIES LIMITED**

Shivaram V
Head - Legal, Compliance & Company Secretary
Enclosure: as above

CC :

National Securities Depository Limited
Trade world, A wing, 4th and 5th Floors,
Kamala Mills Compound, Lower Parel,
Mumbai- 400 013

Central Depository Services (India) Limited
17th Floor, P J Tower,
Dalal Street, Mumbai-400 001

Ms. C. Shobha Anand
Kfin Technologies Private Limited
Selenium Tower B, Plot 31-32,
Gachibowli, Financial District,
Nanakramguda, Hyderabad 500 032

DYNAMATIC TECHNOLOGIES LIMITED

Registered Office: Dynamatic Park, Peenya, Bangalore - 560 058
Corporate Identity Number: L72200KA1973PLC002308
Phone Number: +91 80 2839 4933/34/35 Fax: +91 80 2839 5823
Email ID: investor.relations@dynamatics.net; website: www.dynamatics.com



NOTICE CALLING THE 45TH ANNUAL GENERAL MEETING

Notice is hereby given that the **45th (Forty Fifth) Annual General Meeting ('AGM')** of the Members of Dynamatic Technologies Limited (the 'Company') will be held on **Thursday, the 24th (Twenty Fourth) day of September 2020 (Two Thousand and Twenty) at 10.00 (Ten) AM IST through Video Conferencing("VC")/Other Audio Visual Means("OAVM")**, to transact the following businesses:

ORDINARY BUSINESS:

1. Adoption of Financial Statements

(a) to receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended 31st March 2020, together with the Reports of the Board of Directors and Auditor's thereon.

(b) to receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March 2020, together with the Report of the Auditor's thereon.

2. Appointment of Mr. P S Ramesh (DIN:05205364) as Director liable to retire by rotation

To appoint a Director in place of Mr. P S Ramesh (DIN: 05205364), who retires by rotation and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. Re-appointment of Mr. Udayant Malhoutra (DIN: 00053714) as CEO and Managing Director

To consider and, if thought fit, to pass, the following resolution, as **SPECIAL RESOLUTION**:

"RESOLVED THAT in further to the recommendation of Nomination and Remuneration Committee of the Board and the Board of Directors of the Company and in accordance with Section 196, 197, 198, 203 read with Schedule V of the Companies Act, 2013, SEBI (LODR) Regulations 2015 and any other applicable provisions, including any statutory modifications or re-enactments thereof, for the time being in force and subject to such other consents, approvals and permission, if any, as may be required, the consent of the shareholders be and is hereby accorded to re-appoint Mr. Udayant Malhoutra (DIN: 00053714) as the CEO & Managing Director of the Company for a further period of three years i.e., with effect from 1st October 2020 to 30th September 2023, on the following terms as under:

SALARY:

Salary: Rs.7,00,000 per month within the scale of Rs.5,00,000 to Rs.25,00,000.

PERQUISITES:

In addition to the salary referred to above, the CEO & Managing Director shall be entitled to:

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 (PF): 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 and internet services at his residence for the purpose of Company's business.

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

RESOLVED FURTHER THAT notwithstanding anything herein above stated wherein, in any financial year closing on or after 31st March 2020, during the tenure of Mr. Udayant Malhoutra as CEO & Managing Director of the Company, the Company's profits are inadequate or it incurs a loss, the Company shall pay to Mr. Udayant Malhoutra the above remuneration by the way of salary, bonus and other allowances as minimum remuneration as specified under schedule V of the Companies Act, 2013 or such other limits as may be prescribed by the Central Government from time to time.

RESOLVED FURTHER THAT any further alteration, variation and modification of the terms of the said appointment / remuneration including the salary, allowances and perquisites, without further reference to the members, shall be in such a manner as may be agreed to between the Board of Directors (which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute from time to time to exercise its powers including the power conferred by this resolution) and Mr. Udayant Malhoutra within and in accordance with the provisions of Schedule V of the Companies Act, 2013, or any amendment or any statutory modifications thereto and conditions, if any, as may be stipulated by the Central Government.

RESOLVED FURTHER THAT any of the Directors of the Company and Mr. Shivaram V, Head - Legal, Compliance and Company Secretary of the Company be and are hereby severally authorised 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 writing 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 this resolution".

4. Re-appointment of Mr. P S Ramesh (DIN: 05205364) as Executive Director & Group Technical Services and Human Resources for a term of 3 years

To consider and, if thought fit, to pass, the following resolution, as **SPECIAL RESOLUTION**:

“RESOLVED THAT in further to the recommendation of Nomination and Remuneration Committee of the Board and the Board of Directors of the Company and in accordance with Section 196, 197, 198 and 203 read with Schedule V of the Companies Act, 2013, SEBI (LODR) Regulations 2015 and any other applicable provisions, including any statutory modifications or re-enactments thereof, for the time being in force and subject to such other consents, approvals and permission, if any, as may be required, the consent of the shareholders be and is hereby accorded to re-appoint Mr. P S Ramesh (DIN: 05205364) as “Executive Director- Group Technical Services and Human Resources” of the Company for a further period of three years i.e., from effect 14th November 2020 to 13th November 2023, on the following terms as under:

SALARY:

Salary of Rs.7,66,666 per month within the scale of Rs.5,00,000 to Rs.25,00,000.

PERQUISITES:

Category A

Provident Fund (PF): 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 B

Telephone: As per the Company’s policy.

RESOLVED FURTHER THAT notwithstanding anything herein above stated wherein, in any financial year closing on or after 31st March 2020, during the tenure of Mr. P S Ramesh as Group Technical Services and Human Resources of the Company, the Company’s profits are inadequate or it incurs a loss, the Company shall pay to Mr. P S Ramesh the above remuneration by the way of salary, bonus and other allowances as minimum remuneration as specified under schedule V of the Companies Act, 2013 or such other limits as may be prescribed by the Central Government from time to time.

RESOLVED FURTHER THAT any further alteration, variation and modification of the terms of the said appointment / remuneration including the salary, allowances and perquisites, without further reference to the members, shall be in such a manner as may be agreed to between the Board of Directors (which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute from time to time to exercise its powers including the power conferred by this resolution) and Mr. P S Ramesh within and in accordance with the provisions of Schedule V of the Companies Act, 2013, or any amendment or any statutory modifications thereto and conditions, if any, as may be stipulated by the Central Government.

RESOLVED FURTHER THAT any of the Directors of the Company and Mr. Shivaram V, Head - Legal, Compliance and Company Secretary of the Company be and are hereby severally authorised 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 writing 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 this resolution”.

5. Re-appointment of Mr. Arvind Mishra (DIN: 07892275) as “Executive Director and Global COO - Hydraulics & Head of Homeland Security” for a term of 3 years

To consider and, if thought fit, to pass, the following resolution, as **SPECIAL RESOLUTION**:

“RESOLVED THAT in further to the recommendation of Nomination and remuneration Committee of the Board and the Board of Directors of the Company and in accordance with Section 196, 197, 198 read with Schedule V of the Companies Act, 2013, SEBI (LODR) Regulations 2015 and any other applicable provisions, including any statutory modifications or re-enactments thereof, for the time being in force and subject to such other consents, approvals and permission, if any, as may be required, the consent of the shareholders be and is hereby accorded to re-appoint Mr. Arvind Mishra (DIN: 07892275) as “Executive Director and Global COO – Hydraulics & Head of Homeland Security” of the Company for a further period of three years i.e., from effect from 9th August 2020 to 8th August 2023, on the following terms as under:

SALARY:

Salary of Rs.7,66,666 per month within the scale of Rs.5,00,000 to Rs.25,00,000.

PERQUISITES:

Category A

Provident Fund (PF): 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 B

Telephone: As per the Company’s policy.

RESOLVED FURTHER THAT notwithstanding anything herein above stated wherein, in any financial year closing on or after 31st March 2020, during the tenure of Mr. Arvind Mishra as Executive Director and Global COO – Hydraulics & Head of Homeland Security of the Company, the Company’s profits are inadequate or it incurs a loss, the Company shall pay to Mr. Arvind Mishra the above remuneration by the way of salary, bonus and other allowances as minimum remuneration as specified under schedule V of the Companies Act, 2013 or such other limits as may be prescribed by the Central Government from time to time.

RESOLVED FURTHER THAT any further alteration, variation and modification of the terms of the said appointment / remuneration including the salary, allowances and perquisites, without further reference to the members, shall be in such a manner as may be agreed to between the Board of Directors (which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute from time to time to exercise its powers including the power conferred by this resolution) and Mr. Arvind Mishra within and in accordance with the provisions of Schedule V of the Companies Act, 2013, or any amendment or any statutory modifications thereto and conditions, if any, as may be stipulated by the Central Government.

RESOLVED FURTHER THAT any of the Directors of the Company and Mr. Shivaram V, Head - Legal, Compliance and Company Secretary of the Company be and are hereby severally authorised 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 writing 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 this resolution”.

6. Ratification of Cost Auditor's Remuneration:

To consider and, if thought fit, to pass, the following resolution, as **ORDINARY RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) payment of Rs.4,00,000 (Rupees Four Lakhs only) plus applicable taxes thereon and reimbursement of out-of-pocket expenses at actuals, to M/s. Rao, Murthy & Associates, Cost Accountants (Firm Registration No. 000065), who have been appointed by the Board as Cost Auditors of the Company for conducting the cost audit of the accounts for the Financial Year ending 31st March 2021, be and is hereby ratified"

NOTES:

1. In view of the prevailing lock down situation across the country due to outbreak of the COVID-19 pandemic and restrictions on the movement apart from social distancing, the Ministry of Corporate Affairs ("MCA") vide Circular No. 14/2020 dated 8th April 2020, Circular No.17/2020 dated 13th April 2020, read with Circular No. 20/2020 dated 5th May 2020, permitted Companies to hold their Annual General Meeting ("AGM") through VC/OVAM for the calendar year 2020.
2. In compliance with applicable provisions of the Companies Act, 2013 read with aforesaid MCA circulars the 45th AGM of the Company is being conducted through Video Conferencing (VC/OVAM) herein after called as "e-AGM".
3. e-AGM: Company has appointed M/s Kfin Technologies Private Limited, Registrars and Transfer Agents ("Kfin"), to provide Video Conferencing facility and the attendant enablers for conducting of the e-AGM.
4. Pursuant to the provisions of the circulars of MCA on the VC/OVAM(e-AGM):
 - a. Members can attend the meeting through e-voting log in credentials provided to them to connect Video Conference. Physical attendance of the members at the meeting venue is not required
 - b. Appointment of Proxy to attend and cast vote on behalf of the member is not available.
 - c. Body Corporates are entitled to appoint authorised representatives to attend the e-AGM through VC/OVAM and participate thereat and cast their votes through e-voting.
 - d. Shareholders who have not registered their mail address and in consequence, the Annual Report, Notice of AGM and e-voting notice could not be serviced, may temporarily get their email address and mobile number provided with Kfintech, by clicking the link: https://ris.kfintech.com/email_registration/ for sending the same. Shareholders are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password.
5. The Members can join the e-AGM 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.
6. Up to 1000 members will be able to join on a FIFO basis to the e-AGM.
7. No restrictions on account of FIFO entry into e-AGM in respect of large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc.
8. The attendance of the Members (member's logins) attending the

e-AGM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

9. The Statement pursuant to Section 102 of the Companies Act, 2013, ("the Act") setting out material facts in respect of item Nos. 3 to 6 is annexed hereto. The relevant details as required under Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the SEBI Listing Regulations"), of persons seeking appointment / re-appointment as Directors are provided in the Annexure to this Notice.
10. Pursuant to the provisions of Section 91 of the Companies Act, 2013 and Regulation 42 of the SEBI Listing Regulations, the Register of Members and Share Transfer Books of the Company will be closed from Friday, 18th September 2020 to Thursday, 24th September 2020 (both days inclusive).
11. As per Regulation 40 of the SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from 1st April 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, Kfin for assistance in this regard.
12. To support the "Green Initiative", Members who have not registered their email addresses are requested to register the same with the Company's Registrar and Share Transfer Agent/ their Depository Participants, in respect of shares held in physical/ electronic mode, respectively.
13. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their Depository Participant in case the shares are held in electronic form and to Kfin, in case the shares are held in physical form
14. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail id: ratish.advice@gmail.com with a copy marked to www.evoting@kfintech.com
The scanned image of the above mentioned documents should be in the naming format "Corporate Name_ EVENT NO."
15. 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.
16. Transfer of Unclaimed/Unpaid amounts to the Investor Education and Protection Fund (IEPF):
Members are requested to note that dividends not encashed or remaining unclaimed for a period of 7 (seven) consecutive years from the date of transfer to the Company's Unpaid Dividend Account, shall be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Further, pursuant to the provisions of Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules') as amended to date, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs.
The Members/Claimants whose shares and unclaimed dividend have been transferred to IEPF may claim the shares or apply for

refund by making an application to IEPF Authority in Form IEPF 5 (available on www.iepf.gov.in) along with applicable requisite fee. The Member/Claimant can file only one consolidated claim in a Financial Year as per the IEPF Rules.

It is in Members' interest to claim any un-encashed dividends and in the future, opt for Electronic Clearing Service (ECS), so that dividends paid by the Company are credited to Members' account on time.

Members who have not yet encashed the dividend warrants from the Financial Year ended 31st March 2013, onwards are requested to forward their claims to the Company's Registrar and Share Transfer Agents. It may be noted that once the unclaimed dividend is transferred to IEPF as above, no claim shall rest with the Company in respect of such amount. The details of the unclaimed dividends are available on the Company's website at www.dynamics.com and on the website of Ministry of Corporate Affairs at www.mca.gov.in.

Members are requested to contact the Company's Registrar and Share Transfer Agent to claim the unclaimed/unpaid dividends thereon at the following address:

Kfin Technologies Private Limited,
Selenium Tower B, Plot 31-32,
Gachibowli, Financial District,
Nanakramguda, Hyderabad 500 032

17. Members holding shares in physical form are requested to advise any change of address immediately to the Company's Registrar and Share Transfer Agent. Members holding shares in electronic form must send the advice about change in address to their respective Depository Participant only and not to the Company or the Company's Registrar and Share Transfer Agent.
18. Members holding shares in physical form are requested to consider converting their share certificates into dematerialized form to eliminate risks associated with physical shares and for ease in portfolio management. Members can contact the Company's Registrar and Share Transfer Agent for any assistance in this regard.
19. Updation of Members' Details:
The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Act requires the Company/ Registrar and Share Transfer Agent to record additional details of Members, including their PAN details, email address, bank details for payment of dividend, etc. A form for capturing these additional details is appended at the end of the Notice. Members holding shares in physical form are requested to submit the filled-in form to the Company or to its Registrar and Share Transfer Agent. Members holding shares in electronic form are requested to submit the details to their respective Depository Participant
20. Nomination Facility: As per the provisions of Section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, as amended, Members holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's Registrar and Share Transfer Agent. In respect of shares held in dematerialized form, the nomination form may be filed with the respective Depository Participant.
21. Members, who have not yet exchanged their shares of Dynamic Hydraulics Limited, with the Share Certificates of Dynamic Technologies Limited, are requested to surrender their Share Certificate(s) for exchange. Such Members' are requested to contact the Company's Registrar and Share Transfer Agent-Kfin, in this regard.
22. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection by the Members at the Registered Office of the Company on all working days, except Sundays and Bank Holidays, during business hours up to the date of the e-AGM.

23. Since the e-AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
24. In compliance with the aforesaid MCA Circulars and SEBI Circular dated 12th May 2020, Notice of the e-AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.dynamics.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of to <https://evoting.kfintech.com/>
25. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Kfin, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below.
26. The Members who have cast their vote by remote e-voting prior to the e-AGM may also attend/ participate in the e-AGM through VC / OAVM but shall not be entitled to cast their vote again.
27. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on <https://evoting.kfintech.com/> to reset the password.
28. In case of any grievances connected with facility for e-voting, please contact:
Mrs. C Shobha Anand, Dy. Gen. Manager, Contact No. 040-67162222, at Kfin Technologies Private Limited [Unit: Dynamic Technologies Limited.], Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032
29. The voting rights of the Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date being Friday 18th September 2020.
30. Mr. Ratish Tagde (Membership No. FCS 6162, CP No. 22018), Proprietor, Ratish Tagde & Associates, Practicing Company Secretaries and in case of his inability Ms. G Haritha (Membership No. F5521, CP No. 10749), Practicing Company Secretaries, has been appointed as the Scrutinizer to scrutinize the voting process (electronically or otherwise) in a fair and transparent manner.
31. The Scrutinizer shall, immediately after the conclusion of voting at the e-AGM, first count the votes cast during the e-AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the e-AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
32. The Chairman or the person authorized by him in writing shall forthwith on receipt of the consolidated Scrutinizer's Report, declare the Results of the voting. The Results declared along with the Scrutinizer's Report(s) will be available on the website of the Company www.dynamics.com and KFin website <https://evoting.kfintech.com/> and the communication will be sent to BSE Limited and the National Stock Exchange of India Limited.
33. Subject to the receipt of requisite number of votes, the Resolutions forming part of the Notice of e-AGM shall be deemed to be passed on Thursday, 24th September 2020.

34. Instructions for the Members for attending the e-AGM through Video Conference:

- (i) Attending e-AGM Video Conference : Member will be provided with a facility to attend the e-AGM through Video Conferencing platform provided by KFin. Members may access the same at <https://emeetings.kfintech.com> and click on the "video conference" and access the shareholders/members login by using the remote e-voting credentials. The link for e-AGM will be available in shareholder/members login where the EVENT and the name of the company can be selected.
 - (ii) Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice.
 - (iii) Members are encouraged to join the Meeting through Laptops with Google Chrome for better experience.
 - (iv) Further Members will be required to allow Camera, if any, and hence use Internet with a good speed to avoid any disturbance during the meeting.
 - (v) Please note that Participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
 - (vi) **Questions prior to e-AGM:** Shareholders who would like to express their views/ask questions during the meeting may log into <https://emeetings.kfintech.com/> and click on "Post your Questions" may post their queries/views/questions in the window provided by mentioning the name, demat account number/folio number, email id, mobile number. Please note that, members questions will be answered only if the shareholder/s continue to hold the shares as of cut-off date i.e., Friday, 18th September 2020. The time period for posting the questions shall commence from Monday, 21st September 2020 at 9.00 AM and close on Tuesday, 22nd September 2020, at 5.00 PM. The same will be replied by the Company suitably.
 - (vii) Due to limitations of transmission and coordination during the Q&A session, the company may dispense with the speaker registration during the e-AGM conference.
 - (viii) **Speaker Registration during e-AGM session:** Members who would like to express their views or ask questions during the AGM may log into <https://emeetings.kfintech.com/> and click on "Speaker Registration" by mentioning the demat account number/folio number, city, email id, mobile number and submit. The speaker registration shall commence on Monday, 21st September 2020 at 9.00 AM and close on Tuesday, 22nd September 2020, at 5.00 PM. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the e-AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the e-AGM.
- 35 Instructions for members for e-Voting during the e-AGM session:
- a. The e-Voting "Thumb sign" on the left hand corner of the video screen shall be activated upon instructions of the chairman during the e-AGM proceedings. Shareholders shall click on the same to take them to the "instapoll" page
 - b. Members to click on the "Instapoll" icon to reach the resolution page and follow the instructions to vote on the resolutions.
 - c. Only those shareholders, who are present in the e-AGM and have not casted their vote on the resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the e-AGM.

36. Remote Voting through electronic means – Instructions.

In terms of the provisions of section 108 of the Act, read with rule 20 of the Companies (Management and Administration) Rules, 2014 as amended (hereinafter called 'the Rules' for the purpose of this section of the Notice) and regulation 44 of the Listing Regulations, the Company is providing facility of remote e-Voting facility to exercise votes on the items of business given in the Notice through electronic voting system, to members holding shares as at 5:00 PM on Friday, 18th September 2020, being the cut-off date fixed for determining voting rights of members, entitled to participate in the remote e-voting process, through the e-voting platform provided by Kfin or to vote at the e-AGM. Person who is not a member as on the cut-off date should treat this Notice for information purposes only.

The details of the process and manner for remote e-voting are given below:

- i. Initial password is provided in the body of the email.
- ii. Launch internet browser and type the URL: <https://www.evoting.kfintech.com> in the address bar.
- iii. Enter the login credentials i.e. User ID and password mentioned in your email. Your Folio No./DP ID Client ID will be your User ID. However, if you are already registered with Kfin for e-voting, you can use your existing User ID and password for casting your votes.
- iv. After entering the details appropriately, click on LOGIN.
- v. You will reach the password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$,etc.). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vi. You need to login again with the new credentials.
- vii. On successful login, the system will prompt you to select the EVENT i.e. Dynamatic Technologies Limited
- viii. On the voting page, the number of shares (which represents the number of votes) held by you as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the resolution, enter all shares and click 'FOR'/'AGAINST' as the case may be or partially in 'FOR' and partially in 'AGAINST', but the total number in 'FOR' and/or 'AGAINST' taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option 'ABSTAIN' and the shares held will not be counted under either head.
- ix. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.
- x. Cast your votes by selecting an appropriate option and click on 'SUBMIT'. A confirmation box will be displayed. Click 'OK' to confirm, else 'CANCEL' to modify. Once you confirm, you will not be allowed to modify your vote subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.
- xi. Members can cast their vote online from Monday, 21st September 2020 (9.00 A.M) till Wednesday, 23rd September 2020 (5.00 P.M). Voting beyond the said date shall not be allowed and the remote e-voting facility shall be blocked.
- xii. In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for Members and e-Voting User Manual available at the 'download' section of <https://evoting.kfintech.com> or call KFin on 1800 345 4001 (toll free).

Additional information of Directors seeking appointment as required under Regulation 36(3) of SEBI (LODR) Regulation, 2015:

Name of Directors	Mr. Udayant Malhoutra	Mr. P S Ramesh	Mr. Arvind Mishra
Date of Birth (age)	19-10-1965	24-04-1958	05-12-1972
Date of Appointment	01-10-1989	14-11-2014	09-08-2017
Qualifications	Doctor of Engineering & Technology (Honoris-Causa) from University of Engineering and Management, Kolkata	Mechanical Engineering from UVCE, Bangalore University and M. Tech. in Aircraft Production Engineering from IIT Madras	Mechanical Engineering Graduate from RVCE
Relationship between Directors inter-se	None	None	None
Expertise in specific functional area	Three decades of rich overall Business Management including functional expertise in Sales, Marketing and Corporate Management	More than 3 decades of rich experience in Hydraulics and Aerospace engineering including Sales, Marketing and Corporate Management	More than two decades of rich experience in diverse areas covering Strategic and tactical planning, CRM, Vendor relation, Team Building, Budgeting and forecast, Inventory management and NPD
Directorships held in other Public Companies (excluding Foreign, Private and Section 8 Companies)	<ul style="list-style-type: none"> M/s. San Engineering & Locomotive Company Limited; M/s. Centrust Financial Limited & M/s. Greenerth Biotechnologies Limited 	<ul style="list-style-type: none"> M/s. JKM Ferrotech Limited; M/s. JKM Erla Automotive Limited; M/s. JKM Research Farm Limited & M/s. JKM Automotive Limited 	<ul style="list-style-type: none"> M/s. JKM Research Farm Limited & M/s. JKM Automotive Limited
Membership / Chairmanship of Committees of other Public Companies (includes only Audit Committee and Stakeholders Relationship Committee)	None	None	None
No. of Shares held in the Company	6,20,179	None	None

For other details such as number of meetings of the board attended during the year, remuneration drawn and relationship with other directors and key managerial personnel in respect of above directors, please refer to the corporate governance report which is a part of this Annual Report.

**EXPLANATORY STATEMENT
Pursuant to Section 102 (1) of the Companies Act, 2013**

Item number 3 :

Pursuant to provisions of section 197 read with schedule V and other applicable provisions of the Companies Act, 2013, Mr. Udayant Malhoutra (DIN: 00053714), was re-appointed as the CEO & Managing Director of the Company for a period of three years with effect from 1st October, 2017, as approved by the Members at their Annual General Meeting held on 10th August, 2017.

Mr. Malhoutra has been conferred the degree of Doctor of Engineering & Technology (Honoris-Causa) from University of Engineering and Management, Kolkata, in recognition of his outstanding contribution in the field of Technology & Innovation and his dedicated service to the nation.

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 in developing a strong leadership team to manage the businesses in a sustainable manner.

Over the years, the Company has grown 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 the Company include the Hydraulics business in India and UK, the Aerospace business in India and UK and the Automotive business in India and Germany. This growth has enabled your Company to adopt the best technologies and skill sets at its state-of-art facilities to deliver the best products and services to its customers.

Mr. Udayant Malhoutra has rich and varied experience in the industry and has been involved in the operation of the Company over long period of time. Considering his role in the Company's global business development, the Board strongly recommends the re-appointment of Mr. Udayant Malhoutra as the CEO & Managing Director of the Company and remuneration payable to him. The detailed terms of re-appointment and remuneration proposed to be paid to Mr. Udayant Malhoutra have already been provided in item number 3 of the resolution.

Others terms and conditions of re-appointment:

- The Managing Director & CEO shall be entitled to leave in accordance with the Rules of the Company.
- Minimum Remuneration: Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the Appointee, the Company has no profits or its profits are inadequate, the Company will pay to the Appointee, remuneration by way of Salary, Benefits, Perquisites and Allowances as in the resolution.
- The terms and conditions of the appointment of the Appointee as stated above can be altered or varied from time to time by the Board of Directors at its discretion, so as not to exceed the limits specified in Schedule V to the Act or any amendments made thereto.
- The appointment is subject to the provisions of Sections 167 (1) of the Companies Act, 2013.

Except Mr. Udayant Malhoutra and his relatives who are shareholders in the Company, none of the Directors/KMP/their relatives, are in any way, concerned or interested, financially or otherwise, in the resolution. The Board recommends this resolution for the approval of the members.

Item number 4 & 5:**Re-appointment of Mr. P S Ramesh:**

Pursuant to provisions of section 197 read with schedule V and other applicable provisions of the Companies Act, 2013, Mr. P S Ramesh (DIN: 05205364), was last re-appointed by the Shareholders as "Executive Director and Chief Operating Officer - Aerospace, India" of the Company for a period of two years with effect from 14th November 2018, consequently the Board re-designated him as Executive Director- Group Technical Services and Human Resources at its Meeting held on 14th November 2018, based on the business requirements and the said term was due to come to an end on 13th November 2020, and it is proposed to re-appoint him for further term of 3 years with effect from 14th November 2020.

Mr. P S Ramesh, a graduate in Mechanical Engineering from UVCE, Bangalore University and M. Tech. in Aircraft Production Engineering from IIT Madras, started his career in Hindustan Aeronautics Limited as a Management Trainee in 1982 and in 1994 moved on to SME Aerospace- a leading aerospace company in Kuala Lumpur, Malaysia. He was heading Quality Assurance & Planning group and was instrumental in achieving Supplier Excellence Programme (SEP) from B.Ae. & achieving 'bronze status' for that company.

Mr. P S Ramesh joined the Company in the year 1999 as Head of Quality and spearheaded the campaign for documenting procedures/control plans and implementing ISO 9001 certification. Mr. P S Ramesh has been serving the Company for the past 22 years and has progressively grown to be the Executive Director- Group Technical Services and Human Resources.

Mr. P S Ramesh has rich and varied experience in the industry and has been involved in the operations of the Company over a long period of time. Considering his role in the Company's global business development, the Board strongly recommends the re-appointment of Mr. P S Ramesh as the Executive Director – Group Technical Services and Human Resources of the Company and remuneration payable to him. The detailed terms of re-appointment and remuneration proposed to be paid to Mr. P S Ramesh have already been provided in item number 4 of the resolution.

Re-appointment of Mr. Arvind Mishra:

Pursuant to provisions of section 197 read with schedule V and other applicable provisions of the Companies Act, 2013, Mr. Arvind Mishra (DIN: 07892275), was last appointed by the Shareholders as "Executive Director and Global Chief Operating Officer – Hydraulics and Head of Homeland Security" of the Company for a period of three

years with effect from 9th August 2017, and the said term has come to an end on 9th August 2020, and it is proposed to re-appoint him for further term of 3 years with effect from 9th August 2020.

He is a Mechanical Engineering Graduate from RVCE and has been working with Dynamatic Technologies since 1995 and has overall experience of more than 20 years in Strategic and Tactical Planning, Account Development & Acquisition, Competitive Sales Analysis, Contracts Negotiations, P&L Financial Reporting, CRM, Vendor Relation, Team Building, Budgeting and Forecast, Inventory Management and NPD.

Mr. Arvind Mishra joined the Company as Management Trainee in the year 1995 post which he held various key positions in the Company and currently is serving as Executive Director – Global COO, Hydraulics and Head – Homeland Security.

He is experienced Senior Executive, both at the Strategic and Operational level with two decades of strong track record in delivering and sustaining revenue and profit growth in highly competitive market and in driving and managing business improvement, change management & growth.

Mr. Arvind Mishra has rich and varied experience in the industry and has been involved in the operation of the Company over long period of time. Considering his role in the Company's global business development, the Board strongly recommends the re-appointment of Mr. Arvind Mishra as the Executive Director – Global COO, Hydraulics and Head – Homeland Security of the Company and remuneration payable to him. The detailed terms of re-appointment and remuneration proposed to be paid to Mr. Arvind Mishra have already been provided in item number 5 of the resolution.

Others terms and conditions of re-appointment for Mr. P S Ramesh and Mr. Arvind Mishra

- The Executive Directors shall be entitled to leave in accordance with the Rules of the Company.
- Minimum Remuneration: Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the Appointees, the Company has no profits or its profits are inadequate, the Company will pay to the Appointees, remuneration by way of Salary, Benefits, Perquisites and Allowances as specified above.
- The terms and conditions of the Appointees, as stated above can be altered or varied from time to time by the Board of Directors at its discretion, so as not to exceed the limits specified in Schedule V to the Act or any amendments made thereto.
- The appointment is subject to the provisions of Sections 167 (1) of the Companies Act, 2013.
- If at any time, the Appointees cease to be in the employment of the Company for any reason whatsoever, they shall cease to be the Executive Directors of the Company.
- The Appointees shall not be entitled to supplement their earnings with any buying or selling commission. They shall not be interested or otherwise concerned directly or through their relatives in any selling agency of the Company without statutory approvals as required to be obtained under the Companies Act, 2013.
- The Appointees shall devote their whole time and attention to the business of the Company and perform such duties, carry out such responsibilities and exercise such powers as may be entrusted to them by the Board, from time to time.

Except Mr. P S Ramesh and Mr. Arvind Mishra, being Appointee's, none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the resolutions set out in Item No. 4 & 5. The Board recommends these resolutions for the approval of the members.

Appended below, is the information as required to be furnished under sub-clause (iv) of clause B of part II of Schedule V to the Companies Act, 2013 for Mr. Udayant Malhoutra, Mr. P S Ramesh and Mr. Arvind Mishra:

I. General Information:						
1	Nature of industry	<p>Incorporated in 1973, Dynamatic Technologies Limited ('DTL', 'Dynamatic Technologies' or the 'Company') is a manufacturer of highly engineered, mission critical products for the Aerospace, Automotive and Hydraulic industries. With futuristic design, engineering and manufacturing facilities in Europe and India, Dynamatic Technologies serves customers across six continents.</p> <p>The Company is one of the world's largest manufacturers of hydraulic gear pumps and automotive turbochargers and has held the leadership position in hydraulic gear pumps market for over 45 years. DTL has 75% share of the Indian organized tractor market with supplies to almost all OEMs in India. Dynamatic Technologies is a pioneer and leader, both in the Indian private sector and the UK for the manufacture of precision flight critical, and complex airframe structures and aerospace components. It is a Tier-I supplier to the global aerospace OEMs such as Airbus, Boeing, Bell Helicopters and Hindustan Aeronautics Limited. The Company also manufactures high precision, complex metallurgical ferrous and aluminium castings for performance critical components such as turbochargers and exhaust manifolds and has capabilities to develop automotive components on single-source basis.</p> <p>The Company's facilities located in India (Bengaluru, Chennai, Coimbatore, Nasik), United Kingdom (Swindon, Bristol) and Germany (Schwarzenberg), are lean, green and clean, and designed to support neighbouring communities as well as the environment. The Company is vertically integrated, with its own alloy-making and casting capabilities as well as its own captive green energy sources.</p> <p>The Company operates in three business segments: Hydraulics, Aerospace & Defence and Automotive & Metallurgy.</p>				
2	Date or expected date of commencement of commercial Production	The Company commenced its commercial production in the year 1973.				
3	Standalone Financial performance based on given indicators (From continued business)	(₹ in lakhs)				
		Financial Year	Net Revenue	Profits before tax & exceptional item	Net Profits after tax	EBITDA
		2017-18	48,832	2,205	1,511	9,823
		2018-19	59,215	5,536	3,599	13,341
		2019-20	56,963	5,477	(19,174)	14,256
4	Foreign investments or collaborations, if any.	The Company has not entered into any foreign collaboration and no direct capital investment has been made in the Company in the last three financial years. Foreign Investors, mainly comprising NRIs, FII and / or Foreign Nationals are investors in the Company on account of past issuance of Securities/Secondary market purchase.				

II Information about the appointee:				
1	Name and Designation of the Director	Mr. Udayant Malhoutra, CEO & Managing Director	Mr. P S Ramesh, Executive Director – Group Technical Services and Human Resources	Mr. Arvind Mishra – Executive Director & Global COO – Hydraulics and Head – Homeland Security
2	Background details	Mr. Udayant Malhoutra has been associated with the Company since 1989 as the Chief Executive. During this period, he has globalised and scaled the company's Original Hydraulic business, and founded the Company's Aerospace and Metallurgical businesses. He is credited with building and nurturing a world class management team, and transforming the Company into a knowledge based organisation with global operations.	Mr. P S Ramesh is the ED –Group Technical Services & HR. Prior to this, he served as COO of Dynamatic Oldland Aerospace and Dynamatic Hydraulics, India. He has been with Dynamatic Technologies since 1999 and has served in various positions of Seniority. He holds a Master's Degree in Aircraft Production Engineering from IIT Madras. He is a Six Sigma Black Belt and an ISO 9000 lead Auditor. He has been trained by FAA on Aircraft System Certification Evaluation Program.	Mr. Arvind Mishra has over 20 years of experience in Marketing, Business Development and Change Management. His key skills are Design Thinking, Strategic and Tactical Planning, Competitive Sales Analysis, Budgeting and Forecast and Operational Excellence. He joined Dynamatic Technologies in the year 1995 and has since held various leadership roles.

		He is the Chairman of the National Sector Skills Council for Strategic Manufacturing, and Chairman of the new National Institute of Design, Amravathi. He is a member of CII National Council, and has chaired the CII National Committees on Design and Technology. He has also served on the Board of Governors, IIT Kanpur. He is an active member of the Young Presidents' Organization (YPO), having served as Chairman, India & South Asian Area and as a member of the International Board of Directors.	His career spans over three and a half decades, including 12 years service with Hindustan Aeronautics Limited (HAL), where he was associated with the manufacture of Jaguar and the TEJAS. He also served for 5 years as Head of Quality and Technical Services in SMEA, the State Owned Malaysian Aircraft Industry, where his Customers included British Aerospace, Pilatus and the Royal Malaysian Air Force. Mr. P S Ramesh holds the position of Chairman, Institute Management Committee, under a Public Private Partnership with the State Government of Karnataka. He leads skill initiatives at the Aerospace Skill Development Centre (ASDC).	Currently, he is the Global Chief Operating Officer of Hydraulics Business and runs its Operations in India, UK and US. He also heads the Homeland Security Business for Dynamatic. Mr. Arvind Mishra is Co-chair FICCI Homeland Security Committee for 2020-21 & is a Member of the Governing Council of Fluid Power Society of India and is on the corporate advisory board of Chandigarh University.
3	Past remuneration	During the year 2019-2020, Mr. Udayant Malhoutra was paid Rs 79,44,012	During the Year 2019-2020, Mr. P S Ramesh was paid Rs 90,40,428	During the Year 2019-2020, Mr. Arvind Mishra was paid Rs.90,40,428
4	Recognition or awards	The Company has received various awards and recognition during his tenure as a CEO & Managing Director of the Company.	The Company has received various awards and recognition during his tenure as a Whole time Director of the Company	The Company has received various awards and recognition during his tenure as a Whole time Director of the Company
5	Job profile and his suitability	Mr. Udayant Malhoutra is an industrialist with over 35 years of experience in the field of Engineering, contribution in the field of Technology and Innovation and his dedicated service to the nation. His vast experience and expert knowledge in the field of Engineering, Technology and Innovation coupled with his strong resources management capability, makes him fully suitable for the position. He is the Promoter of the Company, CEO and Managing Director of the Company and has successfully transformed the company into a Rs.1,500 crore revenue generating business with focus on diverse sectors including automotive, aerospace, metallurgy, alongside Securing market leadership, technological Competence and Brand Equity	Mr. P S Ramesh is associated with the organization for over 22 years and has grown to the position of Executive Director of the Company. He shouldered the responsibility of the overall operations of Aerospace business in India before his elevation to Group Technical Services and Human Resources.	He is a Mechanical Engineering Graduate and has been working for over 25 years in Strategic and Tactical Planning, Account Development & Acquisition, Competitive Sales Analysis, Contracts Negotiations, P&L Financial Reporting, CRM, Vendor Relation, Team Building, Budgeting and Forecast, Inventory Management and NPd.
6	Remuneration proposed	Details of proposed remuneration is presented above in the resolution.	Details of proposed remuneration is presented above in the resolution.	Details of proposed remuneration is presented above in the resolution.
7	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	Given the size complexity, uniqueness, nature of business of the Company and also the profile of the position of Mr. Udayant Malhoutra as given above, the proposed remuneration is in line with the remuneration prevalent in the industry.	The remuneration to be paid to Mr. P S Ramesh is commensurate to the experience and responsibilities in his capacity as Group Technical Services and Human Resources.	The remuneration to be paid to Mr. Arvind Mishra is commensurate to the experience and responsibilities in his capacity as Executive Director and Global Chief Operating Officer-Hydraulics, Head of Homeland Security.

		His profile also requires expertise for appropriate fund allocation, optimum utilization of various resources in the business. Considering the fact that precise and manufacturing of mission critical products for the Aerospace, Automotive and Hydraulics industries is a highly specialized branch, it is difficult to establish or obtain comparative details of similar professional in other companies. However, keeping in mind his specialization and expertise in the field of engineering, technology & innovation and the onerous responsibilities of Mr. Udayant Malhoutra, the Board of Directors considers that the remuneration proposed to be paid to him is justified and commensurate with other organisations of the similar type, size and nature in Aerospace and Hydraulics industry.		
8	P e c u n i a r y relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Mr. Udayant Maloutra is the promoter, CEO & Managing Director and a major shareholder of the Company. Apart from the remuneration he has ongoing transactions with other entities where he and/or his relatives are interested. These are disclosed under Related Party Transactions forming part of the Financial Statements. Except for this, he has no other pecuniary relationship directly with the Company or relationship with the any other managerial personnel.	Apart from the remuneration which he may receive in his capacity as Group Technical Services and Human Resources, Mr. P S Ramesh has no other pecuniary relationship either directly or indirectly with the Company. He does not hold any shares in the Company. He does not have any relationship with any of the Key Managerial Personnel of the Company.	Apart from the remuneration which he may receive in his capacity as Executive Director and Global Chief Operating Officer-Hydraulics, Head of Homeland Security, Mr. Arvind Mishra has no other pecuniary relationship either directly or indirectly with the Company. He does not hold any shares in the Company. He does not have any relationship with any of the Key Managerial Personnel of the Company.

III Other Information:	
1	<p>Reasons of loss or inadequate profits</p> <p>During the year, the Company reported Loss (after Tax) of Rs. 208.44 Crore. This was primarily due to exceptional items occurred during the year. Pursuant to the application for Capital Reduction, filed by our Wholly Owned Subsidiary JKM Ferrotech Limited (JFTL), before National Law Company Tribunal (NCLT) Bengaluru Branch, the Company undertook an impairment assessment of Direct & Indirect investments in JFTL and accordingly recognized an impairment loss of Rs.126.21 Crore and written off trade advance extended to JFTL of Rs.65.67 Crore. The Company also undertook an impairment assessment of Direct & Indirect investments in subsidiaries and has recognized an impairment loss of Rs. 19.00 Crore & Rs. 60.20 Crore in JKM Global Pte Ltd, Singapore and JKM Erla Automotive Ltd, India respectively.</p> <p>Further, there was an overall slowdown in the Indian economy which was impacted by the outbreak of COVID-19 pandemic. The restrictions imposed by various governments across the globe to contain the outbreak are expected to slow down the business operations of the Company in the immediate future. The challenging business environment may continue to adversely affect the profitability and cash flows of the Company in the near to mid-term. The Company proposes to obtain approval of members as an abundant caution in case the standalone profits are insufficient to pay the managerial remuneration as above.</p>

2	Steps taken or proposed to be taken for improvement	<p>The business of the company is heavily export dependent. Some of the key markets for the Company that are affected by COVID crisis include France, Germany and United Kingdom. The impact on the business of the Company due to the situation created by COVID-19 hold some uncertainties for the immediate future. Consumption demand and normalcy of ports and other operations in different markets could impact the level of customer orders. However, the Company is optimistic of the demand gradually coming back to normal levels with the countries which are under lockdown gradually lifting restrictions.</p> <p>The Company is focused in cost optimization measures and is increasing focus on improving efficiencies and product mix to sustain profitability and cash flows. Going forward, with futuristic design, engineering and manufacturing facilities coupled with a strong client base, we are confident about creating long term value for all of our stakeholders through commitment to business excellence.</p>
3	Expected increase in productivity and profits in measurable terms	<p>The Company is very conscious about improvement in productivity and undertakes constant measures to improve it. However, it is extremely difficult in the present scenario to predict profits in measurable terms.</p>

IV	Disclosure:
1	The information, as required, is provided under Corporate Governance Section of the Annual Report 2019-2020
2	The Report on Corporate Governance in the Annual Report indicates the remuneration paid to the managerial personnel as well as to all other Directors. There is no severance fee or stock option in the case of the aforesaid managerial personnel.

Item number 6:

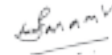
In terms of the provisions of Section 148 of the Act and the Rules made thereunder, the Company is required to maintain Cost Audit records and have the same audited by a Cost Auditor.

Based on the recommendation of the Audit Committee, the Board of Directors at its meeting held on 3rd July 2020, appointed M/s. Rao, Murthy & Associates, as Cost Auditor for conducting the Cost Audit for the Financial Year ending 31st March 2021, at a remuneration of Rs.4,00,000 (Rupees Four Lakhs only) plus applicable goods and service tax & reimbursement of out-of-pocket expenses at actuals.

Rule 14 of Companies (Audit and Auditors) Rules, 2014 as amended, requires that the remuneration payable to the Cost Auditor be ratified by the Members. Hence, the resolution at Item No.6 of the Notice.

The Directors recommend that the remuneration payable to the Cost Auditor in terms of the resolution set out at Item No. 6 of the accompanying Notice be ratified by the Members. None of the Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Resolution.

By Order of the Board



Shivaram V

Head – Legal, Compliance and
Company Secretary

Place: Bengaluru

Date: 3rd July 2020

**DYNAMATIC TECHNOLOGIES LIMITED**

Registered Office: Dynamatic Park, Peenya, Bangalore - 560 058
Corporate Identity Number: L72200KA1973PLC002308
Phone Number: +91 80 2839 4933/34/35 Fax: +91 80 2839 5823
Email ID: investor.relations@dynamatics.net website: www.dynamatics.com

**UPDATION OF
SHAREHOLDER INFORMATION****To,**

Kfin Technologies Private Limited.
Selenium Tower B, Plot 31-32,
Gachibowli, Financial District,
Nanakramguda, Hyderabad 500 032

I/ We request you to record the following information against our Folio No.:

GENERAL INFORMATION:

Folio No.:	
Name of the first named Shareholder:	
PAN: *	
CIN/ Registration No.: * (applicable to Corporate Shareholders)	
Tel No with STD Code:	
Mobile No.:	
Email Id:	

*Self attested copy of the document(s) enclosed

BANK DETAILS:

IFSC: (11 digit)	
MICR: (9 digit)	
Bank A/c Type:	
Bank A/c No.:	
* Name of the Bank:	
Bank Branch Address:	

* A blank cancelled cheque is enclosed to enable verification of bank details.

I/ We hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I/ We would not hold the Company/ RTA responsible. I/ We undertake to inform any subsequent changes in the above particulars as and when the changes take place. I/ We understand that the above details shall be maintained by you till I/ We hold the securities under the above mentioned Folio No./ beneficiary account.

Place :**Date :****Signature of the Member/s**







Things do not change; we change.

- Henry David Thoreau



Dear Fellow Shareholder,

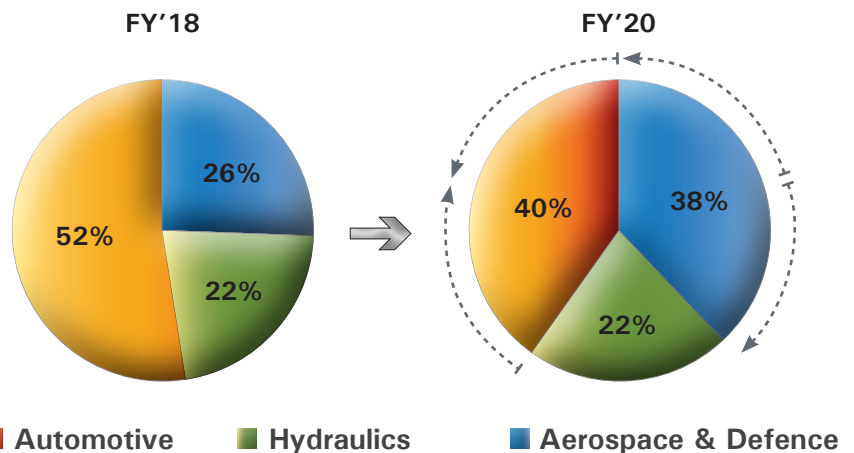
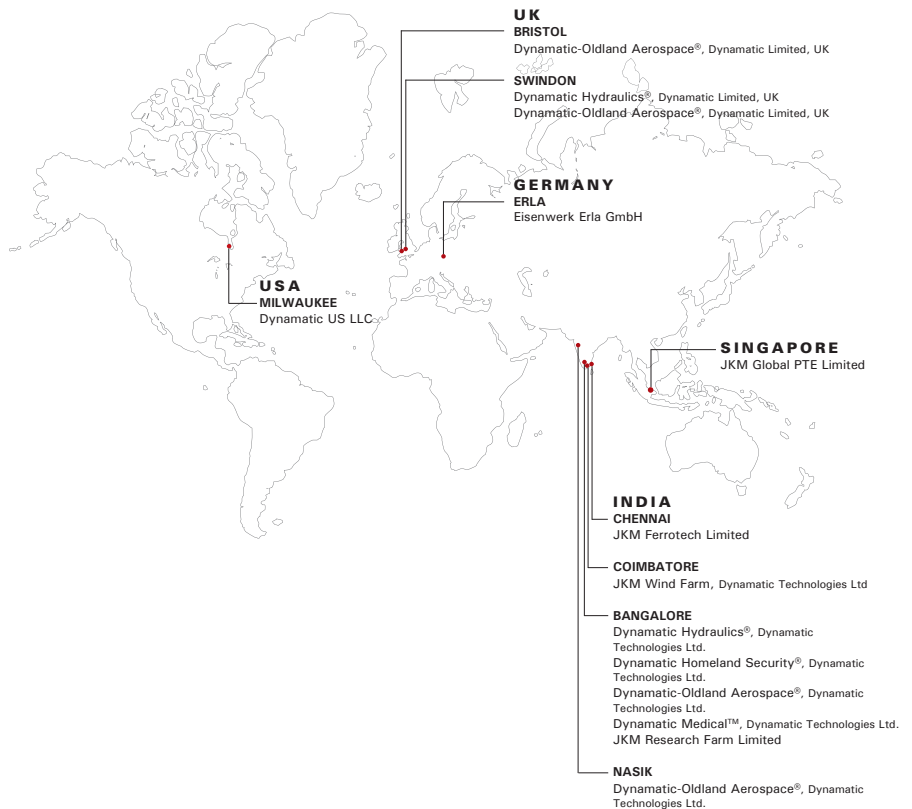
On behalf of the Board of Directors of Dynamatic Technologies Limited and its subsidiaries, I take pleasure in presenting you with Audited Financial Statements for the year 2019-20.

During the year under review, your Company recorded Consolidated Net Revenue of ₹13,212 million with Consolidated EBIDTA of ₹1,899 million & Profit After Tax of ₹298 million.

During the past 15 years your Company has been globalising its footprint with manufacturing facilities in India, Germany, UK and USA. Our manufacturing capacity is augmented with strong design and engineering capabilities which are spread out across the Organisation.

Today we are a vertically-integrated global supplier of highly engineered products to the world's most respected companies, and are focussing on profitable growth into the Aerospace and Defence Sector.

The graph (below) shows the change in sales mix between the business segments of Automotive & Metallurgy, Aerospace & Defence and Hydraulics. To achieve this transformation, your company had to re-train employees, re-configure existing manufacturing facilities and establish a global footprint.



During the year under review Dynamic-Oldland Aerospace® delivered a record volume of aerostructures to its customers Airbus, Boeing, Bell and HAL, reaching key milestones with each one of them.

The Robotic line for new Airbus A320 Monolithic FTBs has been commissioned at our Swindon facility and will be utilised for the entire life of the aircraft program. Dynamic is now a sole supplier of Flap-Track-Beam Assemblies for every Airbus A318, A319, A320, A321, A330, which account for around 50% of all commercial jetliners produced globally.



Dynamic completed '5000th Aircraft set' of Airbus Single Aisle Flap-Track-Beam Assemblies and delivered to Airbus in presence of Jose Maria Trujillano, Head Wing Procurement, Steve Archer, Head of Wing Leading and Trailing Edge Procurement



Dynamic delivered 125th Assembly of Boeing Chinook CH-47 in presence of Andrew Builta - VP, Chinook Programs, Suzanne Hoffman - Senior Director, BDS Supplier Management, Ashwani Bhargava - Director, India Supply Chain, Mohandas Pillai - Senior Manager & Venkat Kandi - Supplier Delivery & Performance along with Dynamic Senior Executives.

Production for both Boeing P8 and Chinook-CH47 remained robust given the rising global investment in defence platforms. Based on excellent quality performance Boeing has started looking at sourcing other variants and configurations for their global customer base. Your Company is also trying to increase the value added content on the current products.

All great changes are preceded by chaos.

- Deepak Chopra

COVID-19 has had a destructive effect on the global economy, especially with regard to international air travel, which in turn has adversely impacted commercial jetliner sales. Your Company has always hedged its bets with almost half it's aerostructures being produced for the defence sector. We have very rapidly switched production capabilities towards the defence market with new orders and deliveries. The deep industrial capabilities we have built-up over decades to deliver complete manufacturing solutions are an enabler for **Atmanirbhar Bharat**.



Induction of Dassault Rafale fighter jets will provide the Indian Airforce with potent multi-role, multi-mission defence capabilities. Dynamic is building high precision assembly and conformance jigs for Dassault under the **Make-in-India** initiative.

Your Company is the sole supplier for major assemblies for Bell 407 Fuselage. Demand remains stable as this helicopter has multi-role capabilities; Utility, Corporate, Medevac, Police, Fire-Fighting, Military and Oil Services.



Dynamatic delivered the 100th Set of Major Assemblies for Bell 407 helicopter to Senior Bell Executives Mike Shaw, Vice President Quality, Steve Dyer, Vice President Engineering Support and Dynamatic Senior Executives.

On 24th March, 2020 India went into Lockdown 1.0 to control COVID-19. With Aerospace & Defence classified as critical and essential infrastructure in North America and Europe, there was a risk that your Company would shut down their production lines. We are grateful to the Governments of Karnataka and Tamil Nadu for declaring Aerospace & Defence as essential services, thereby enabling continuity of supply across our supply chain.

Dynamatic Hydraulics® is the world's leading producer of high pressure Hydraulic Gear Pumps for agricultural tractors with end-to-end manufacturing capability in India and the UK. The Government of India has taken multiple steps to stimulate the economy post COVID-19 with specific focus on rural sector, farming sector and infrastructure growth. Your company has consolidated its Indian market share for Hydraulic Pumps on Agricultural tractors to more than 75% and has bagged new contracts with global tractor manufacturers setting up JVs in India like ITL-Yanmar, Mahindra Mitsubishi, Escorts Kubota, Tafe Iseki. These JVs will be catering to the requirement of tractors in India and the global market.



Yanmar will manufacture the Solis Tractor in partnership with International Tractors Limited. Dynamatic has developed compact Hydraulic Pumps and Hitch Control Valves for this tractor variant.



Riding on its advanced engineering and development capabilities, your company has developed several new products like Power Steering Valves, Hitch Control Valves with zero leakage, Direction Control Valves and Electronic Rockshaft Assemblies. Some of these products were officially launched during the EXCON 2019 (picture above) and generated overwhelming response from potential customers from India and overseas.

We are working closely with customers to develop other hydraulic products such as valves, rock-shaft assemblies and power-steering pumps. By focusing on share-of-wallet, we have the opportunity to grow the hydraulic business many times over in the coming decade. India is just entering a super-cycle of growth in infrastructure, and the need for Cast Iron Hydraulic Pumps and Valves is very large. Our backward integration in iron casting gives us an edge over others, especially during the crucial phase of product development.

As the pandemic hit India, we were concerned about how our country would cope with a large number of corona virus patients, who needed critical care.

Quite apart from a lack of ventilators, large parts of rural India do not have trained medical staff, or even electricity. So from the beginning, our mission was to develop a low-cost scalable solution, that would run directly off an oxygen tank, much like what is used by mountain climbers, divers and fighter pilots, to make medical care affordable for the common man.

Our best engineers along with doctors and scientists worked long hours through the lockdown on developing the concept. The PranaVent™ took shape from the drawing board to 3D printed prototypes in quick time.

After extensive testing we developed tooling for mass production with an entire supply-chain ecosystem within a few kilometers from our facility. Our focus has been scalability, should there be a sudden surge in demand.



Dynamatic Medical™ Team involved in the development PranaVent™ Mechanical Resuscitator

All parts are made from medical-grade material, and our processes are fully compliant to ISO 13485 standards.



PranaVent™ basic version with manometer



PranaVent™ with remote monitoring & intervention made easy through DynaSense™ wireless app

This product is the result of a confluence of engineering, medical science and entrepreneurship at Dynamatic Technologies Limited and represents a pivot in your Company's business towards developing medical devices. In addition to the immediate humanitarian impulse, this segment has the potential to become a longer term business opportunity for your Company.

The leadership team at Dynamatic is committed to securing the Company's market leadership, technological competence and brand equity. On behalf of our Board of Directors and Senior Management, I thank you for your continued support.

Udayant Malhoutra

Chief Executive Officer & Managing Director

“

The greatest danger in times of turbulence is not the turbulence - it is to act with yesterday's logic.

- Peter Drucker

COVID-19 - BUSINESS CONTINUITY



Sometimes even to live is an act of courage.

- Seneca

FEB 2020

AWARENESS

Published Notices and Posters and awareness via all Social media and communication channels to bring in awareness on COVID-19

Town-hall meetings were held with the entire work force to provide details of Dos' & Don'ts. Street plays were also enacted. A stress was made on personal hygiene and on minimizing close human interaction.

Hospital grade Sanitizers and Hand-rubs were installed at prominent places in all facilities.



MAR 2020

MASS SCREENING

Dynamatic worked closely with the Government of Karnataka and renowned scientist Prof. Utpal Tatu, to establish robust screening techniques to protect Industrial workers from infection with COVID-19. This involved testing, tracing and isolation protocols along with active biosecurity rules at work.



APR-MAY 2020

BUSINESS CONTINUITY DURING LOCKDOWN PERIOD

100% of our employees are tested every month in Government Accredited facilities.

Dynamatic is supporting Karnataka/Tamil Nadu Police and State administration with PPEs and Safety Kits.



JUN-JUL 2020

PREPAREDNESS & LONG TERM SUSTAINABILITY

A continued focus on long term business sustainability with cost and resource optimisation, biosecurity systems in place to protect our workforce, and a close working relationship with our customers and suppliers. In January 2020 itself your company prepaid it's principle payments due over the next four quarters to eliminate risk of any default.



TABLE OF CONTENTS

01

OVERVIEW

Corporate Information	ii
Organisation Structure	iii
Directors' and KMP Profile	iv
Company Overview	vii

02

NOTICE AND DIRECTORS' REPORT

AGM Notice to Shareholders	1
Directors' Report	14
Certification by CEO and Chief Financial Officer	42
Management Discussion and Analysis	43
Business Responsibility Report	58
Corporate Governance Report	66
Corporate Governance Compliance Certificate	87
Corporate Sustainability Report	89

03

CONSOLIDATED FINANCIAL STATEMENTS

Auditors' Report	94
Balance Sheet	99
Statement of Profit and Loss	101
Statement of Cash Flows	103
Statement of Changes in Equity	105
Notes to the Financial Statements	106

04

STANDALONE FINANCIAL STATEMENTS

Auditors' Report	154
Balance Sheet	160
Statement of Profit and Loss	162
Statement of Cash Flows	164
Statement of Changes in Equity	166
Notes to the Financial Statements	167

05

BUSINESS REVIEW REPORT

Dynamatic Limited, UK	
Eisenwerk Erla GmbH, Germany	
JKM Ferrotech Limited, India	
JKM Research Farm Limited, India	

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Govind Manik Mirchandani

Chairman of the Board and Independent Director

Ms. Malavika Jayaram

Independent Director

Mr. Pradyumna Vyas

Independent Director

Mr. Pierre de Bausset

Independent Director

Mr. Dietmar Hahn

Non-Executive and Non-Independent Director

Mr. James Tucker

Non-Executive and Non-Independent Director

Mr. P S Ramesh

Executive Director - Group Technical Services and Human Resource

Mr. Arvind Mishra

Executive Director & Global COO - Hydraulics and Head - Homeland Security

Mr. Udayant Malhoutra

Chief Executive Officer & Managing Director

KEY MANAGERIAL PERSONNELS

Mr. Chalapathi P

Chief Financial Officer

Mr. Shivaram V

Head - Legal, Compliance & Company Secretary

AUDITORS

M/s. Deloitte Haskins & Sells LLP

(ICAI Firm Registration No. 117366W/W-100018)

Chartered Accountants, Bangalore

BANKERS

Axis Bank Limited

Bank of India

Commerz Bank

Deutsche Leasing

DMG Mori Finance

Export-Import Bank of India

ICICI Bank Limited

IndusInd Bank Limited

Kotak Mahindra Bank Limited

LBBW

Royal Bank of Scotland

Siemens Financial Services

TARGO Leasing

REGISTERED & CORPORATE OFFICE

Dynamic Technologies Limited

Dynamic Park, Peenya Industrial Area,
Bangalore 560 058.

Tel : +91 80 2839 4933 / 34 / 35

Fax : +91 80 2839 5823

Email : investor.relations@dynamics.net

CIN : L72200KA1973PLC002308

Website : www.dynamics.com

REGISTRAR & TRANSFER AGENTS

Kfin Technologies Private Limited

Selenium Tower B, Plot 31-32

Financial District, Nanakramguda,

Gachibowli, Hyderabad 00 032

Tel: +91 40 6716 2222

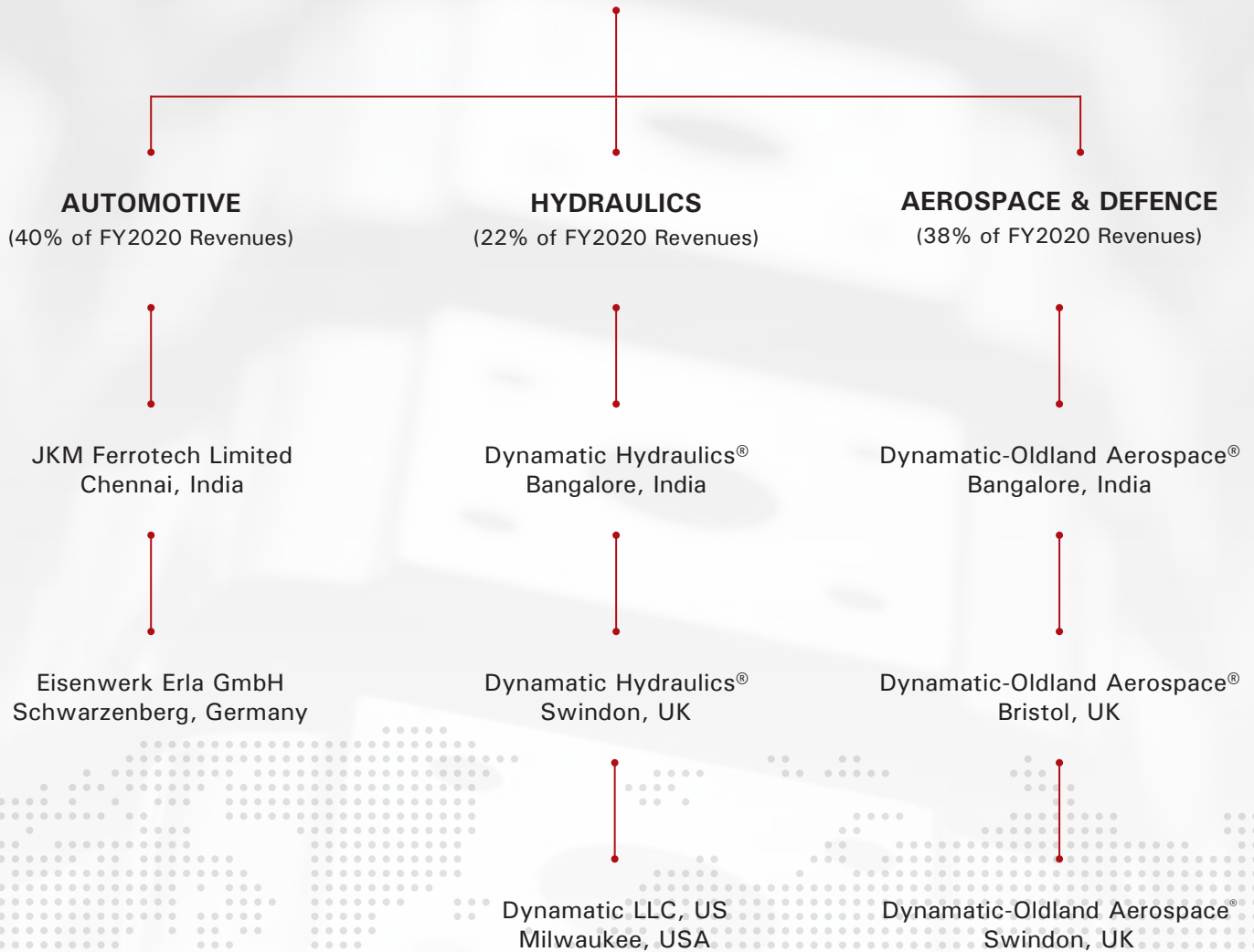
Fax: +91 40 2342 0814

Email: shobha.anand@kfintech.com

Website: www.kfintech.com

ORGANISATION STRUCTURE

DYNAMATIC TECHNOLOGIES LIMITED INDIA



DIRECTORS' AND KMP PROFILE



Mr. Govind Manik Mirchandani

Chairman and Independent Director

Mr. Mirchandani is a Business Mentor with vast experience in developing and building leading brands in India. He had a distinguished career which includes leadership positions at various Corporates. This includes Reid and Taylor (Executive Director & CEO), Director, Arvind Brands Ltd, CEO & President, Denim Division of Arvind Mills Limited and President & CEO of Personality Ltd.

Mr. Mirchandani was responsible for launching Arvind Denim in India in 1987 and also several other International and Domestic brands in India such as Arrow, Lee, Wrangler, Excalibur, Newport and Reid & Taylor. He is an expert in business leadership, Building High Performance Organisations, Brands and Retail Management. He has held several corporate senior positions for over three decades.

Mr. Mirchandani was Chairman of YPO Bangalore Chapter and the National Vice President, Indo – American Chamber of Commerce. He has won several IMAGES Awards and is also a recipient of the coveted Bharat Vikas Award for outstanding contribution to the field of Management and the Indira Super Achiever Award. He has a Degree in Bachelor of Technology from Indian Institute of Technology, Mumbai and a PGDM from Indian Institute of Management, Kolkata.

Mr. Mirchandani is associated with the Company as Independent Director since 2008.



Ms. Malavika Jayaram

Independent Director

Ms. Jayaram is a practising lawyer for over 15 years, she worked on cutting edge issues in Europe and India, with global law firm Allen & Overy in the Communications, Media & Technology group, as Vice President and Technology Counsel at Citigroup, and as Partner, Jayaram & Jayaram, Bangalore. She is a Berkman Fellow at Harvard University, and Adjunct Faculty at North-Western University's Master of Science in Law program. She is one of the few Indian lawyers selected for 'The International Who's Who of Internet e-Commerce & Data Protection' Lawyers directory.

Ms. Jayaram is associated with the Company as Independent Director since 2008.



Mr. Pradyumna Vyas

Independent Director

Prof. Pradyumna Vyas was the former Director of National Institute of Design (NID), India's premier design institute. He is currently a Senior Advisor of Design Promotion and Innovation at Confederation of Indian Industry (CII), India's premier industry association and Board of Director of the World Design Organisation (WDO).

He acquired a Masters in Industrial Design from the Indian Institute of Technology, Bombay and was awarded an 'Honorary Master of Arts' degree in 2010 from the University for the Creative Arts in Farnham, United Kingdom.

With more than 36 years of professional and teaching experience in different spheres of design, Prof. Vyas had been associated with NID for 30 years, first as a faculty member and later as the Director of the Institute (2009 - 2019).

He has been at the helm of design affairs and his illustrious career has been marked with several national and international milestones and accolades. His contribution in the formation of India Design Council, 2009, was marked by Prof. Vyas being nominated as its first Member Secretary by the Ministry of Commerce & Industry, Government of India, a post he had retained until his retirement from NID in 2019. During his tenure as Director, NID received the status of Institute of National Importance by the Act of Parliament. He assisted the Government of India during setting up of four new NIDs across the length and breadth of the country. Through India Design Council, he launched India Design Mark in association with Japan Institute of Design Promotion (JDP), Tokyo on the line of G-Mark.

He has been conferred with multiple awards in recognition for his contributions to design education and promotion, to name a few, World Education Congress, 2015, awarded him for his 'Outstanding Contribution to Education'; he was awarded a 'Lifetime Achievement Award' by Times Education Icons 2017 along with being a jury member for the special awards screening panel at Good Design Award (G- Mark) by the JDP, Tokyo consequently in 2012, 2013, 2014 and 2016.

In 2019, he has been awarded the honor of 'Good Design Fellow', by the JDP, Tokyo. He was appointed as a 'Distinguished Professor' of Shanghai Academy of Fine Arts, China, at the Shanghai Global design Summit, 2019.



Mr. Pierre de Bausset

Independent Director

Mr. Pierre de Bausset has over 34 years of broad international experience, in Europe, Asia and North America. His career in Corporate Finance covers Forex and Money Market, Asset Financing, Mergers and Acquisition and Investor Relations. As a governance expert, he has taken part in major Shareholder Transitions, Management Turnover, and Governance Enhancements on boards of Publicly Traded Companies, including in times of crisis; his experience spans Appointment & Induction of Key Talents, Stakeholder Advocacy, Mediation and Strategic Transactions Management.

He joined Airbus in 1989 and held various important Management Roles, including lately President and Managing Director of Airbus Group India. Prior to joining Airbus, he worked with Banque Indosuez, in Beijing and in Paris.

Besides, Pierre de Bausset acted as General Secretary of the Haut Comité du Gouvernement d'Entreprise, the Standard board for compliance of French Publicly Traded Companies with the country's Corporate Governance Code, through 2019. He is also an investor with an interest in tech companies."

He holds an MBA from I.N.S.E.A.D. and a Licence & Diplome Supérieur (Chinese language) from the Institut National des Langues et Civilisations Orientales in Paris.



Mr. Dietmar Hahn

Non-Executive and Non-Independent Director

Mr. Hahn has over two decades of rich experience in Operations, Sales and Development, having worked in leadership positions at Eisenwerk Erla GmbH. He is the Geschäftsführer (Managing Director), Eisenwerk Erla GmbH, Germany.

He holds a Diploma for Foundry Engineer from the University of Freiberg, Germany and Certificate's in Product Liability law, Advance Product Quality Planning and Technics of failures mode and effects analyses.



Mr. James Tucker

Non-Executive and Non-Independent Director

Mr. Tucker was formerly the Managing Director of Aerospace Dynamic Limited UK, He has rich Technical and Operational experience in Aeronautical Manufacturing as well as excellent customer liaison skills, having managed Global Aerospace majors like Boeing, Airbus, GKN Aerospace, G.E Aerospace & Leonardo. He is currently the Global COO, Dynamic-Oldland Aerospace®.



Mr. P S Ramesh

Executive Director – Group Technical Services and Human Resource

Mr. P S Ramesh is the ED - Group Technical Services & HR. Prior to this, he served as COO of Dynamic-Oldland Aerospace® and Dynamic Hydraulics®, India. He has been with DTL since 1999 and has served in various positions of Seniority. His career spans over three and a half decades, including a 12 years' service with Hindustan Aeronautics Limited (HAL), where he was associated with the manufacture of Jaguar and the TEJAS. He also served for 5 years as Head of Quality and Technical Services in SMEA, the State Owned Malaysian Aircraft Industry, where his Customers included British Aerospace, Pilatus and the Royal Malaysian Air Force.

He holds a Master's Degree in Aircraft Production Engineering from IIT Madras. He is a Six Sigma Black Belt and an ISO 9000 lead Auditor. He has been trained by FAA on Aircraft System Certification Evaluation Program.

Mr. P S Ramesh holds the position of Chairman, Institute Management Committee, under a Public Private Partnership with the State Government of Karnataka. He leads skill initiatives at the Aerospace Skill Development Centre (ASDC). He Co-chairs the Aviation and Aerospace Expert Committee of Bangalore Chamber of Industry and Commerce (BCIC).



Mr. Arvind Mishra

Executive Director & Global COO – Hydraulics and Head – Homeland Security

Mr. Mishra has over 20 years of experience in Marketing, Business Development and Change Management. His key skills are Design thinking, Strategic and Tactical Planning, Competitive Sales Analysis, Budgeting and Forecast and Operational Excellence. He joined Dynamatic in the year 1995 and has since held various leadership roles.

Currently, he is the Global Chief Operating Officer of Hydraulics Business and runs its Operations in India, UK and US. He also heads the Homeland Security Business for Dynamatic.

Mr. Arvind is currently Co-Chair FICCI Homeland Security Committee, Member CII Design committee & Chair Policy framework and incentives for design service providers and design user industry in India, Corporate Advisory Board Chandigarh University & member of FPSI governing Council.



Mr. Udayant Malhoutra

Chief Executive Officer & Managing Director

Mr. Malhoutra is the CEO & Managing Director of Dynamatic Technologies Limited and has been associated with the Company for over three decades. He is credited with building and nurturing a world class management team, and transforming the Company into a knowledge based organisation with global operations.

He is the Chairman of the National Sector Skills Council for Strategic Manufacturing, and Chairman of the National Institute of Design, Amravathi. He is a member of CII National Council, and has chaired the CII National Committees on Design and Technology. He has also served on the Board of Governors, IIT Kanpur, and is a Past President, Fluid Power Society of India. He is an active member of the Young Presidents' Organization (YPO), having served as Chairman, India & South Asian Area and as a member of the International Board of Directors.

He has been conferred the degree of Doctor of Engineering & Technology (Honoris-Causa) from University of Engineering and Management, Kolkata, in recognition of his outstanding contribution in the field of Technology & Innovation and his dedicated service to the nation.



Mr. Chalapathi P

Chief Financial Officer

Mr. Chalapathi P is a qualified Chartered Accountant and a Post Graduate in Commerce. He has been working with Dynamatic since 2009 and has overall experience of 15 years in Finance & Accounts, Controlling, Taxation, Audits, Project costing, FEMA/RBI compliances, Banking Relations, Mergers & Acquisitions, Corporate Governance, Investor Relations and Financial Strategy and also has handled International Transfer Pricing transactions including Audits and Scrutiny.

Prior to joining Dynamatic, he was working with US based manufacturing MNC M/s Interplex Electronics India Pvt. Ltd, Bangalore.

Mr. Chalapathi is a winner of CFONXT100 award for consecutive three years in 2015, 2016 & 2017 and also winner of CFO100 for FY2020.



Mr. Shivaram V

Head-Legal, Compliance and Company Secretary

Mr. Shivaram is a qualified Company Secretary and a Law Graduate and holds over 15 years of Experience in the Company Secretarial / Legal matters and has worked with various industries viz., Power, Pharmaceutical, Plantations & Manufacturing. He has expertise in handling FEMA Compliances, Corporate Governance, Mergers and Acquisitions, Equity Issues and Board Management.

Prior to joining the Company, Mr. Shivaram held Senior Position with Secretarial & Legal department of Tata Coffee Limited and before that he was the Company Secretary at Manipal Acunova Limited, one of the Manipal Group Companies.

COMPANY OVERVIEW

Incorporated in 1973, Dynamatic Technologies Limited ('DTL', 'Dynamatic Technologies' or the 'Company') is a manufacturer of highly engineered, mission critical products for the Aerospace, Automotive and Hydraulic industries. With futuristic design, engineering and manufacturing facilities in Europe and India, Dynamatic Technologies serves customers across six continents.

The Company is one of the world's largest manufacturers of hydraulic gear pumps and automotive turbochargers and has held leadership position in hydraulic gear pumps market for over 45 years. DTL has 75% share of the Indian organised tractor market and supplies to almost all original equipment manufacturers (OEMs) in India. Dynamatic Technologies is a pioneer and leader in the Indian private sector for the manufacture of high precision airframe structures and aerospace components. It is a Tier-I supplier to the global aerospace OEMs such as Airbus, Boeing, Bell Helicopters and HAL. The Company also manufactures high precision, complex metallurgical ferrous and aluminium castings for performance critical components such as turbochargers and exhaust manifolds and has capabilities to develop automotive components on single-source basis.

Dynamatic Technologies' facilities which are located in India (Bangalore, Chennai, Coimbatore, Nasik), United Kingdom (Swindon, Bristol) and Germany (Schwarzenberg), are lean, green and clean, and designed to support neighbouring communities as well as the environment. With three design laboratories in India and Europe, Dynamatic Technologies is a leading private R&D organisation, with a number of inventions and patents to its credit. The Company is vertically integrated, with its own alloy-making and casting capabilities as well as its own captive green energy sources.

HYDRAULICS

Dynamatic Hydraulics® is one of the world's largest hydraulic gear pump manufacturers with state-of-the-art manufacturing facilities located in Bangalore, India and Swindon, UK. The Company has technology leadership in the hydraulics space globally with one of the finest in-house engineering laboratories and rapid prototyping capabilities both in India and the UK.

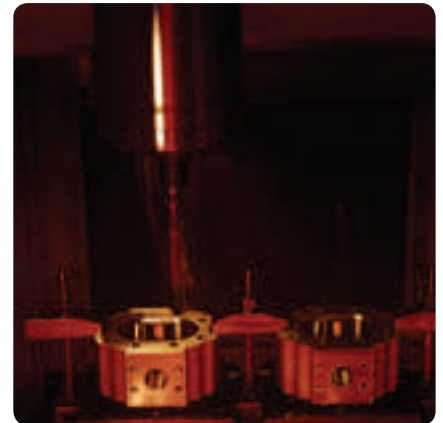
INDIA

Dynamatic Hydraulics® is one of the largest manufacturers of hydraulic gear pumps in the world supported by the advanced research and development team and rapid prototyping capabilities.

The Company has developed customized solutions for every single application ranging from Farm Mechanisation - Agricultural Tractors and Harvesters, Off-Highway Vehicles, Construction Equipment, Metal Cutting & Metal Forming, Material Handling and Mining Equipment. It has over 75% market share for pumps on Agri Tractors produced in India and 34% share of agri-tractors produced globally.

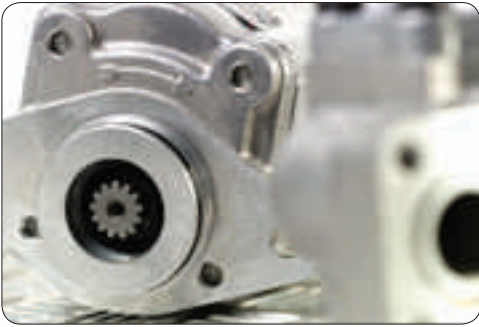
It also manufactures very high flow scavenging and lube oil pumps for off highway vehicles, marine and offshore equipment. The Company also designs and builds customized hydraulic solutions extending from simple hydraulic pumping units to complex marine power packs and aircraft ground support systems to turnkey industrial installations.

Dynamatic Hydraulics® offers complete hydraulic solutions including specialized hitch control valves, distributor valves, rock shaft assemblies including 3 point linkages and a wide range of pressure and flow control valves including steering control valve.



KEY CUSTOMERS

M&M	TAFE
JD	VST
TMTL	HAL
AGCO	SAME DEUTZ
ESCORTS	FAHR HVF
CNH	CUMMINS
WIRTGEN	ACE
ATLAS	MTPF
COCPKO	DLW



KEY CUSTOMERS

JOHN DEERE

JCB

TEREX

USA JOHN DEERE

MEXICO ALEXANDER DENNIS, UK

MACDON

KEY DISTRIBUTION & AFTER MARKET CUSTOMERS

TERMHOPE

WHITE HOUSE PRODUCTS

GILLIG

BERENDSEN



UK

Dynamic Hydraulics® facility in Swindon, UK, has over six decades of experience in the design and manufacture of gear pumps, gear motors and piston pumps. It supplies products to agricultural, construction and on-highway vehicle manufacturers. The facility houses state-of-the-art product testing and validation laboratories.

Product portfolio include aluminium body hydraulic gear pumps and integrated gear / piston pump packages, cast iron gear pumps, fan drive motors, integrated control valve, tandem gear pump and high value-add products combining multiple pump and valve elements in a compact unit.



Dynamic Hydraulics® Team, India

AUTOMOTIVE & METALLURGY

Dynatomic Technologies produces high quality ferrous automotive components for highway, off-highway and technology-oriented applications for leading global automotive OEMs. The Company possesses modern ferrous foundries as well as modern state-of-the-art automotive component manufacturing facilities in India and Germany and is able to vertically integrate the competence and locational advantages of its facilities to deliver greater value to its customers.

The JKM Ferrotech Limited (JFTL) facility in Chennai has expertise in producing exhaust system components and safety critical Brake parts on single source basis and is certified to the best in class industry quality and safety standards specific to the automotive industry. It's expertise in producing complex parts and exotic metallurgy like High Si-Mo and Si-Mo-Ni and GJV makes it a strong development partner for prototypes in ferrous alloy castings. JKM Ferrotech quality is well supported by Online X-ray machine with Robotic system to ensure testing of critical component.

JFTL caters to the needs of the Indian and global passenger car and commercial vehicle market and is currently working towards enhancing domestic share of business and the global footprint through collaborations with international automotive OEMs.

Product portfolio include components for Engine, Transmission, Brake Systems, Turbocharger, Chassis and Steering such as Exhaust Manifold, Flywheel, Brake Calliper / Carrier, Brake Slack Adjuster, Centre Housing , Turbine Housing, Turbine Housing with integrated manifold and Brackets and Steering Knuckle. Products include combination of BSIV and BS-VI parts.

Eisenwerk Erla GmbH is one of the preferred suppliers for engine castings and turbocharger housings for the leading global automotive manufactures. With a history of over 630 years, Eisenwerk Erla possesses one of the finest ferrous foundries in Europe, capable of manufacturing extremely intricate ferrous castings from difficult-to-cast materials. It also has strong R&D capabilities with patented technologies specific to the Automotive Industry. It uses different materials for the castings as SiMo, Ni-Resist and heat resistant steel for turbocharger castings.



KEY CUSTOMERS

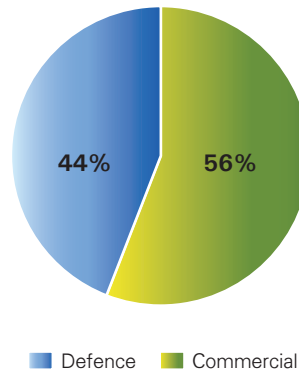
VOLKSWAGEN GROUP, GERMANY
BMW, AUSTRIA
BORG WARNER TURBO EMISSION SYSTEMS, GERMANY
MAN, GERMANY
HYUNDAI MOTORS, INDIA
DAIMLER, INDIA
CHASSIS BRAKES INTERNATIONAL
HALDEX, INDIA
TURBO ENERGY
TVS SUNDARAM FASTERNERS
ISUZU MOTORS, INDIA
MYUNGHWA, INDIA

AEROSPACE & DEFENCE

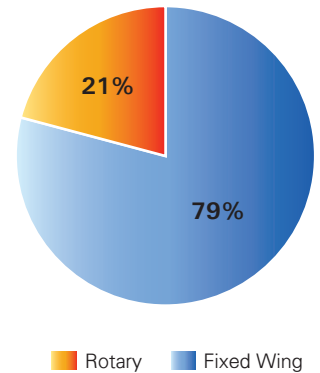
Dynamatic-Oldland Aerospace® continues to be a leading player in the Indian private sector and the UK for the manufacture of Flight Critical Airframe Structures and High Precision Class 1 Parts. The company has large infrastructure to cater to the needs of OEMs like Airbus, Boeing, Bell and Hindustan Aeronautics Limited as a Tier-I supplier and also is growing the Business share with major Tier 1's like Spirit AeroSystems and GKN.

The company has strategically grown the business with an almost equal split between Civilian & Defence Markets making sure the demands are balanced and has a steady order book.

COMMERCIAL Vs DEFENCE
AEROSPACE - SALES MIX



FIXED WING Vs ROTARY
AEROSPACE - PRODUCT MIX



The company has built a strong Continuous Improvement Culture with deployment of Advanced Product Quality Planning (APQP) and Production Part Approval Process (PPAP) which has been cross deployed from the Automotive Business. We are one of the first companies globally in Aerospace to adopt to this approach and has been appreciated by all the Major OEMs including Boeing, Airbus, Bell etc.



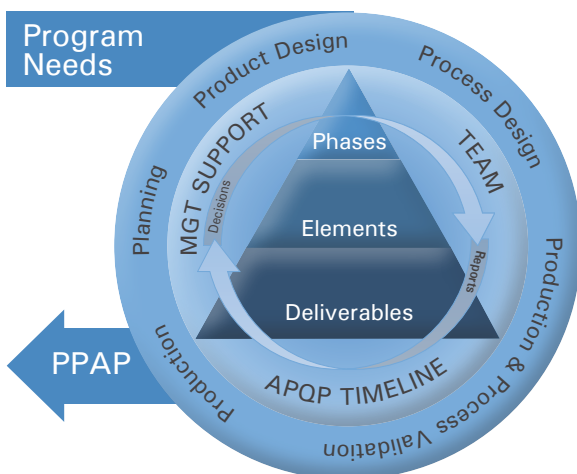
1990's
QS 9000
Hydraulic Gear
Pumps



1996-97
TS 16949
Start of APQP
High Quality
Automotive Components



2008
AS9100
Intro of Core tools
in Aero Business



Aerospace APQP



The state-of-the-art manufacturing facilities in India and UK are completely integrated with highly skilled workforce in India and advanced Robotic Manufacturing in UK. Both the Companies are working on continuous improvement culture for sustainable growth and increased value to the customers and shareholders.



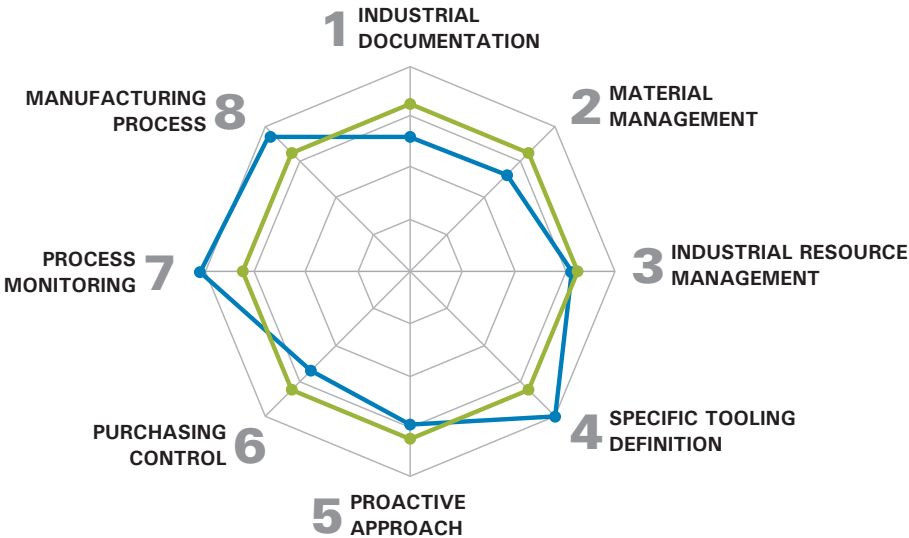
Ms. Jenette Ramos launched 'Dynamatic Mission Zero', an initiative which aims at reducing Defects, Accidents, Delays, Waste, Complaints, Downtime etc., through proactive measures and increasing value to organisation and customers. This Mission is to motivate employees to perform their job "right the first time and every time."

AIRBUS

Dynamatic-Oldland Aerospace® is a single source manufacturer of Flap Track Beam Assemblies with deliveries close to 5700 Aircraft sets. The company has been contracted by the customer for re-designing beams for the A320 Family. The Company is spear heading a cost reduction project with Monolithic machining of the flap track beams. This enables in a reduced part count and removal of the Titanium parts. This project has increased the workshare within the business and also extended the contract for the long term.

Flap track beam for A330 Family is fully industrialized at the new Aerospace campus next to the International Airport, Bangalore. The company completed delivery of 100 Aircraft sets and has achieved a six-sigma production with Zero Concession. The program with the new A330 NEO is seeing additional volumes which is increasing the project backlog. The Company is delivering close to 700 aircraft sets of Flap Track Beams across A320 and A330 family.

Airbus did an Industrial Process Capability Assessment (IPCA+) of the Facility in Bangalore. This is part of supplier development to check the maturity of the company and achieved highest score for the Aerostructure companies globally.



BOEING

Dynamic-Oldland Aerospace® as a Single Source supplier has delivered 100 Aircraft sets of Mission and Power Cabinets for Boeing’s P8 Maritime Reconnaissance Aircraft. Dynamic Technologies is constantly supporting the Boeing P8 with new configurations to support their customer needs globally including Indian Navy. The program has a healthy order book and the Company has visibility up to 2025.



Boeing CH-47 Chinook Program has been seeing steady deliveries of Aft Pylon and Cargo Ramp with deliveries touching 125 sets. Our continued Quality and Delivery performance has led to signing of extension of contract for 5 years. The Company is in advanced discussion for additional orders catering the Global requirements of CH-47.

BELL HELICOPTERS

Dynamic-Oldland Aerospace® as a single-source supplier of major airframe assemblies for the Bell 407 Helicopter has seen continued growth in the business. The Company delivered over 80 helicopter cabins. The program has been extended and the Company has visibility up to 2022. The project has been fully industrialized at the new Dynamic Aerotropolis, Devanahalli facility.

HINDUSTAN AERONAUTICS LIMITED (HAL)

Dynamic-Oldland Aerospace® is in the final stages of delivering front fuselage assembly FOC configuration for Light Combat Aircraft (LCA) - TEJAS, Hindustan Aeronautics Limited. All the major assembly jigs required for the assemblies are completed. The aircraft has been performing very well and the Company is looking at a strong order book going forward.



Tejas (LCA) Main Fuselage Assembly



BHARAT ELECTRONICS LIMITED (BEL)

Dynamatic Technologies has developed a new business relationship with BEL for the Precision Components and Large Mechanical Assemblies going in for critical assemblies for Indian Military services. The relationship is very new and the Company is in discussion to increase the workshare with BEL.



Handing over 125th Assembly of Boeing Chinook CH-47 in presence of Andrew Bulta -VP, Chinook Programs, Suzanne Hoffman – Senior Director, BDS Supplier Management & Ashwani Bhargava - Director, India Supply Chain

KEY CUSTOMERS

AIRBUS

BELL HELICOPTER

BHARAT ELECTRONICS LIMITED

BOEING

DASSAULT AVIATION

GKN AEROSPACE

HAL

LEONARDO AEROSPACE

LOCKHEED MARTIN

SPIRIT AEROSYSTEMS



DEFENCE

Dynamatic Homeland Security® (HLS) builds cutting-edge security solutions for countering modern day security threats. The Company's strong research and development capabilities coupled with the powerful partnerships with leading global security technology companies enables it to offer potential customers, like National Defence Forces, Police and Para Military forces, solutions that will enhance their abilities to prepare and plan for emergencies as well as their response and recovery skills.

Dynamatic Homeland Security® designs and builds Unmanned Aerial, Unmanned & Manned Ground ISR (Intelligence Surveillance & Reconnaissance) platforms for military and paramilitary. The HLS vertical of Dynamatic Technologies, also offers comprehensive integrated border management solutions CIBMS, which is a more robust and integrated system capable of addressing the gaps in the present system of border security by seamlessly integrating human resources, weapons, and high-tech surveillance equipment. A composite, collated picture would help senior commanders analyse and classify the threat and mobilise resources accordingly to assist the field security personnel in their response. CIBMS holds the potential to eventually replace manual surveillance/patrolling of the international borders by electronic surveillance and organising the BSF personnel into quick reaction teams to enhance their detection and interception capabilities.

The Company has DSIR (Department for Scientific & Industrial Research) approved R&D capabilities critical to developing cutting edge security solutions.

PATANG® QUADCOPTOR

Dynamatic Patang® is an indigenously developed, lightweight, easily deployable vertical take-off and landing unmanned aerial vehicle (UAV), capable of being launched from an area of 25 sq. metre or less, with no need of preparation of surfaces.

Rapid deployment and quick turnaround, ruggedness and reliability, long endurance and mission time, negligible audio signature, no need of launching aids and complete autonomy and minimal training needs makes Patang® an ideal platform for the para military for ISR activities and for disaster management.



PATANG® - Long Endurance Unmanned Aerial Vehicle



Mobile Command and Control Vehicles from Dynamatic, 'PRAHARI' are operational with the Gujarat Police as an essential ingredient of Safe City Project.

Mobile Command & Control Vehicles (MCCV) & Mobile Surveillance Vehicles (MSV)

Mobile Command and Control Vehicles from Dynamatic Technologies, 'PRAHARI' are operational with the Gujarat Police as an essential ingredient of Safe City Project. These MCCVs are capable of both Line of Sight and Non-Line of Sight missions, which makes them unique.

Dynamatic Homeland Security®, designs and builds mobile surveillance vehicles, Rakshak, for long range Day / Night ISR capabilities suitable for Border Security forces. These are for Line of Sight missions and have very high-end intelligent algorithms integrated within for video analysis.

UNMANNED AERIAL VEHICLES

Dynatomic Technologies has partnered with Israel Aerospace Industries (IAI) for the manufacture of UAVs in India. Earlier this year, the company entered into a tripartite agreement between IAI, HAL and Dynatomic Technologies for manufacture, sales and service of large UAVs in India to cater to the requirements from the Indian Defence and CAPF requirements.

Israel Aerospace Industries (IAI), is a globally recognized leader in the delivery of state-of-the-art systems for the defense and commercial markets. IAI offers unique solutions for a broad spectrum of requirements in space, air, land, sea, cyber, and HLS.

IAI is the largest government owned defense and aerospace company in Israel. Over the past 60 years IAI has delivered, supplied and supported advanced systems for the Israeli Ministry of Defence as well as many demanding customers worldwide. IAI has been a reliable partner of the Indian MoD for over two decades with critical products and technologies

IAI is today a world leader in UAVs with over 1,400,000 accumulated operational flight hours. Indian Military is effectively using HERONS & SEARCHER UAVs from Israel Aerospace Industries (IAI), in surveillance missions in the high altitude mountainous region as also for acquiring critical information to manoeuvre elements in the country's western deserts.

Hindustan Aeronautics Limited (HAL) is an Indian state-owned aerospace and defence company headquartered in Bangalore (Bengaluru), India. It is governed under the management of the Indian Ministry of Defence.



HERON MALE UAV (photo credits: IAI)

HERON MALE UAV

The HERON's have been able to fly in dual role and thereby fly at ranges of 400 km and extended range of 1000 km using SATCOM. Herons can operate at Altitudes of 30000 feet and are the best platforms for surveillance and reconnaissance missions at High Altitude and Hilly Terrains.

The HERONS have been able to fly in dual role and thereby fly at ranges of 400 km and extended range of 1000 km using SATCOM. Herons can operate at Altitudes of 30000 feet and are the best platforms for surveillance and reconnaissance missions at High Altitude and Hilly Terrains.

COMPREHENSIVE INTEGRATED BORDER MANAGEMENT SOLUTIONS (CIBMS)

Dynatomic Technologies designs comprehensive Border Management & Physical Security Systems, as a system integrator.

This scope involves understanding the threat perception, designing an architecture and integrating feed from a vast range of sensors to provide real-time intelligence and situational awareness. This is aimed at securing India's otherwise difficult to man porous borders with varied terrains. These solutions can be used for critical asset protection as well.



TunnelGuard uses sensor based technologies to prevent intrusion through tunnelling.



RoboGuard is a revolutionary agile scout robot, which runs along secured fences, ensuring perimeter integrity and capable of responding promptly to intrusion alerts. It consists of an autonomous unit, travelling on a monorail and carrying several sensors. (photo credits: magal)

ENGINEERING & DESIGN

Dynamic Technologies is a knowledge-based organization and research & development continues to be at the heart of the Company's growth strategy. Dynamic Technologies works closely with its OEM customers and anticipating their future product needs. The Company's R&D personnel conceive, design, develop and manufacture new proprietary hydraulic components and systems. R&D personnel also work to improve current products and production processes to align them with the rapidly changing industry environment. The Company believes that its commitment to R&D will allow it to continue to be a leading technology provider and preferred partner to the global OEMs.

The Company employs around 65 scientists and 615 engineers with expertise in Mechanical Engineering, Advanced Computer Aided Engineering, Materials & Metallurgical Engineering, Fluid Dynamics and Defence & Aerospace Research

The JKM Science Center in Bangalore, India, houses the Dynamic Technologies Research & Development Center as well as a sophisticated Material Sciences Laboratory, which is engaged in:

1. Design and Prototyping of new products
2. Improvement of existing designs
3. Continuous improvement of existing processes
4. Ongoing testing of products and materials

The Dynamic Technologies Research & Development Center is completely electronic, utilising state-of-the-art parametric 3D design programs and knowledge based expert systems. The Center has been a 'Recognized In-House R&D Unit' certified by the Department of Scientific and Industrial Research (DSIR), the Government of India, since 2001.

JKM Science Center, a world-class design center capable of total product and system design, possesses advanced capabilities in structural, thermal and dynamic engineering for design validation, analysis and optimization.

JKM Science Center aims at imparting competitive advantages to its clients through shorter development cycle time and time-to-market. It strategically blends mechanical engineering expertise with an in-depth software application knowledge to impart world-class engineering services to companies across the globe, thus offering optimal, high quality and cost-effective design solutions.

The Dynamic Technologies Engineering Laboratory in Swindon, UK, possesses advanced design knowledge for the mobile hydraulics sector and has comprehensive product testing and validation capabilities.

The Dynamic-Oldland Aerospace® (DOA) Research & Development is engaged state-of-the-art 3D designs using software such as CATIA V5 and Unigraphics NX, Mastercam for their design and development activities meeting to global OEM standards. The Company has been successful in bringing value addition in reducing cycle time, concession reduction, technology absorption and indigenisation of technological products and developing special manufacturing processes.

Airbus A330 Flap Track Beam NC Drilling: Designed and developed a state-of-the-art machining fixture 'support frame' for NC drilling flap track beams to reduce non-conformances. The deployment of support frame has increased accuracy and production deliveries.



Concession Reduction in A330 Flap Track Beams:

Extensive technical research has been carried out to review and explore scope of improvement in machining, legacy technical specifications, assembly fixtures, CMM methodology of inspections and statistical analysis of deviations. The research has resulted in promising findings to improvise tooling, CMM inspection methodology considering DATUMs, CNC programming methods and detail part tolerance. The results were phenomenal in reducing concessions to zero yielding savings to customer and the organisation.

Design & Development of Chinook Ramp Jig Hinges:

Developed concept of hinges in different steel material and finalized the hinge design with the Boeing tooling team. The new hinges are successfully fabricated and installed with high accuracy with epoxy resin filling to facilitate assembly build of ramp hinges. The development has also contributed in reduction of deviations of hinge line ability and consistent delivery of Chinook ramps to Boeing.

Design & Development of A320 Flap Track Beam:

Over 2,500, A320 flap track beams have been supplied to Airbus through Spirit AeroSystems since several years. Airbus has initiated re-design of A320 flap track beam to reduce the number of elements in assembly and reduce the cycle time. In collaboration with Spirit AeroSystems and Airbus, DOA has been involved in the development of single monolithic beam part by incorporating latest machining technologies. The DOA team is instrumental in developing tooling and assembly process for the new Boeing A320 flap track beam.

Development of Front Fuselage Jigs for LCA Aircraft:

Involved in bringing value addition while manufacturing HAL designed floor jig and front fuselage main jig for LCA front fuselage. DOA has helped in adapting emerging trends of jig manufacturing and improvised assembly methods for aero structure building for supersonic LCA aircraft.

Design & Development of Bell 407 Fuselage Assembly Parts:

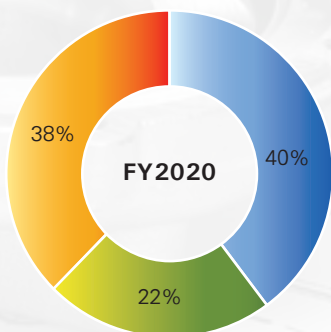
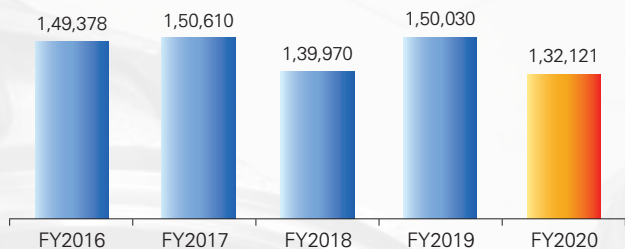
DOA has been supplying Bell 407 fuselage sub-assemblies as one of the legacy programs over several years. DOA team has been instrumental in the design and development of soft tooling, assembly jigs / fixtures and improvising assembly process. DOA team is also being engaged in development of FRP composite tools for Bell 407 sub-assembly requirements leading to qualitative assembly. This has helped in optimizing manufacturing lead times and assembly cycle time



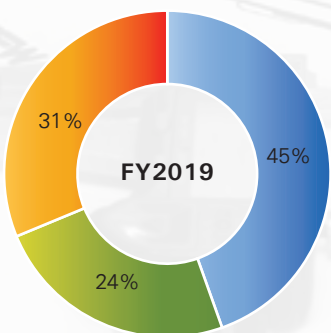
CONSOLIDATED FINANCIAL HIGHLIGHTS

REVENUE BREAK UP

(₹ in Lakhs)



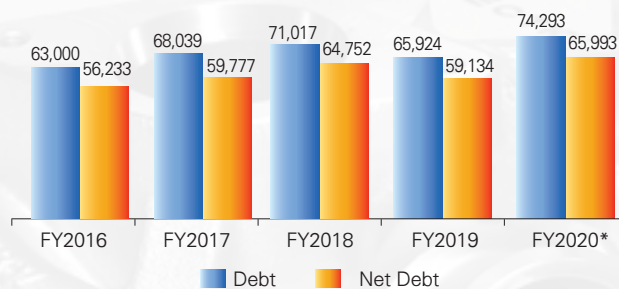
■ Automotive ■ Hydraulics ■ Aerospace & Defence



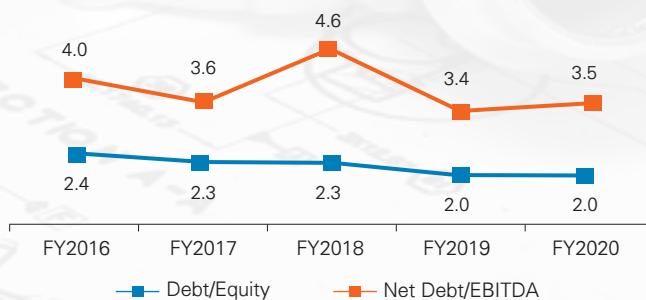
■ Automotive ■ Hydraulics ■ Aerospace & Defence

DEBT & LEVERAGE RATIOS

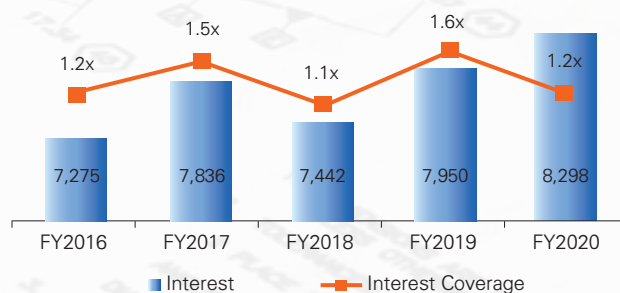
(₹ in Lakhs)



■ Debt ■ Net Debt



■ Debt/Equity ■ Net Debt/EBITDA



■ Interest ■ Interest Coverage

Note:

FY2020 and FY2019 figures exclude Discontinued Operations.

*The Increase in Debt is due to Ind AS 116 with effective from 1 April 2019 (lease liability of INR 13,533 lakhs included in debt).

DYNAMATIC TECHNOLOGIES LIMITED

Registered Office: Dynamatic Park, Peenya, Bangalore - 560 058
Corporate Identity Number: L72200KA1973PLC002308
Phone Number: +91 80 2839 4933/34/35 Fax: +91 80 2839 5823
Email ID: investor.relations@dynamatics.net; website: www.dynamatics.com



NOTICE CALLING THE 45TH ANNUAL GENERAL MEETING

Notice is hereby given that the **45th (Forty Fifth) Annual General Meeting ('AGM')** of the Members of Dynamatic Technologies Limited (the 'Company') will be held on **Thursday, the 24th (Twenty Fourth) day of September 2020 (Two Thousand and Twenty) at 10.00 (Ten) AM IST through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM")**, to transact the following businesses:

ORDINARY BUSINESS:

1. Adoption of Financial Statements

(a) to receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended 31st March 2020, together with the Reports of the Board of Directors and Auditor's thereon.

(b) to receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March 2020, together with the Report of the Auditor's thereon.

2. Appointment of Mr. P S Ramesh (DIN:05205364) as Director liable to retire by rotation

To appoint a Director in place of Mr. P S Ramesh (DIN: 05205364), who retires by rotation and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. Re-appointment of Mr. Udayant Malhoutra (DIN: 00053714) as CEO and Managing Director

To consider and, if thought fit, to pass, the following resolution, as **SPECIAL RESOLUTION**:

"RESOLVED THAT in further to the recommendation of Nomination and Remuneration Committee of the Board and the Board of Directors of the Company and in accordance with Section 196, 197, 198, 203 read with Schedule V of the Companies Act, 2013, SEBI (LODR) Regulations 2015 and any other applicable provisions, including any statutory modifications or re-enactments thereof, for the time being in force and subject to such other consents, approvals and permission, if any, as may be required, the consent of the shareholders be and is hereby accorded to re-appoint Mr. Udayant Malhoutra (DIN: 00053714) as the CEO & Managing Director of the Company for a further period of three years i.e., with effect from 1st October 2020 to 30th September 2023, on the following terms as under:

SALARY:

Salary: Rs.7,00,000 per month within the scale of Rs.5,00,000 to Rs.25,00,000.

PERQUISITES:

In addition to the salary referred to above, the CEO & Managing Director shall be entitled to:

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 (PF): 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 and internet services at his residence for the purpose of Company's business.

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

RESOLVED FURTHER THAT notwithstanding anything herein above stated wherein, in any financial year closing on or after 31st March 2020, during the tenure of Mr. Udayant Malhoutra as CEO & Managing Director of the Company, the Company's profits are inadequate or it incurs a loss, the Company shall pay to Mr. Udayant Malhoutra the above remuneration by the way of salary, bonus and other allowances as minimum remuneration as specified under schedule V of the Companies Act, 2013 or such other limits as may be prescribed by the Central Government from time to time.

RESOLVED FURTHER THAT any further alteration, variation and modification of the terms of the said appointment / remuneration including the salary, allowances and perquisites, without further reference to the members, shall be in such a manner as may be agreed to between the Board of Directors (which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute from time to time to exercise its powers including the power conferred by this resolution) and Mr. Udayant Malhoutra within and in accordance with the provisions of Schedule V of the Companies Act, 2013, or any amendment or any statutory modifications thereto and conditions, if any, as may be stipulated by the Central Government.

RESOLVED FURTHER THAT any of the Directors of the Company and Mr. Shivaram V, Head - Legal, Compliance and Company Secretary of the Company be and are hereby severally authorised 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 writing 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 this resolution".

4. Re-appointment of Mr. P S Ramesh (DIN: 05205364) as Executive Director & Group Technical Services and Human Resources for a term of 3 years

To consider and, if thought fit, to pass, the following resolution, as **SPECIAL RESOLUTION**:

“RESOLVED THAT in further to the recommendation of Nomination and Remuneration Committee of the Board and the Board of Directors of the Company and in accordance with Section 196, 197, 198 and 203 read with Schedule V of the Companies Act, 2013, SEBI (LODR) Regulations 2015 and any other applicable provisions, including any statutory modifications or re-enactments thereof, for the time being in force and subject to such other consents, approvals and permission, if any, as may be required, the consent of the shareholders be and is hereby accorded to re-appoint Mr. P S Ramesh (DIN: 05205364) as “Executive Director- Group Technical Services and Human Resources” of the Company for a further period of three years i.e., from effect 14th November 2020 to 13th November 2023, on the following terms as under:

SALARY:

Salary of Rs.7,66,666 per month within the scale of Rs.5,00,000 to Rs.25,00,000.

PERQUISITES:

Category A

Provident Fund (PF): 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 B

Telephone: As per the Company’s policy.

RESOLVED FURTHER THAT notwithstanding anything herein above stated wherein, in any financial year closing on or after 31st March 2020, during the tenure of Mr. P S Ramesh as Group Technical Services and Human Resources of the Company, the Company’s profits are inadequate or it incurs a loss, the Company shall pay to Mr. P S Ramesh the above remuneration by the way of salary, bonus and other allowances as minimum remuneration as specified under schedule V of the Companies Act, 2013 or such other limits as may be prescribed by the Central Government from time to time.

RESOLVED FURTHER THAT any further alteration, variation and modification of the terms of the said appointment / remuneration including the salary, allowances and perquisites, without further reference to the members, shall be in such a manner as may be agreed to between the Board of Directors (which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute from time to time to exercise its powers including the power conferred by this resolution) and Mr. P S Ramesh within and in accordance with the provisions of Schedule V of the Companies Act, 2013, or any amendment or any statutory modifications thereto and conditions, if any, as may be stipulated by the Central Government.

RESOLVED FURTHER THAT any of the Directors of the Company and Mr. Shivaram V, Head - Legal, Compliance and Company Secretary of the Company be and are hereby severally authorised 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 writing 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 this resolution”.

5. Re-appointment of Mr. Arvind Mishra (DIN: 07892275) as “Executive Director and Global COO - Hydraulics & Head of Homeland Security” for a term of 3 years

To consider and, if thought fit, to pass, the following resolution, as **SPECIAL RESOLUTION**:

“RESOLVED THAT in further to the recommendation of Nomination and remuneration Committee of the Board and the Board of Directors of the Company and in accordance with Section 196, 197, 198 read with Schedule V of the Companies Act, 2013, SEBI (LODR) Regulations 2015 and any other applicable provisions, including any statutory modifications or re-enactments thereof, for the time being in force and subject to such other consents, approvals and permission, if any, as may be required, the consent of the shareholders be and is hereby accorded to re-appoint Mr. Arvind Mishra (DIN: 07892275) as “Executive Director and Global COO – Hydraulics & Head of Homeland Security” of the Company for a further period of three years i.e., from effect from 9th August 2020 to 8th August 2023, on the following terms as under:

SALARY:

Salary of Rs.7,66,666 per month within the scale of Rs.5,00,000 to Rs.25,00,000.

PERQUISITES:

Category A

Provident Fund (PF): 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 B

Telephone: As per the Company’s policy.

RESOLVED FURTHER THAT notwithstanding anything herein above stated wherein, in any financial year closing on or after 31st March 2020, during the tenure of Mr. Arvind Mishra as Executive Director and Global COO – Hydraulics & Head of Homeland Security of the Company, the Company’s profits are inadequate or it incurs a loss, the Company shall pay to Mr. Arvind Mishra the above remuneration by the way of salary, bonus and other allowances as minimum remuneration as specified under schedule V of the Companies Act, 2013 or such other limits as may be prescribed by the Central Government from time to time.

RESOLVED FURTHER THAT any further alteration, variation and modification of the terms of the said appointment / remuneration including the salary, allowances and perquisites, without further reference to the members, shall be in such a manner as may be agreed to between the Board of Directors (which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute from time to time to exercise its powers including the power conferred by this resolution) and Mr. Arvind Mishra within and in accordance with the provisions of Schedule V of the Companies Act, 2013, or any amendment or any statutory modifications thereto and conditions, if any, as may be stipulated by the Central Government.

RESOLVED FURTHER THAT any of the Directors of the Company and Mr. Shivaram V, Head - Legal, Compliance and Company Secretary of the Company be and are hereby severally authorised 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 writing 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 this resolution”.

6. Ratification of Cost Auditor's Remuneration:

To consider and, if thought fit, to pass, the following resolution, as **ORDINARY RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) payment of Rs.4,00,000 (Rupees Four Lakhs only) plus applicable taxes thereon and reimbursement of out-of-pocket expenses at actuals, to M/s. Rao, Murthy & Associates, Cost Accountants (Firm Registration No. 000065), who have been appointed by the Board as Cost Auditors of the Company for conducting the cost audit of the accounts for the Financial Year ending 31st March 2021, be and is hereby ratified"

NOTES:

1. In view of the prevailing lock down situation across the country due to outbreak of the COVID-19 pandemic and restrictions on the movement apart from social distancing, the Ministry of Corporate Affairs ("MCA") vide Circular No. 14/2020 dated 8th April 2020, Circular No.17/2020 dated 13th April 2020, read with Circular No. 20/2020 dated 5th May 2020, permitted Companies to hold their Annual General Meeting ("AGM") through VC/OVAM for the calendar year 2020.
2. In compliance with applicable provisions of the Companies Act, 2013 read with aforesaid MCA circulars the 45th AGM of the Company is being conducted through Video Conferencing (VC/OVAM) herein after called as "e-AGM".
3. e-AGM: Company has appointed M/s Kfin Technologies Private Limited, Registrars and Transfer Agents ("Kfin"), to provide Video Conferencing facility and the attendant enablers for conducting of the e-AGM.
4. Pursuant to the provisions of the circulars of MCA on the VC/OVAM(e-AGM):
 - a. Members can attend the meeting through e-voting log in credentials provided to them to connect Video Conference. Physical attendance of the members at the meeting venue is not required
 - b. Appointment of Proxy to attend and cast vote on behalf of the member is not available.
 - c. Body Corporates are entitled to appoint authorised representatives to attend the e-AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
 - d. Shareholders who have not registered their mail address and in consequence, the Annual Report, Notice of AGM and e-voting notice could not be serviced, may temporarily get their email address and mobile number provided with Kfintech, by clicking the link: https://ris.kfintech.com/email_registration/ for sending the same. Shareholders are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password.
5. The Members can join the e-AGM 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.
6. Up to 1000 members will be able to join on a FIFO basis to the e-AGM.
7. No restrictions on account of FIFO entry into e-AGM in respect of large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc.
8. The attendance of the Members (member's logins) attending the

e-AGM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

9. The Statement pursuant to Section 102 of the Companies Act, 2013, ("the Act") setting out material facts in respect of item Nos. 3 to 6 is annexed hereto. The relevant details as required under Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the SEBI Listing Regulations"), of persons seeking appointment / re-appointment as Directors are provided in the Annexure to this Notice.
10. Pursuant to the provisions of Section 91 of the Companies Act, 2013 and Regulation 42 of the SEBI Listing Regulations, the Register of Members and Share Transfer Books of the Company will be closed from Friday, 18th September 2020 to Thursday, 24th September 2020 (both days inclusive).
11. As per Regulation 40 of the SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from 1st April 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, Kfin for assistance in this regard.
12. To support the "Green Initiative", Members who have not registered their email addresses are requested to register the same with the Company's Registrar and Share Transfer Agent/ their Depository Participants, in respect of shares held in physical/ electronic mode, respectively.
13. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their Depository Participant in case the shares are held in electronic form and to Kfin, in case the shares are held in physical form
14. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail id: ratish.advice@gmail.com with a copy marked to www.evoting@kfintech.com
The scanned image of the above mentioned documents should be in the naming format "Corporate Name_ EVENT NO."
15. 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.
16. Transfer of Unclaimed/Unpaid amounts to the Investor Education and Protection Fund (IEPF):
Members are requested to note that dividends not encashed or remaining unclaimed for a period of 7 (seven) consecutive years from the date of transfer to the Company's Unpaid Dividend Account, shall be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Further, pursuant to the provisions of Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules') as amended to date, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs.
The Members/Claimants whose shares and unclaimed dividend have been transferred to IEPF may claim the shares or apply for

refund by making an application to IEPF Authority in Form IEPF 5 (available on www.iepf.gov.in) along with applicable requisite fee. The Member/Claimant can file only one consolidated claim in a Financial Year as per the IEPF Rules.

It is in Members' interest to claim any un-encashed dividends and in the future, opt for Electronic Clearing Service (ECS), so that dividends paid by the Company are credited to Members' account on time.

Members who have not yet encashed the dividend warrants from the Financial Year ended 31st March 2013, onwards are requested to forward their claims to the Company's Registrar and Share Transfer Agents. It may be noted that once the unclaimed dividend is transferred to IEPF as above, no claim shall rest with the Company in respect of such amount. The details of the unclaimed dividends are available on the Company's website at www.dynamics.com and on the website of Ministry of Corporate Affairs at www.mca.gov.in.

Members are requested to contact the Company's Registrar and Share Transfer Agent to claim the unclaimed/unpaid dividends thereon at the following address:

Kfin Technologies Private Limited,
Selenium Tower B, Plot 31-32,
Gachibowli, Financial District,
Nanakramguda, Hyderabad 500 032

17. Members holding shares in physical form are requested to advise any change of address immediately to the Company's Registrar and Share Transfer Agent. Members holding shares in electronic form must send the advice about change in address to their respective Depository Participant only and not to the Company or the Company's Registrar and Share Transfer Agent.
18. Members holding shares in physical form are requested to consider converting their share certificates into dematerialized form to eliminate risks associated with physical shares and for ease in portfolio management. Members can contact the Company's Registrar and Share Transfer Agent for any assistance in this regard.
19. Updation of Members' Details:
The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Act requires the Company/ Registrar and Share Transfer Agent to record additional details of Members, including their PAN details, email address, bank details for payment of dividend, etc. A form for capturing these additional details is appended at the end of the Notice. Members holding shares in physical form are requested to submit the filled-in form to the Company or to its Registrar and Share Transfer Agent. Members holding shares in electronic form are requested to submit the details to their respective Depository Participant
20. Nomination Facility: As per the provisions of Section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, as amended, Members holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's Registrar and Share Transfer Agent. In respect of shares held in dematerialized form, the nomination form may be filed with the respective Depository Participant.
21. Members, who have not yet exchanged their shares of Dynamatic Hydraulics Limited, with the Share Certificates of Dynamatic Technologies Limited, are requested to surrender their Share Certificate(s) for exchange. Such Members' are requested to contact the Company's Registrar and Share Transfer Agent-Kfin, in this regard.
22. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection by the Members at the Registered Office of the Company on all working days, except Sundays and Bank Holidays, during business hours up to the date of the e-AGM.

23. Since the e-AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
24. In compliance with the aforesaid MCA Circulars and SEBI Circular dated 12th May 2020, Notice of the e-AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.dynamics.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of to <https://evoting.kfintech.com/>
25. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Kfin, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below.
26. The Members who have cast their vote by remote e-voting prior to the e-AGM may also attend/ participate in the e-AGM through VC / OAVM but shall not be entitled to cast their vote again.
27. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on <https://evoting.kfintech.com/> to reset the password.
28. In case of any grievances connected with facility for e-voting, please contact:
Mrs. C Shobha Anand, Dy. Gen. Manager, Contact No. 040-67162222, at Kfin Technologies Private Limited [Unit: Dynamatic Technologies Limited.], Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032
29. The voting rights of the Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date being Friday 18th September 2020.
30. Mr. Ratish Tagde (Membership No. FCS 6162, CP No. 22018), Proprietor, Ratish Tagde & Associates, Practicing Company Secretaries and in case of his inability Ms. G Haritha (Membership No. F5521, CP No. 10749), Practicing Company Secretaries, has been appointed as the Scrutinizer to scrutinize the voting process (electronically or otherwise) in a fair and transparent manner.
31. The Scrutinizer shall, immediately after the conclusion of voting at the e-AGM, first count the votes cast during the e-AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the e-AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
32. The Chairman or the person authorized by him in writing shall forthwith on receipt of the consolidated Scrutinizer's Report, declare the Results of the voting. The Results declared along with the Scrutinizer's Report(s) will be available on the website of the Company www.dynamics.com and KFin website <https://evoting.kfintech.com/> and the communication will be sent to BSE Limited and the National Stock Exchange of India Limited.
33. Subject to the receipt of requisite number of votes, the Resolutions forming part of the Notice of e-AGM shall be deemed to be passed on Thursday, 24th September 2020.

34. Instructions for the Members for attending the e-AGM through Video Conference:

- (i) Attending e-AGM Video Conference : Member will be provided with a facility to attend the e-AGM through Video Conferencing platform provided by KFin. Members may access the same at <https://emeetings.kfintech.com> and click on the "video conference" and access the shareholders/members login by using the remote e-voting credentials. The link for e-AGM will be available in shareholder/members login where the EVENT and the name of the company can be selected.
 - (ii) Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice.
 - (iii) Members are encouraged to join the Meeting through Laptops with Google Chrome for better experience.
 - (iv) Further Members will be required to allow Camera, if any, and hence use Internet with a good speed to avoid any disturbance during the meeting.
 - (v) Please note that Participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
 - (vi) **Questions prior to e-AGM:** Shareholders who would like to express their views/ask questions during the meeting may log into <https://emeetings.kfintech.com/> and click on "Post your Questions" may post their queries/views/questions in the window provided by mentioning the name, demat account number/folio number, email id, mobile number. Please note that, members questions will be answered only if the shareholder/s continue to hold the shares as of cut-off date i.e., Friday, 18th September 2020. The time period for posting the questions shall commence from Monday, 21st September 2020 at 9.00 AM and close on Tuesday, 22nd September 2020, at 5.00 PM. The same will be replied by the Company suitably.
 - (vii) Due to limitations of transmission and coordination during the Q&A session, the company may dispense with the speaker registration during the e-AGM conference.
 - (viii) **Speaker Registration during e-AGM session:** Members who would like to express their views or ask questions during the AGM may log into <https://emeetings.kfintech.com/> and click on "Speaker Registration" by mentioning the demat account number/folio number, city, email id, mobile number and submit. The speaker registration shall commence on Monday, 21st September 2020 at 9.00 AM and close on Tuesday, 22nd September 2020, at 5.00 PM. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the e-AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the e-AGM.
- 35 Instructions for members for e-Voting during the e-AGM session:
- a. The e-Voting "Thumb sign" on the left hand corner of the video screen shall be activated upon instructions of the chairman during the e-AGM proceedings. Shareholders shall click on the same to take them to the "instapoll" page
 - b. Members to click on the "Instapoll" icon to reach the resolution page and follow the instructions to vote on the resolutions.
 - c. Only those shareholders, who are present in the e-AGM and have not casted their vote on the resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the e-AGM.

36. Remote Voting through electronic means – Instructions.

In terms of the provisions of section 108 of the Act, read with rule 20 of the Companies (Management and Administration) Rules, 2014 as amended (hereinafter called 'the Rules' for the purpose of this section of the Notice) and regulation 44 of the Listing Regulations, the Company is providing facility of remote e-Voting facility to exercise votes on the items of business given in the Notice through electronic voting system, to members holding shares as at 5:00 PM on Friday, 18th September 2020, being the cut-off date fixed for determining voting rights of members, entitled to participate in the remote e-voting process, through the e-voting platform provided by Kfin or to vote at the e-AGM. Person who is not a member as on the cut-off date should treat this Notice for information purposes only.

The details of the process and manner for remote e-voting are given below:

- i. Initial password is provided in the body of the email.
- ii. Launch internet browser and type the URL: <https://www.evoting.kfintech.com> in the address bar.
- iii. Enter the login credentials i.e. User ID and password mentioned in your email. Your Folio No./DP ID Client ID will be your User ID. However, if you are already registered with Kfin for e-voting, you can use your existing User ID and password for casting your votes.
- iv. After entering the details appropriately, click on LOGIN.
- v. You will reach the password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$,etc.). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vi. You need to login again with the new credentials.
- vii. On successful login, the system will prompt you to select the EVENT i.e. Dynamatic Technologies Limited
- viii. On the voting page, the number of shares (which represents the number of votes) held by you as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the resolution, enter all shares and click 'FOR'/'AGAINST' as the case may be or partially in 'FOR' and partially in 'AGAINST', but the total number in 'FOR' and/or 'AGAINST' taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option 'ABSTAIN' and the shares held will not be counted under either head.
- ix. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.
- x. Cast your votes by selecting an appropriate option and click on 'SUBMIT'. A confirmation box will be displayed. Click 'OK' to confirm, else 'CANCEL' to modify. Once you confirm, you will not be allowed to modify your vote subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.
- xi. Members can cast their vote online from Monday, 21st September 2020 (9.00 A.M) till Wednesday, 23rd September 2020 (5.00 P.M). Voting beyond the said date shall not be allowed and the remote e-voting facility shall be blocked.
- xii. In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for Members and e-Voting User Manual available at the 'download' section of <https://evoting.kfintech.com> or call KFin on 1800 345 4001 (toll free).

Additional information of Directors seeking appointment as required under Regulation 36(3) of SEBI (LODR) Regulation, 2015:

Name of Directors	Mr. Udayant Malhoutra	Mr. P S Ramesh	Mr. Arvind Mishra
Date of Birth (age)	19-10-1965	24-04-1958	05-12-1972
Date of Appointment	01-10-1989	14-11-2014	09-08-2017
Qualifications	Doctor of Engineering & Technology (Honoris-Causa) from University of Engineering and Management, Kolkata	Mechanical Engineering from UVCE, Bangalore University and M. Tech. in Aircraft Production Engineering from IIT Madras	Mechanical Engineering Graduate from RVCE
Relationship between Directors inter-se	None	None	None
Expertise in specific functional area	Three decades of rich overall Business Management including functional expertise in Sales, Marketing and Corporate Management	More than 3 decades of rich experience in Hydraulics and Aerospace engineering including Sales, Marketing and Corporate Management	More than two decades of rich experience in diverse areas covering Strategic and tactical planning, CRM, Vendor relation, Team Building, Budgeting and forecast, Inventory management and NPD
Directorships held in other Public Companies (excluding Foreign, Private and Section 8 Companies)	<ul style="list-style-type: none"> M/s. San Engineering & Locomotive Company Limited; M/s. Centrust Financial Limited & M/s. Greenerth Biotechnologies Limited 	<ul style="list-style-type: none"> M/s. JKM Ferrotech Limited; M/s. JKM Erla Automotive Limited; M/s. JKM Research Farm Limited & M/s. JKM Automotive Limited 	<ul style="list-style-type: none"> M/s. JKM Research Farm Limited & M/s. JKM Automotive Limited
Membership / Chairmanship of Committees of other Public Companies (includes only Audit Committee and Stakeholders Relationship Committee)	None	None	None
No. of Shares held in the Company	6,20,179	None	None

For other details such as number of meetings of the board attended during the year, remuneration drawn and relationship with other directors and key managerial personnel in respect of above directors, please refer to the corporate governance report which is a part of this Annual Report.

**EXPLANATORY STATEMENT
Pursuant to Section 102 (1) of the Companies Act, 2013**

Item number 3 :

Pursuant to provisions of section 197 read with schedule V and other applicable provisions of the Companies Act, 2013, Mr. Udayant Malhoutra (DIN: 00053714), was re-appointed as the CEO & Managing Director of the Company for a period of three years with effect from 1st October, 2017, as approved by the Members at their Annual General Meeting held on 10th August, 2017.

Mr. Malhoutra has been conferred the degree of Doctor of Engineering & Technology (Honoris-Causa) from University of Engineering and Management, Kolkata, in recognition of his outstanding contribution in the field of Technology & Innovation and his dedicated service to the nation.

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 in developing a strong leadership team to manage the businesses in a sustainable manner.

Over the years, the Company has grown 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 the Company include the Hydraulics business in India and UK, the Aerospace business in India and UK and the Automotive business in India and Germany. This growth has enabled your Company to adopt the best technologies and skill sets at its state-of-art facilities to deliver the best products and services to its customers.

Mr. Udayant Malhoutra has rich and varied experience in the industry and has been involved in the operation of the Company over long period of time. Considering his role in the Company's global business development, the Board strongly recommends the re-appointment of Mr. Udayant Malhoutra as the CEO & Managing Director of the Company and remuneration payable to him. The detailed terms of re-appointment and remuneration proposed to be paid to Mr. Udayant Malhoutra have already been provided in item number 3 of the resolution.

Others terms and conditions of re-appointment:

- The Managing Director & CEO shall be entitled to leave in accordance with the Rules of the Company.
- Minimum Remuneration: Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the Appointee, the Company has no profits or its profits are inadequate, the Company will pay to the Appointee, remuneration by way of Salary, Benefits, Perquisites and Allowances as in the resolution.
- The terms and conditions of the appointment of the Appointee as stated above can be altered or varied from time to time by the Board of Directors at its discretion, so as not to exceed the limits specified in Schedule V to the Act or any amendments made thereto.
- The appointment is subject to the provisions of Sections 167 (1) of the Companies Act, 2013.

Except Mr. Udayant Malhoutra and his relatives who are shareholders in the Company, none of the Directors/KMP/their relatives, are in any way, concerned or interested, financially or otherwise, in the resolution. The Board recommends this resolution for the approval of the members.

Item number 4 & 5:**Re-appointment of Mr. P S Ramesh:**

Pursuant to provisions of section 197 read with schedule V and other applicable provisions of the Companies Act, 2013, Mr. P S Ramesh (DIN: 05205364), was last re-appointed by the Shareholders as "Executive Director and Chief Operating Officer - Aerospace, India" of the Company for a period of two years with effect from 14th November 2018, consequently the Board re-designated him as Executive Director- Group Technical Services and Human Resources at its Meeting held on 14th November 2018, based on the business requirements and the said term was due to come to an end on 13th November 2020, and it is proposed to re-appoint him for further term of 3 years with effect from 14th November 2020.

Mr. P S Ramesh, a graduate in Mechanical Engineering from UVCE, Bangalore University and M. Tech. in Aircraft Production Engineering from IIT Madras, started his career in Hindustan Aeronautics Limited as a Management Trainee in 1982 and in 1994 moved on to SME Aerospace- a leading aerospace company in Kuala Lumpur, Malaysia. He was heading Quality Assurance & Planning group and was instrumental in achieving Supplier Excellence Programme (SEP) from B.Ae. & achieving 'bronze status' for that company.

Mr. P S Ramesh joined the Company in the year 1999 as Head of Quality and spearheaded the campaign for documenting procedures/control plans and implementing ISO 9001 certification. Mr. P S Ramesh has been serving the Company for the past 22 years and has progressively grown to be the Executive Director- Group Technical Services and Human Resources.

Mr. P S Ramesh has rich and varied experience in the industry and has been involved in the operations of the Company over a long period of time. Considering his role in the Company's global business development, the Board strongly recommends the re-appointment of Mr. P S Ramesh as the Executive Director – Group Technical Services and Human Resources of the Company and remuneration payable to him. The detailed terms of re-appointment and remuneration proposed to be paid to Mr. P S Ramesh have already been provided in item number 4 of the resolution.

Re-appointment of Mr. Arvind Mishra:

Pursuant to provisions of section 197 read with schedule V and other applicable provisions of the Companies Act, 2013, Mr. Arvind Mishra (DIN: 07892275), was last appointed by the Shareholders as "Executive Director and Global Chief Operating Officer – Hydraulics and Head of Homeland Security" of the Company for a period of three

years with effect from 9th August 2017, and the said term has come to an end on 9th August 2020, and it is proposed to re-appoint him for further term of 3 years with effect from 9th August 2020.

He is a Mechanical Engineering Graduate from RVCE and has been working with Dynamatic Technologies since 1995 and has overall experience of more than 20 years in Strategic and Tactical Planning, Account Development & Acquisition, Competitive Sales Analysis, Contracts Negotiations, P&L Financial Reporting, CRM, Vendor Relation, Team Building, Budgeting and Forecast, Inventory Management and NPD.

Mr. Arvind Mishra joined the Company as Management Trainee in the year 1995 post which he held various key positions in the Company and currently is serving as Executive Director – Global COO, Hydraulics and Head – Homeland Security.

He is experienced Senior Executive, both at the Strategic and Operational level with two decades of strong track record in delivering and sustaining revenue and profit growth in highly competitive market and in driving and managing business improvement, change management & growth.

Mr. Arvind Mishra has rich and varied experience in the industry and has been involved in the operation of the Company over long period of time. Considering his role in the Company's global business development, the Board strongly recommends the re-appointment of Mr. Arvind Mishra as the Executive Director – Global COO, Hydraulics and Head – Homeland Security of the Company and remuneration payable to him. The detailed terms of re-appointment and remuneration proposed to be paid to Mr. Arvind Mishra have already been provided in item number 5 of the resolution.

Others terms and conditions of re-appointment for Mr. P S Ramesh and Mr. Arvind Mishra

- The Executive Directors shall be entitled to leave in accordance with the Rules of the Company.
- Minimum Remuneration: Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the Appointees, the Company has no profits or its profits are inadequate, the Company will pay to the Appointees, remuneration by way of Salary, Benefits, Perquisites and Allowances as specified above.
- The terms and conditions of the Appointees, as stated above can be altered or varied from time to time by the Board of Directors at its discretion, so as not to exceed the limits specified in Schedule V to the Act or any amendments made thereto.
- The appointment is subject to the provisions of Sections 167 (1) of the Companies Act, 2013.
- If at any time, the Appointees cease to be in the employment of the Company for any reason whatsoever, they shall cease to be the Executive Directors of the Company.
- The Appointees shall not be entitled to supplement their earnings with any buying or selling commission. They shall not be interested or otherwise concerned directly or through their relatives in any selling agency of the Company without statutory approvals as required to be obtained under the Companies Act, 2013.
- The Appointees shall devote their whole time and attention to the business of the Company and perform such duties, carry out such responsibilities and exercise such powers as may be entrusted to them by the Board, from time to time.

Except Mr. P S Ramesh and Mr. Arvind Mishra, being Appointee's, none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the resolutions set out in Item No. 4 & 5. The Board recommends these resolutions for the approval of the members.

Appended below, is the information as required to be furnished under sub-clause (iv) of clause B of part II of Schedule V to the Companies Act, 2013 for Mr. Udayant Malhoutra, Mr. P S Ramesh and Mr. Arvind Mishra:

I. General Information:						
1	Nature of industry	<p>Incorporated in 1973, Dynamatic Technologies Limited ('DTL', 'Dynamatic Technologies' or the 'Company') is a manufacturer of highly engineered, mission critical products for the Aerospace, Automotive and Hydraulic industries. With futuristic design, engineering and manufacturing facilities in Europe and India, Dynamatic Technologies serves customers across six continents.</p> <p>The Company is one of the world's largest manufacturers of hydraulic gear pumps and automotive turbochargers and has held the leadership position in hydraulic gear pumps market for over 45 years. DTL has 75% share of the Indian organized tractor market with supplies to almost all OEMs in India. Dynamatic Technologies is a pioneer and leader, both in the Indian private sector and the UK for the manufacture of precision flight critical, and complex airframe structures and aerospace components. It is a Tier-I supplier to the global aerospace OEMs such as Airbus, Boeing, Bell Helicopters and Hindustan Aeronautics Limited. The Company also manufactures high precision, complex metallurgical ferrous and aluminium castings for performance critical components such as turbochargers and exhaust manifolds and has capabilities to develop automotive components on single-source basis.</p> <p>The Company's facilities located in India (Bengaluru, Chennai, Coimbatore, Nasik), United Kingdom (Swindon, Bristol) and Germany (Schwarzenberg), are lean, green and clean, and designed to support neighbouring communities as well as the environment. The Company is vertically integrated, with its own alloy-making and casting capabilities as well as its own captive green energy sources.</p> <p>The Company operates in three business segments: Hydraulics, Aerospace & Defence and Automotive & Metallurgy.</p>				
2	Date or expected date of commencement of commercial Production	The Company commenced its commercial production in the year 1973.				
3	Standalone Financial performance based on given indicators (From continued business)	(₹ in lakhs)				
		Financial Year	Net Revenue	Profits before tax & exceptional item	Net Profits after tax	EBITDA
		2017-18	48,832	2,205	1,511	9,823
		2018-19	59,215	5,536	3,599	13,341
		2019-20	56,963	5,477	(19,174)	14,256
4	Foreign investments or collaborations, if any.	The Company has not entered into any foreign collaboration and no direct capital investment has been made in the Company in the last three financial years. Foreign Investors, mainly comprising NRIs, FII and / or Foreign Nationals are investors in the Company on account of past issuance of Securities/Secondary market purchase.				

II Information about the appointee:				
1	Name and Designation of the Director	Mr. Udayant Malhoutra, CEO & Managing Director	Mr. P S Ramesh, Executive Director – Group Technical Services and Human Resources	Mr. Arvind Mishra – Executive Director & Global COO – Hydraulics and Head – Homeland Security
2	Background details	Mr. Udayant Malhoutra has been associated with the Company since 1989 as the Chief Executive. During this period, he has globalised and scaled the company's Original Hydraulic business, and founded the Company's Aerospace and Metallurgical businesses. He is credited with building and nurturing a world class management team, and transforming the Company into a knowledge based organisation with global operations.	Mr. P S Ramesh is the ED –Group Technical Services & HR. Prior to this, he served as COO of Dynamatic Oldland Aerospace and Dynamatic Hydraulics, India. He has been with Dynamatic Technologies since 1999 and has served in various positions of Seniority. He holds a Master's Degree in Aircraft Production Engineering from IIT Madras. He is a Six Sigma Black Belt and an ISO 9000 lead Auditor. He has been trained by FAA on Aircraft System Certification Evaluation Program.	Mr. Arvind Mishra has over 20 years of experience in Marketing, Business Development and Change Management. His key skills are Design Thinking, Strategic and Tactical Planning, Competitive Sales Analysis, Budgeting and Forecast and Operational Excellence. He joined Dynamatic Technologies in the year 1995 and has since held various leadership roles.

		<p>He is the Chairman of the National Sector Skills Council for Strategic Manufacturing, and Chairman of the new National Institute of Design, Amravathi. He is a member of CII National Council, and has chaired the CII National Committees on Design and Technology. He has also served on the Board of Governors, IIT Kanpur. He is an active member of the Young Presidents' Organization (YPO), having served as Chairman, India & South Asian Area and as a member of the International Board of Directors.</p>	<p>His career spans over three and a half decades, including 12 years service with Hindustan Aeronautics Limited (HAL), where he was associated with the manufacture of Jaguar and the TEJAS. He also served for 5 years as Head of Quality and Technical Services in SMEA, the State Owned Malaysian Aircraft Industry, where his Customers included British Aerospace, Pilatus and the Royal Malaysian Air Force.</p> <p>Mr. P S Ramesh holds the position of Chairman, Institute Management Committee, under a Public Private Partnership with the State Government of Karnataka. He leads skill initiatives at the Aerospace Skill Development Centre (ASDC).</p>	<p>Currently, he is the Global Chief Operating Officer of Hydraulics Business and runs its Operations in India, UK and US. He also heads the Homeland Security Business for Dynamatic.</p> <p>Mr. Arvind Mishra is Co-chair FICCI Homeland Security Committee for 2020-21 & is a Member of the Governing Council of Fluid Power Society of India and is on the corporate advisory board of Chandigarh University.</p>
3	Past remuneration	During the year 2019-2020, Mr. Udayant Malhoutra was paid Rs 79,44,012	During the Year 2019–2020, Mr. P S Ramesh was paid Rs 90,40,428	During the Year 2019–2020, Mr. Arvind Mishra was paid Rs.90,40,428
4	Recognition or awards	The Company has received various awards and recognition during his tenure as a CEO & Managing Director of the Company.	The Company has received various awards and recognition during his tenure as a Whole time Director of the Company	The Company has received various awards and recognition during his tenure as a Whole time Director of the Company
5	Job profile and his suitability	Mr. Udayant Malhoutra is an industrialist with over 35 years of experience in the field of Engineering, contribution in the field of Technology and Innovation and his dedicated service to the nation. His vast experience and expert knowledge in the field of Engineering, Technology and Innovation coupled with his strong resources management capability, makes him fully suitable for the position. He is the Promoter of the Company, CEO and Managing Director of the Company and has successfully transformed the company into a Rs.1,500 crore revenue generating business with focus on diverse sectors including automotive, aerospace, metallurgy, alongside Securing market leadership, technological Competence and Brand Equity	Mr. P S Ramesh is associated with the organization for over 22 years and has grown to the position of Executive Director of the Company. He shouldered the responsibility of the overall operations of Aerospace business in India before his elevation to Group Technical Services and Human Resources.	He is a Mechanical Engineering Graduate and has been working for over 25 years in Strategic and Tactical Planning, Account Development & Acquisition, Competitive Sales Analysis, Contracts Negotiations, P&L Financial Reporting, CRM, Vendor Relation, Team Building, Budgeting and Forecast, Inventory Management and NPD.
6	Remuneration proposed	Details of proposed remuneration is presented above in the resolution.	Details of proposed remuneration is presented above in the resolution.	Details of proposed remuneration is presented above in the resolution.
7	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	Given the size complexity, uniqueness, nature of business of the Company and also the profile of the position of Mr. Udayant Malhoutra as given above, the proposed remuneration is in line with the remuneration prevalent in the industry.	The remuneration to be paid to Mr. P S Ramesh is commensurate to the experience and responsibilities in his capacity as Group Technical Services and Human Resources.	The remuneration to be paid to Mr. Arvind Mishra is commensurate to the experience and responsibilities in his capacity as Executive Director and Global Chief Operating Officer-Hydraulics, Head of Homeland Security.

		His profile also requires expertise for appropriate fund allocation, optimum utilization of various resources in the business. Considering the fact that precise and manufacturing of mission critical products for the Aerospace, Automotive and Hydraulics industries is a highly specialized branch, it is difficult to establish or obtain comparative details of similar professional in other companies. However, keeping in mind his specialization and expertise in the field of engineering, technology & innovation and the onerous responsibilities of Mr. Udayant Malhoutra, the Board of Directors considers that the remuneration proposed to be paid to him is justified and commensurate with other organisations of the similar type, size and nature in Aerospace and Hydraulics industry.		
8	P e c u n i a r y relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Mr. Udayant Maloutra is the promoter, CEO & Managing Director and a major shareholder of the Company. Apart from the remuneration he has ongoing transactions with other entities where he and/or his relatives are interested. These are disclosed under Related Party Transactions forming part of the Financial Statements. Except for this, he has no other pecuniary relationship directly with the Company or relationship with the any other managerial personnel.	Apart from the remuneration which he may receive in his capacity as Group Technical Services and Human Resources, Mr. P S Ramesh has no other pecuniary relationship either directly or indirectly with the Company. He does not hold any shares in the Company. He does not have any relationship with any of the Key Managerial Personnel of the Company.	Apart from the remuneration which he may receive in his capacity as Executive Director and Global Chief Operating Officer-Hydraulics, Head of Homeland Security, Mr. Arvind Mishra has no other pecuniary relationship either directly or indirectly with the Company. He does not hold any shares in the Company. He does not have any relationship with any of the Key Managerial Personnel of the Company.

III Other Information:	
1	<p>Reasons of loss or inadequate profits</p> <p>During the year, the Company reported Loss (after Tax) of Rs. 208.44 Crore. This was primarily due to exceptional items occurred during the year. Pursuant to the application for Capital Reduction, filed by our Wholly Owned Subsidiary JKM Ferrotech Limited (JFTL), before National Law Company Tribunal (NCLT) Bengaluru Branch, the Company undertook an impairment assessment of Direct & Indirect investments in JFTL and accordingly recognized an impairment loss of Rs.126.21 Crore and written off trade advance extended to JFTL of Rs.65.67 Crore. The Company also undertook an impairment assessment of Direct & Indirect investments in subsidiaries and has recognized an impairment loss of Rs. 19.00 Crore & Rs. 60.20 Crore in JKM Global Pte Ltd, Singapore and JKM Erla Automotive Ltd, India respectively.</p> <p>Further, there was an overall slowdown in the Indian economy which was impacted by the outbreak of COVID-19 pandemic. The restrictions imposed by various governments across the globe to contain the outbreak are expected to slow down the business operations of the Company in the immediate future. The challenging business environment may continue to adversely affect the profitability and cash flows of the Company in the near to mid-term. The Company proposes to obtain approval of members as an abundant caution in case the standalone profits are insufficient to pay the managerial remuneration as above.</p>

2	Steps taken or proposed to be taken for improvement	<p>The business of the company is heavily export dependent. Some of the key markets for the Company that are affected by COVID crisis include France, Germany and United Kingdom. The impact on the business of the Company due to the situation created by COVID-19 hold some uncertainties for the immediate future. Consumption demand and normalcy of ports and other operations in different markets could impact the level of customer orders. However, the Company is optimistic of the demand gradually coming back to normal levels with the countries which are under lockdown gradually lifting restrictions.</p> <p>The Company is focused in cost optimization measures and is increasing focus on improving efficiencies and product mix to sustain profitability and cash flows. Going forward, with futuristic design, engineering and manufacturing facilities coupled with a strong client base, we are confident about creating long term value for all of our stakeholders through commitment to business excellence.</p>
3	Expected increase in productivity and profits in measurable terms	<p>The Company is very conscious about improvement in productivity and undertakes constant measures to improve it. However, it is extremely difficult in the present scenario to predict profits in measurable terms.</p>

IV	Disclosure:
1	The information, as required, is provided under Corporate Governance Section of the Annual Report 2019-2020
2	The Report on Corporate Governance in the Annual Report indicates the remuneration paid to the managerial personnel as well as to all other Directors. There is no severance fee or stock option in the case of the aforesaid managerial personnel.

Item number 6:

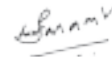
In terms of the provisions of Section 148 of the Act and the Rules made thereunder, the Company is required to maintain Cost Audit records and have the same audited by a Cost Auditor.

Based on the recommendation of the Audit Committee, the Board of Directors at its meeting held on 3rd July 2020, appointed M/s. Rao, Murthy & Associates, as Cost Auditor for conducting the Cost Audit for the Financial Year ending 31st March 2021, at a remuneration of Rs.4,00,000 (Rupees Four Lakhs only) plus applicable goods and service tax & reimbursement of out-of-pocket expenses at actuals.

Rule 14 of Companies (Audit and Auditors) Rules, 2014 as amended, requires that the remuneration payable to the Cost Auditor be ratified by the Members. Hence, the resolution at Item No.6 of the Notice.

The Directors recommend that the remuneration payable to the Cost Auditor in terms of the resolution set out at Item No. 6 of the accompanying Notice be ratified by the Members. None of the Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Resolution.

By Order of the Board



Shivaram V

Head – Legal, Compliance and
Company Secretary

Place: Bengaluru

Date: 3rd July 2020

**DYNAMATIC TECHNOLOGIES LIMITED**

Registered Office: Dynamatic Park, Peenya, Bangalore - 560 058
Corporate Identity Number: L72200KA1973PLC002308
Phone Number: +91 80 2839 4933/34/35 Fax: +91 80 2839 5823
Email ID: investor.relations@dynamatics.net website: www.dynamatics.com

**UPDATION OF
SHAREHOLDER INFORMATION****To,**

Kfin Technologies Private Limited.
Selenium Tower B, Plot 31-32,
Gachibowli, Financial District,
Nanakramguda, Hyderabad 500 032

I/ We request you to record the following information against our Folio No.:

GENERAL INFORMATION:

Folio No.:	
Name of the first named Shareholder:	
PAN: *	
CIN/ Registration No.: * (applicable to Corporate Shareholders)	
Tel No with STD Code:	
Mobile No.:	
Email Id:	

*Self attested copy of the document(s) enclosed

BANK DETAILS:

IFSC: (11 digit)	
MICR: (9 digit)	
Bank A/c Type:	
Bank A/c No.:	
* Name of the Bank:	
Bank Branch Address:	

* A blank cancelled cheque is enclosed to enable verification of bank details.

I/ We hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I/ We would not hold the Company/ RTA responsible. I/ We undertake to inform any subsequent changes in the above particulars as and when the changes take place. I/ We understand that the above details shall be maintained by you till I/ We hold the securities under the above mentioned Folio No./ beneficiary account.

Place :**Date :****Signature of the Member/s**

DIRECTORS' REPORT TO SHAREHOLDERS

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DIRECTORS' REPORT TO SHAREHOLDERS

Your Directors are pleased to present their 45th Annual Report together with the Audited Statement of Accounts of Dynamatic Technologies Limited ("Dynamatic Technologies" or "the Company") for the year ended 31st March 2020.

FINANCIAL RESULTS

The Financial Results of the Company for the year ended 31st March 2020, were as follows:

(₹ in Lakhs)

Particulars	Consolidated		Standalone	
	Year Ended 31 March 2020	Year Ended 31 March 2019	Year Ended 31 March 2020	Year Ended 31 March 2019
Continuing Operations:				
Net Revenue	132,121	150,030	56,963	59,215
Less: Cost of material and increase/decrease in stock	63,877	76,741	24,494	27,806
Less: Employee benefit expenses	25,027	25,388	8,379	7,247
Less: Other Expenses	24,231	30,377	9,834	10,821
EBITDA *	18,986	17,524	14,256	13,341
EBITDA Margin	14.4%	11.7%	25.0%	22.5%
Add: Other Income	1,304	724	1,636	892
Less: Finance Charges	8,298	7,950	7,026	6,832
Less: Depreciation and Amortisation Expense	9,017	4,925	3,389	1,865
Less: Exceptional item	-	-	27,108	-
Profit/(Loss) from Continuing Operations before Tax	2,975	5,373	(21,631)	5,536
Profit/(Loss) before tax margin	2.3%	3.6%	(38.0%)	9.3%
Less: Tax expense/ (income)	(2,531)	2,257	(2,457)	1,937
Profit/(Loss) after Tax from Continuing Operations	5,506	3,116	(19,174)	3,599
Profit/(Loss) after Tax margin	4.2%	2.1%	(33.7%)	6.1%
Discontinued Operations:				
Add: Loss from Discontinued Operations	(1,600)	(369)	(1,600)	(369)
Add: Other Comprehensive Income/(Loss)	921	(706)	(70)	15
Total Comprehensive Income carried to Balance Sheet	4,827	2,041	(20,844)	3,245

*Due to adoption of IND AS 116, effective April 1, 2019, the results for the FY2020 is not comparable with previous year. Adjusted EBITDA for FY2020 decreased by 21.5% to ₹13,750 lakhs and adjusted EBITDA margin stood at 10.4%.

COMPANY PERFORMANCE

FY2020 was a year of macroeconomic volatility along with geopolitical uncertainty globally. The Indian economy also grew at a slower pace than earlier predicted. There were sluggish conditions across industries and the unprecedented situation caused by COVID-19. Consolidated net sales for FY2020 was ₹132,121 lakhs, reduced by 12% as compared to ₹150,030 lakhs in FY2019.

Consolidated EBITDA for FY2020 increased by 8.3% to ₹18,986 lakhs as compared to ₹17,524 lakhs during the same period last year driven by facilities ramp up and resource optimization. EBITDA margin for the year under review was 15.1% compared to 11.7% in FY2019. Adjusted EBITDA for FY2020 decreased by 21.5% to ₹13,750 lakhs and adjusted EBITDA margin stood at 10.4%.

SEGMENT PERFORMANCE

The Aerospace & Defence segment recorded a revenue growth of 6.1% to reach ₹49,760 lakhs compared to ₹46,885

lakhs in FY2019. Order book execution and delivery led to this revenue growth in FY2020. Revenue was partially impacted towards the end of the year due to the lockdown and subsequent postponement of deliveries. Segment EBITDA for the year was ₹15,252 lakhs, while adjusted EBITDA stood at ₹12,316 lakhs compared with ₹11,684 lakhs in FY2019.

During the year, the Aerospace & Defence segment continued its focus on product innovation and advanced technology platform. Dynamatic Technologies as a single source supplier with Bell Helicopter has seen a significant increase in volume for the Bell 407 model. The Company has also won orders from the Indian Defence Public Sector Undertaking (PSUs) and this is expected to help mitigate the slowdown in the Civil Aviation sector.

Further, conversion of the Aerospace Division into an Export-Oriented Unit (EOU) has contributed to the overall efficiency of this division. This will also result in lower administrative requirement and faster processing for export.

The Hydraulics segment was affected by the global slowdown and the lockdowns that ensued due to the pandemic. Q4 FY2020 was impacted due to the reduction in aftermarket sales and the liquidity crunch that customers faced. Revenue for the year decreased by 18.8% to ₹ 29,500 lakhs compared to ₹ 36,310 lakhs in the same period last year. EBITDA for FY2020 was ₹ 2,286 lakhs and adjusted EBITDA was ₹1,493 lakhs from ₹ 4,155 lakhs last year. Normal monsoon expectations and the increased demand for after sales services is anticipated to drive growth for the Company in the tractor industry. The Company has shifted from outsourcing to in-house production, which will help reduce dependency on third party vendors, increase utilisation levels, minimise wastages and improve cost control efficiencies.

The Automotive and Metallurgy segment's top line growth was subdued due to the slowdown in the global and domestic auto industry. However, with a focus on margin expansion, low margin products rationalization continued during FY2020. Revenue for the year was ₹ 52,613 lakhs, representing a decrease of 21.3% compared to same period last year. Segment EBITDA was ₹ 2,884 lakhs and adjusted EBITDA was ₹ 1,370 lakhs compared to ₹ 2,509 lakhs in FY2019. Increased shift in production facilities from China to Europe is expected to help improve the Company's product base.

STATE OF THE COMPANY'S AFFAIRS

Over the years, Dynamatic Technologies has created its own brand image and has found its niche presence in the industry. Dynamatic Technologies supplies products to the world's renowned Original Equipment Manufacturers (OEM's) such as Airbus, Boeing, Bell Helicopters, Textron, Hyundai, Daimler, BMW, Honeywell, John Deere and Mahindra & Mahindra.

The Company is focused on expanding the size of business with existing customers and expanding its customer base with addition of new customers. However, all our business segments were adversely impacted at different degrees by the global slowdown and the COVID-19 pandemic. To reduce the financial impact of the pandemic, the Company has undertaken various cost control measures including alternative raw material sourcing and renegotiation of vendor contracts. Going forward, we are closely monitoring segments where we operate globally and are taking appropriate steps to minimize the impact on our business. With a strong business foundation, technological excellence and industry recognition for products, we are confident of creating utmost value for all of our stakeholders.

COVID-19 – PANDEMIC

The World Health Organization declared a global pandemic of the Novel Coronavirus disease (COVID-19) on 11th February 2020, and the pandemic developed rapidly into a global crisis, forcing governments to enforce lockdowns on all economic activities. The focus of your Company immediately shifted to ensuring the health and well-being of its employees. Continuous communication on the latest updates played a key role in enabling our employees to stay on top of the evolving situation.

As a responsible member of the communities that it operates in, the Company has contributed to various COVID-19 relief

and monitoring programs within the locality where it operates Viz. Supply of Sanitisers, Face Masks, Personal Protective Equipment (PPE) and Supply of Food.

Apart from this, the Company took proactive measures and held awareness programmes through handouts and posters deployed across the Company/Supply chain, residential areas, schools and in our worker's native places. The Company also conducted street plays and town hall meetings with adequate social distancing measures in early March 2020.

As a part of business continuity plan, your Company through approved labs is regularly conducting diagnostic testing of its employees for COVID-19, before being inducted into the work place and these tests are being repeated on a monthly basis to ensure our offices and training centers are safe to operate.

During the COVID-19 pandemic, your Company's Defence and Aerospace operations was categorised as essential industries by the Principle Secretary to Government, Commerce and Industries Department, Government of Karnataka, and was allowed to function with minimal capacity subject to following safety measures and guidelines laid out by the Ministry of Home affairs and the State Government. Wherever feasible, our teams reacted with speed and efficiency, and quickly leveraged technology to shift the workforce to a 'work-from-home' model thus ensuring client commitments were not materially compromised.

DIVIDEND

The Board of Directors of your Company, after considering holistically the relevant circumstances and keeping in view the current economic conditions has decided that it would be prudent, not to recommend any dividend for the year under review.

SHARE CAPITAL

As at 31st March 2020, the Company had an authorized share capital of ₹2,500 lakhs, divided into 2,00,00,000 equity shares of ₹ 10/- each and ₹ 500 lakhs divided into 5,00,000 redeemable cumulative preference shares of ₹100/- each. During the year under review, there is no change in the Company's issued, subscribed and paid-up equity share capital. As at 31st March 2020, the Company had issued, subscribed and paid-up equity share capital of ₹634.14 lakhs divided into 63,41,443 equity shares of ₹ 10/- each.

TRANSFER TO RESERVES

During the year under review, the Board of Directors do not propose to transfer any amount to General Reserve.

CAPITAL EXPENDITURE

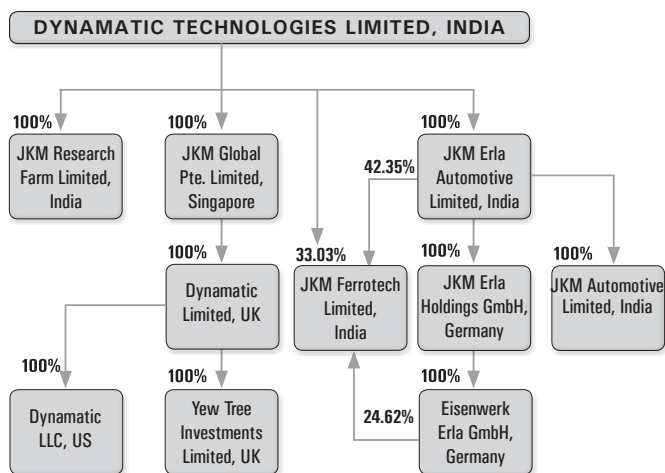
During the year under review, the Company incurred capital expenditure of ₹5,666 lakhs for physical infrastructure and ₹139 lakhs for procurement of intangible assets. Significant investments have been made in building infrastructure, state-of-the-art machinery, design software, data security, information systems, and design and development activities, for the future benefits of the Company.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements prepared by the Company is in accordance with the applicable Indian Accounting Standards issued by the Institute of Chartered Accountants of India, form part of the Annual Report.

SUBSIDIARIES

The Company has ten subsidiaries. The structure of Dynamatic Technologies Limited and its subsidiaries as on 31st March 2020, is appended hereunder



INDIAN SUBSIDIARIES

JKM Research Farm Limited, India (JRFL) is a wholly owned subsidiary of the Company. It continues to be the Research & Development facilitator to the Company. It operates a unique facility for testing and analysing complete tractor aggregates and systems.

JKM Erla Automotive Limited, India (JEAL) continues to be a wholly owned subsidiary of the Company and is a non-operating company.

JKM Ferrotech Limited, India (JFTL) is engaged in the manufacturing of ferrous alloy and castings, having its operations in Gummidipoondi, Tamil Nadu. This subsidiary has expertise in producing High Si-Mo automotive components and is certified to the highest quality standards specified by the automotive industry. The expertise in producing intricately shaped castings as well as the skill in handling ferrous alloys, particularly High Si-Mo and Ni-Resis makes JFTL a strong development partner for prototypes in ferrous alloy castings.

On 11th February 2020, the members of JFTL (WOS), subject to confirmation by National Company Law Tribunal, Bengaluru Branch ("NCLT"), has approved a capital reduction resolution under section 66 of Companies Act, 2013 ("Act") and is awaiting confirmation from NCLT.

JKM Automotive Limited (JAL) is a wholly owned subsidiary of JEAL.

OVERSEAS WHOLLY OWNED SUBSIDIARIES

JKM Global Pte. Limited, Singapore, continues to be an investment hub for overseas businesses.

Dynamatic Limited, Swindon, UK, (DLUK) is a wholly owned subsidiary and held through JKM Global Pte. Limited, Singapore.

Yew Tree Investments Limited, Bristol, UK is a wholly owned subsidiary of Dynamatic Limited, UK.

Originally Yew Tree Investments Limited and Dynamatic Limited are the subsidiaries of JKM Global Pte. Limited. Post merger, DLUK has its Hydraulics unit in Swindon and its Aerospace unit, Dynamatic-Oldland Aerospace® in Bristol and Swindon.

Dynamatic Hydraulics®, a division of DLUK located in Swindon, UK, produces high performance engineered hydraulic products. The plant has over 50 years of experience in gear pump design and manufactures and caters to agriculture, construction and highway vehicle manufacturers. Products include combined variable and fixed displacement pump packages, temperature controlled fan drive systems and fixed displacement pumps in aluminium and cast iron with a range of additional integrated valve options.

Dynamatic-Oldland Aerospace®, a division of Dynamatic Limited UK, is located in Bristol and Swindon, and is a leader in Aeronautical Precision Engineering and is currently working on components for most of the Airbus family of aircraft.

Dynamatic LLC, US is a subsidiary of Dynamatic Limited, UK.

JKM Erla Holdings GmbH, Germany (JKM Erla) is engaged in the business of setting up automotive components processing/manufacturing units.

Eisenwerk Erla GmbH, Germany (Eisenwerk) became a subsidiary of the Company, subsequent to its holding company, JKM Erla, becoming a subsidiary of the Company. Eisenwerk has been in business for over 630 years and is a preferred supplier to leading global OEMs including Audi, BMW and Volkswagen. The manufacturing capabilities of this subsidiary include high precision, machining of complex metallurgical products for automotive engines and turbochargers.

PERFORMANCE OF SUBSIDIARIES

Pursuant to the provisions of Section 129(3) of the Act, a statement containing the salient features of financial statements of the Company's subsidiaries in **Form No. AOC-1** is attached to the financial statements of the Company as **Annexure-1**.

There are no associate or joint venture companies within the meaning of Section 2(6) of the Act. There has been no material change in the nature of the business of the subsidiaries.

Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited financial statements in respect of subsidiaries, are available on the website of the Company (<https://www.dynamatics.com>).

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the section 134 (5) of the Act, the Board of Directors, to the best of knowledge and belief and according to the information and explanations obtained by them, hereby confirm that:

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- ii. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. they have prepared the annual accounts on a going concern basis;
- v. they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory and secretarial auditors and external consultants, including the audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by management and the relevant board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY2020.

DISCLOSURE ON COMPLIANCE WITH SECRETARIAL STANDARDS

Your Directors confirm that the Secretarial Standards issued by the Institute of Company Secretaries of India, have been complied with.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

Inductions, Re-appointments, Retirements & Resignations

Based on performance evaluation and recommendation of Nomination and Remuneration Committee, the Board of Directors at their Meeting held on 11th February 2020, approved the re-appointment of Mr. Udayant Malhoutra (DIN: 00053714), CEO & MD, Mr. P S Ramesh (DIN: 05205364) and Mr. Arvind Mishra (DIN: 07892275), Executive Directors and (hereafter called as "Directors") for a period of 3 years. A resolution seeking shareholders' approval for their re-appointment forms part of the notice.

Pursuant to the provision of Section 152 of the Act, Mr. PS Ramesh (DIN 05205364), Executive Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. A resolution seeking shareholders' approval for his re-appointment forms part of the Notice. The Board recommends his re-appointment.

During the year, Mr. Nalini Ranjan Mohanty ceased to be the Director with effect from 14th August 2019, upon completion of his term as Independent Director. The Board places on record its appreciation for his invaluable contributions and guidance.

Pursuant to the provisions of Section 149 of the Act, the independent directors have submitted declarations that each of them meet the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the SEBI Listing Regulations'). There has been no change in the circumstances affecting their status as independent directors of the Company.

During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company other than reimbursement of expenses incurred by them for the purpose of attending meetings of the Board / Committee of the Company.

The independent Directors had no pecuniary relationship or transactions with the Company, other than sitting fee and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board / Committee of the Company.

None of the Directors of the Company are disqualified from being appointed as Directors as specified under Section 164 of the Act.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on 31st March 2020, are:

- Mr. Udayant Malhoutra, CEO & Managing Director
- Mr. P S Ramesh, Executive Director, Group Technical Services and Human Resources
- Mr. Arvind Mishra, Executive Director, Global COO – Hydraulics and Head of Homeland Security
- Mr. Chalapathi P, Chief Financial Officer
- Mr. Shivaram V, Head – Legal, Compliance & Company Secretary.

Declaration by Independent Directors

All the Independent Directors of the Company have provided their declarations to the Company under Section 149(7) of the Act that they meet the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations. In the opinion of the Board, they fulfil the conditions of independence as specified in the Act and the Listing Regulations and are independent of the management.

BOARD MEETINGS

Four meetings of the Board were held during the year under review. For details of meetings of the Board, please refer to the Corporate Governance Report, which is a part of this report

COMMITTEES OF BOARD OF DIRECTORS

The Board has seven committees:

1. Audit and Risk Management Committee,
2. Nomination and Remuneration Committee,
3. Stakeholders' Relationship Committee,
4. Technology & Strategy Development Committee,
5. Finance Committee,
6. Corporate Social Responsibility Committee and
7. Independent Directors' Committee.

Details of all the Committees of Board of Directors as per the Secretarial Standard - 1, as issued by the Institute of Company Secretaries of India have been disclosed in the Corporate Governance Report. The Board has accepted the recommendations made by the Committees of Board of Directors during the year under review, with no instances where recommendations of the Audit Committee were not accepted by the Board.

REMUNERATION POLICY

The philosophy for remuneration of directors, Key Managerial Personnel and all other employees of the Company is based on the commitment of fostering a culture of leadership with trust. Dynamic Technologies believes in providing an opportunity that is strongly linked to and constantly reinforces the performance culture of the Company. Dynamic Technologies has laid down remuneration policy in line with globally accepted governance practices. The remuneration policy is designed with the objective to attract, motivate, retain human capital and improve productivity by creating a congenial work environment, encouraging initiative, personal growth and teamwork while simultaneously offering appropriate remuneration packages. The remuneration policy is also market-led and takes into account the competitive circumstance of each business so as to attract and retain quality talent and leverage performance significantly. Remuneration Policy is annexed as **Annexure 2**.

Members can download the complete remuneration policy on the Company's website (www.dynamatics.com/investor.html).

DIVERSITY IN THE BOARD

In line with the core strategy, the Company understands the importance of maintaining board diversity. Ensuring optimal mix of varied perspectives, skills, expertise, industry experience, age, gender, race, ethnicity and cultural background is critical to foster innovation and helps us to retain our competitive advantage. The Board has adopted the policy on appointment, continuation and cessation of Directors which sets out the approach to diversity in the composition of the Board. The

Company has an optimum mix of executive and non-executive independent directors and woman director.

FAMILIARIZATION PROGRAMME FOR THE INDEPENDENT DIRECTORS

An appropriate induction for new directors and ongoing training for all directors ensure high corporate governance in the Company. Dynamic Technologies conducts an induction programme for every new independent director. The induction program has been developed with the objective to provide them with comprehensive understanding about the Company, its businesses, markets and the regulatory environment in which it operates. The programme also aims to familiarize the independent directors with the management and its operations to gain a clear understanding of their roles and responsibilities and contribute significantly towards the growth of the Company. They have full opportunity to interact with Senior Management Personnel and are provided all the documents required and sought by them to enhance their understanding as mentioned above. Dynamic Technologies firmly believes that a Board, which is well informed / familiarised with the Company, can contribute significantly to effectively discharge its role of trusteeship in a manner that fulfils stakeholders' expectations. In pursuit of this objective, the Directors are updated on a continuous basis on developments in the corporate and industry scenario, including those pertaining to the regulatory and economic environment, to enable them to take well informed and timely decisions. The details of the familiarisation programme are uploaded on the Company's corporate website (www.dynamatics.com/investor.html).

CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, AND INDEPENDENCE OF A DIRECTOR

In terms of the provisions of Section 178(3) of the Act and Regulation 19 of the SEBI Listing Regulations, the Nomination & Remuneration Committee has formulated the criteria for determining qualifications, positive attributes and independence of Directors, the key features of which are as follows:

- a. Qualifications – The Board nomination process encourages diversity of thought, experience, knowledge, age and gender. It also ensures that the Board has an appropriate blend of functional and industry expertise.
- b. Positive Attributes - Apart from the duties of Directors as prescribed in the Act, the Directors are expected to demonstrate high standards of ethical behaviour, communication skills and independent judgment. The Directors are also expected to abide by the respective Code of Conduct as applicable to them.
- c. Independence - A Director will be considered independent if he / she meets the criteria laid down in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations.

PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

The Board of Directors has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Act and SEBI Listing Regulations. The Evaluation was based on the criteria and framework adopted by the Board. The performance also included inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information, functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members based on criteria such as the composition of committees, effectiveness of committee meetings, etc. The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on 5th January 2017. In a separate meeting of independent directors, performance of non-independent directors, the Board as a whole and the Chairman of the Company was evaluated, considering the views of executive directors and non-executive directors. The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. At the board meeting that followed the meeting of the independent directors and meeting of Nomination and Remuneration Committee, the performance of the Board, its Committees, and individual directors was also discussed. Performance Evaluation of Independent Directors was done by the entire Board, excluding the independent director being evaluated.

INTERNAL CONTROLS SYSTEMS AND THEIR ADEQUACY

According to Section 134(5)(e) of the Act, the term Internal Financial Control (IFC) means the policies and procedures adopted by a company for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information and disclosures.

The Company has ensured that adequate systems for internal control commensurate with its size and complexity are in place. These systems and controls ensures that all assets are safeguarded and protected and that the transactions are authorized, recorded and reported correctly. In addition, the Company has also ensured that adequate checks and balances are in place to determine the accuracy and reliability of accounting data. All the related processes are properly documented and appropriate steps are undertaken to ensure adherence to the internal control systems. Roles and responsibility of various stakeholders involved in the process is clearly demarcated.

The Internal Auditors independently evaluate the adequacy of internal controls and concurrently audit majority of the transactions in value terms. Independence of the audit

and compliance is ensured by direct reporting to the Audit & Risk Management Committee of the Board. A CEO and CFO Certificate, forming part of the Corporate Governance Report, further confirms the existence and effectiveness of internal controls and reiterates their responsibilities to report deficiencies to the Audit & Risk Management Committee and rectify the same. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

REPORTING OF FRAUDS

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of the Act and the rules made thereunder.

QUALIFICATIONS IN AUDIT REPORTS

Explanations or comments made by the Board on every qualification, reservation or adverse remark or disclaimer made:

- a. by the Statutory Auditor in his report: There are no qualifications, reservations or adverse remarks reported by M/s. Deloitte Haskins & Sells., LLP, (ICAI Firm Registration No. 117366W/W-100018) Statutory Auditors in their report for the year under review.
- b. by the Company Secretary in Practice in his Secretarial Audit Report; M/s. Ratish Tagde & Associates, Company Secretary in practice, has made no qualifications or reservations or adverse remark in the secretarial audit report. The observations of the Secretarial Auditor provided in the report are self-explanatory.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

a) Transfer of Unclaimed Dividend to Investor Education and Protection Fund (IEPF)

Particulars of Dividend remaining unclaimed in terms of Section 124(5) of the Act, amounts transferred to the Unpaid Dividend Account of the Company, which remain unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the IEPF established by the Central Government along with the underlying shares.

The details pertaining to the transfers is forming part of the Corporate Governance Report which is annexed to this report.

b) Transfer of Shares to IEPF

As required under Section 124(6) of the Act, Equity Shares in respect of which dividend has not been claimed by the members for seven consecutive years or more, have been transferred by the Company to the IEPF Authority during the financial year 2019-20. Details of shares transferred have been uploaded on the website of IEPF as well as the Company.

c) Demat Suspense Account Unclaimed Shares

As on 31st March 2020, there are 11 members, holding 851 Equity Shares of ₹10/- each, lying in the escrow account due to non-availability of their correct particulars. A detailed note in this regard is provided in the Corporate Governance Section under "Suspense Account for the unclaimed shares". The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

RELATED PARTY TRANSACTIONS

All Related Party Transactions during the FY2020 were executed at arm's length basis and in the ordinary course of business. These transactions were in compliance with the applicable provisions of the Act and the SEBI Listing Regulations.

During the year, there were no materially significant Related Party Transactions undertaken by the Company which required shareholder approval under the SEBI Listing Regulations. All Related Party Transactions are placed before the Audit Committee for approval. Additionally, prior omnibus approval of the Audit Committee is obtained for the transactions which are repetitive in nature. A statement of all Related Party Transactions is placed before the Audit Committee for its review on a quarterly basis, specifying the nature, value and other terms and conditions of the transactions.

The Related Party Transactions Policy adopted by the Company, as approved by the Board, is uploaded on the Company's website. Details of transactions were required to be reported in **Form AOC-2** is annexed as **Annexure 3**.

CORPORATE GOVERNANCE

The Company has a legacy of maintaining highest standards of Corporate Governance practices. This has been achieved as the basic DNA of the Company and is based on the philosophy that effective Corporate Governance practices provides a strong and stable foundation for a successful enterprise. The Company always emphasizes on ensuring integrity and transparency in all its dealings which is always critical to retain the trust of all stakeholders. The core values of the Company's Corporate Governance system comprises of independence, transparency, accountability, responsibility, compliance, ethics, values and trust. We believe that our Corporate Governance practices will enable us to efficiently and ethically execute business operations and enhance shareholders' wealth sustainably for all our stakeholders.

Dynamatic Technologies is committed to maintaining the best standards of Corporate Governance and proactively adopts ethical and transparent governance practices even before they are mandated by law. The Company has always strived towards building trust with shareholders, employees, customers, suppliers and other stakeholders based on the principles of good corporate governance including transparency and integrity. Strong leadership and best-in-class corporate governance practices are considered one of the major strengths of the Company.

The Company is in compliance with all the applicable provisions of Corporate Governance as stipulated under Chapter IV of the SEBI Listing Regulations. A detailed report on Corporate Governance, pursuant to the requirements of the SEBI Listing Regulations, forms part of the Annual Report. M/s. Ratish Tagde & Associates, Company Secretary in Practice, had conducted the Corporate Governance audit for the year under review. A certificate from M/s. Ratish Tagde & Associates, regarding compliance of conditions of Corporate Governance as stipulated under SEBI Listing Regulations is presented in a separate section forming part of this Annual Report.

AUDITORS

Statutory Auditors

Under Section 139 of the Act and the Rules made thereunder, it is mandatory to rotate the statutory auditors on completion of the maximum term permitted under the said section. In line with the requirements of the Act, M/s. Deloitte Haskins & Sells., LLP, (ICAI Firm Registration No. 117366W/WV-100018) are the Statutory Auditors of the Company for a period of five years from the conclusion of 44th Annual General Meeting until the conclusion of 49th Annual General Meeting.

The report of the Statutory Auditors along with notes to Schedules is enclosed to this report. The observations made in the Auditors' Report are self-explanatory and therefore do not call for any further comments. The Auditor's Report does not contain any qualification, reservation or adverse remark.

Cost Auditors

As per Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the Company is required to have its cost records audited by a Cost Accountant in practice. The Board of Directors, based on the recommendation of the Audit Committee, had appointed M/s. Rao, Murthy & Associates, Cost Accountants, as Cost Auditor of the Company for conducting the Cost Audit for the FY2021, to conduct cost audits pertaining to relevant products prescribed under the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time. The Members are hereby requested to ratify the remuneration payable to Cost Auditor's for the FY2021.

Internal Auditors

The Internal Audit function is responsible for assisting the Audit & Risk Management Committee on an independent basis with a full status of the risk assessments and management. M/s. KPMG Assurance and Consulting Services LLP, were appointed as Internal Auditors of the Company for the FY2020.

Secretarial Auditor

The Company had appointed M/s. Ratish Tagde & Associates, Company Secretary in practice, to conduct its Secretarial Audit for the financial year ended 31st March 2020. The Secretarial Auditors have submitted their report, confirming

compliance by the Company of all the provisions of the applicable corporate laws. The Report does not contain any qualification, reservation or adverse remark. The Secretarial Audit Report is annexed as **Annexure 4** to this report.

Tax Auditors

M/s. BVS & Associates, Chartered Accountants, are the Tax Auditors of the Company for the FY 2020.

RISK MANAGEMENT POLICY

At Dynamatic Technologies, Risk management is a part of the Business DNA which aids the management adopt an integrated approach to managing current and emerging threats. It plays a key role in business strategy and planning discussions at Dynamatic Technologies setting the boundaries for Group level risk taking within the framework of Company's risk appetite

Dynamatic Technologies has a robust process in place to identify key risks across the Company and prioritises relevant action plans to mitigate all the risks that the organization faces such as strategic, financial, liquidity, security, regulatory, legal, reputational and other risks that have been identified and assessed to ensure that there is sound Risk Management Policy in place to address such concern/risk. Our aim is to help reinforce our resilience by encouraging a holistic approach to the management of risk and return throughout our organization as well as the effective management of our risk, capital and reputational profile.

The Audit & Risk Management Committee has been entrusted with the responsibility of assisting the Board members with risk assessment and its minimization procedures, which includes discussing the management submissions on risks, prioritizing key risks and approving action plans to mitigate such risks.

The Company has a Risk Management Policy in place which enables framing an appropriate action for the key risks identified, so as to make sure that risks are adequately compensated or mitigated in the designated response time.

The main objectives of the said policy include:

- i. To ensure that all the current and future material risk exposures of Dynamatic Technologies are identified, assessed, quantified, appropriately mitigated and managed;
- ii. To establish a framework for Dynamatic Technologies' risk management process and to ensure company-wide implementation;
- iii. To ensure systematic and uniform assessment of risks related with each of the units of Dynamatic Technologies;
- iv. To enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices; and
- v. To assure business growth with financial stability.

The said policy has been uploaded on Company's website (www.dynamatics.com/investor.html).

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Loans, guarantees and investments covered under 186 of the Act form part of the notes to the financial statements provided in this Annual Report.

DEPOSITS

During the year under review, the Company has neither accepted nor renewed any deposits from the public and, as such, no amount of principal or interest was outstanding as on the Balance Sheet date within the meaning of Section 73 of the Act and the Companies (Acceptance of Deposits) Rules, 2014.

HUMAN RESOURCES & DEVELOPMENT

Dynamatic Technologies believes that human resources are the backbone for the overall growth of the organization and identifying, upgrading of talent & competence of employees is a must. The Human Resources function is to foresee the changes likely to happen in the industry and prepare the employees capabilities accordingly. Multiskilling, ability to keep pace with the demands of the digital world, continuously changing diverse labour laws and social scenarios, are kept in mind while steering the human resources. The human resources should remain vibrant and flexible to adopt to challenging times. Dynamatic Technologies undertakes the best possible efforts to not only maintain cordial relationships with the employees but also to create an equitable, just and harmonious work environment conducive to their personal and professional development.

Dynamatic Technologies has put in place a customised software to capture attendance of employees and assist carrying out payroll activity completely in a digital format. This software addresses all HR modules from recruitment to separation, thus eliminating human intervention and subjectivity. Data pertaining to employees is kept safe and protected in digital form. All communications to employees, both blue collar and white collar are made through this platform. As employees can access this system remotely, communication has been more effective.

The Company's focus has always been to acquire, nurture and develop the best talent to prepare them for leadership roles within the organization. There are various ongoing exercises being undertaken to enhance the skills of employees through constant training and learning initiatives. Human Resources team organises sensitization programs and encourage communication to ensure an organizational culture that always provides for a fair and safe working environment for all the employees. The Company has an excellent track record of cordial and harmonious industrial relations and over the years not a single man-day has been lost on account of labour unrest.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company has a Policy on Corporate Social Responsibility which has been posted on the website of the Company at www.dynamatics.com. Pursuant to the provisions of section 135 and other applicable provisions of the Act read with applicable rules, the company has undertaken various initiatives during the FY2020 as follows:

Your company focuses its CSR activities on three thematic areas - Equip, Empower and Enrich.

Under Empower theme, Dynamatic Technologies engages with "Directorate of Employment & Training, Government of Karnataka" for supporting ITI as a centre for excellence for skill development and vocational training. This ITI is being supported with provision of equipment for laboratories, volunteering of employees for training sessions, developing training modules and enrolling women students who belong to rural community alongwith students from underprivileged backgrounds.

Dynamatic Technologies has strengthened its objectives of CSR and through its Skill Development Initiative Team, has been imparting skills to trainees with ITI / Diploma background and in serving workers from Aerospace Industry, who volunteer to enhance their skill levels. The Dynamatic Skill Initiative Team has developed curriculum for systematically training the ITI passed students, both in theory subjects and on the practical aspects of aircraft structural assembly work which serves as the basis for the 3 months long bridge course. Dynamatic Technologies had two such batches completing their course successfully during this year and the passed out trainees have been employed in various aerospace industries in and around Bangalore. This curriculum has been widely appreciated and is now approved as Two years long Trade (aerospace fitters trade) in Govt. ITIs all over the country. The course addresses the technical skills in operations such as sheet metal forming, material handling, drilling, riveting, painting and NDT etc.

Affiliation application has been filed by IMC for course on AEROSPACE STRUCTURAL AND EQUIPMENT FITTER under CTS Course. Proposal is sent to DET and DGET for consideration.

The Aerospace Skill Development Centre which has been established with all necessary infrastructure to train the trainees in aerospace subjects under Institute Management committee, has further come up with two CNC program courses this year, one is in turning and other is in milling. CNC machines are in place at the ITI facility and necessary cutting tools and raw material for practicing on the machines have been provided by Dynamatic Technologies. Classes for fresh batch of trainees are being conducted in these trades and at the same time, the ITI students in the existing trades are also trained in technical and certain soft skills.

The Senior ITI Machinist trainees and also ITI faculty were trained on CNC programming both in theory and in practical subjects.

An existing seminar hall at Government Industrial Training Institute has been converted in to fully equipped hall for conducting classes to regular ITI trainees. This seminar hall was inaugurated by Dr. Udayant Malhouthra, CEO & Managing Director, Dynamatic Technologies together with Mr. Vajjagonda, Joint Director, Department of Industrial Training and Employment, on 30th October 2019.

CNC OPERATOR-TURNING – A Level 3 Course which is registered under Chief Minister's Kaushalya Karnataka Yojane (CMKKY) in Department of Skill Development and Entrepreneurship and Livelihood, was also started during this year in the ITI.

The Annual Report on CSR activities in terms of the requirements of Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed as **Annexure-5**, which forms part of this Report.

EXTRACT OF THE ANNUAL RETURN

Pursuant to the provisions of section 92(3) of the Act and rule 12(1) of the Companies (Management and Administration) Rules, 2014, the extract of Annual Return in the prescribed Form MGT-9 is annexed herewith as **Annexure-6**, which forms part of this Report.

POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORK PLACE

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at Workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules made thereunder. The Policy aims to provide protection to employees at workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure.

Policy for Safety and Well Being of Women

An awareness program on Prevention of Sexual Harassment at the Work Place was conducted by a team from SASHA (Support against Sexual Harassment) to ensure a safe, secure, friendly and respectful work-environment to all employees. SASHA assists workplaces in the effective implementation of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013. The Company strives to create a safe, friendly and inclusive work environment for its employees and we are proud to state that there have been no complaints regarding harassment at the workplace.

Further, the Company has a fully functional Creche at the Aerospace Division. The facility is maintained by an efficient team of caretakers and equipped with amenities like a kitchen, rest room and kids play area. The facility is open to all the employees' children and is also monitored under CCTV for safety.

Women's Day celebrations this year included a chat with CEO. On this occasion, women employees had an open house with the CEO & Managing Director and shared experiences of working at Dynamatic Technologies. All the women employees of the Hydraulics and Aerospace Divisions participated and were excited about meeting with CEO & MD. Women employees were also given a day off for a company sponsored trip to a Resort.

The HR team has more women in your company than men proving the point that the company has the mandate to increase the women employees in all its functions and improve the gender ratio.

WHISTLE BLOWER POLICY AND VIGIL MECHANISM

The Company has adopted a Vigil Mechanism Policy through which all stakeholders including Directors and Employees may report unethical behaviour, malpractices, actual or suspected fraud, wrongful conduct and violation of the Company's code of conduct without fear of reprisal. Details of complaints received, and the action taken are reviewed by the Audit & Risk Management Committee.

During the year under review, the Company / Committee has not received any such complaint. The functioning of the vigil mechanism is reviewed by the Audit & Risk Management committee from time to time.

This Policy provides for adequate safeguards against victimization of employees who avail of this mechanism. The Policy also provides for direct access to the Chairman of the Audit Committee in order to best manage such events and to enable integrity of information. It is affirmed that no personnel of the Company will be denied access to the Audit Committee. The policy on vigil mechanism may be accessed on the Company's website (<https://www.dynamics.com/investor.html>)

PARTICULARS OF REMUNERATION OF DIRECTORS, KMP AND EMPLOYEES

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules is attached which forms part of this report. Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as **Annexure-7**, which forms part of this report.

ENVIRONMENTAL PROTECTION MEASURES

The Company continuously strives to reduce its environmental footprint, while enhancing livelihood of people across the product value chain. In view of this objective, the Company has adopted several measures for improvement in the field of environment, safety and health. Measures like standard operating procedures, training programmes for all levels of employees regarding resource conservation, environment protection and housekeeping have been conducted. Sustainable living is a part of long-term business strategy of the Company.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

The information relating to conservation of energy, technology absorption, Research & Development and Foreign Currency is appended as **Annexure-8**.

OTHER DISCLOSURES

Events Subsequent to the Date of the Financial Statements

There have been no material changes / commitments affecting the financial performance of the Company which occurred between the end of the Financial Year of the Company to which the Financial Statements relate and the date of this Report.

Change in the Nature of Business, if any

The Company continues to focus on its key business segments and looks for selective growth / expansion opportunities. There was no change in the nature of business during the year under review. State of the affairs of the Company and future plan of action and outlook is discussed in this report.

In the fight against the pandemic and in the larger public interest, your Company wishes to support the Government of India by stepping up to the challenge and serve the country in developing and manufacturing indigenous medical equipment that are most affordable and critical for rural primary health centers. One such Make in India initiative by the team of engineers of your Company, under the guidance of renowned medical doctors, scientists and various design experts, is developing and manufacturing disposable mechanical resuscitators / ventilators that do not require electricity to function and can control oxygen mix for a controlled breathing system that are critical for treatment COVID-19 patients.

Significant & Material Orders Passed by the Regulators

During the year under review, no significant / material orders were passed by the regulators or the Courts or the Tribunals impacting the going concern status and the Company's operations in future.

Partnerships and Collaborations

In February 2020, the Company signed a strategic collaboration agreement with Hindustan Aeronautics Limited (HAL) and Israel Aerospace Industries (IAI). This partnership between HAL, IAI and Dynamic Technologies is first in the country to manufacture IAI-designed unmanned aerial vehicles (UAVs). This collaboration will enhance technology sharing and business partnership between India and Israel.

Credit Rating

During the year under review, the Company's debt facilities were rated by India Ratings and Research. The instrument wise ratings are as below:

Instrument Type	Rating / Outlook	Rating Action
Fund based working capital limits	IND BBB+/ Positive/IND A2+	Affirmed; Outlook revised to Positive from Stable
Non-fund-based working capital limits	IND A2+	Affirmed
Term Loan	IND BBB+/ Positive	Affirmed; Outlook revised to Positive from Stable

Change of name of Registrar and Transfer Agent (RTA) of the Company

The Company was informed by its RTA namely KFin Technologies Private Limited (erstwhile Karvy Fintech Private Limited) about change of its name to KFin Technologies Private Limited w.e.f. 5th December 2019.

Listing with Stock Exchanges

The Company confirms that it has paid the Annual Listing Fees for the year FY2020 to NSE (DYNAMATECH) and BSE (505242) where the Company's Shares are listed.

Management's Discussion & Analysis Report

Pursuant to regulations 34 of the SEBI Listing Regulations, Management's Discussion & Analysis Report for the year is presented in a separate section forming part of the Annual Report.

Business Responsibility Report

As required under Regulation 34 of the SEBI Listing Regulations, the Business Responsibility Report is provided in a separate section and forms part of the Annual Report.

Promoters

The list of the promoters is disclosed for the purpose of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

Mr. Udayant Malhoutra is the promoter of the Company within the definition of 'Promoter' for the purpose of regulations 2(1)(s) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

Details of the promoter group are appended as under:

No.	Name of the entity / person
1.	JKM Holdings Private Limited
2.	Udayant Malhoutra and Company Private Limited
3.	JKM Offshore India Private Limited
4.	Wavell Investments Private Limited
5.	Mrs. Barota Malhoutra
6.	Vita Private Limited
7.	Christine Hoden (India) Private Limited
8.	Pramilla Sanitary Products Private Limited
9.	Greenearth Biotechnologies Limited

ACKNOWLEDGMENTS

The Board of Directors would like to express their sincere gratitude and appreciation to the investors, financial institutions and banks for their continued support during the year. The Directors would like to thank the regulatory authorities and government authorities and agencies for their continued guidance and co-operation. The Directors also wish to place on record their deep sense of appreciation to executives and employees at all levels for their hard work, dedication and commitment to the Company. Their enthusiasm and efforts have enabled the Company to be at the forefront of the industry.

The Board would also like to take this opportunity to thank all the Company's customers without whom our success story would not have been possible.

For and on behalf of the Board of Directors



UDAYANT MALHOUTRA
CEO & Managing Director
DIN : 00053714



P S RAMESH
ED – Group Technical Services & HR
DIN : 05205364

Place: Bengaluru
Date: 3rd July 2020

Annexure 1

FORM AOC 1 (Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

(₹ in lakhs)

Sr No	Name of the Subsidiary	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities (excl. (2) & (3))	Investments			% of Holding	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend (incl. dividend tax)
						Long-term	Current	Total						
1	Dynamatic Limited UK (a)	5,492	9,943	32,592	17,157	-	-	-	100%	24,065	(608)	(101)	(507)	-
2	Yew Tree Investments Ltd, UK (a)	-	1,733	811	(922)	-	-	-	100%	-	64	15	49	-
3	Dynamatic US, LLC (b)	-	(470)	(389)	81	-	-	-	100%	110	(175)	-	(175)	-
4	JKM Erla Holdings GmbH, Germany (c)	21	6,068	22,514	16,426	22,217	-	22,217	100%	-	(6,782)	(32)	(6,750)	-
5	Eisenwerk Erla GmbH (c)	1,329	6,699	31,303	23,275	1,599	-	1,599	100%	45,720	-	-	-	-
6	JKM Global Pte Limited, Singapore (d)	6,176	(1,570)	5,509	903	5,492	-	5,492	100%	-	(48)	-	(48)	-
	Indian Subsidiaries													
7	JKM Erla Automotive Limited	10,615	2,217	12,837	5	12,833	-	12,833	99.99%	-	(11,407)	-	(11,407)	-
8	JKM Automotive Limited	1	(1)	1	1	-	-	-	99.99%	-	-	-	-	-
9	JKM Ferrotech Limited	16,651	(17,945)	11,366	12,662	34	-	34	99.99%	10,801	(1,850)	-	(1,850)	-
10	JKM Research Farm Limited	500	2,050	2,558	8	-	-	-	99.99%	-	46	9	37	-

Details of reporting currency and the rate used for converting.

Reporting Currency Reference	Currency	For Conversion	
		Average Rate (in ₹)	Closing Rate (in ₹)
a	GBP	90.10	93.55
b	USD	70.90	75.42
c	EURO	78.75	83.09
d	SGD	51.67	52.98

Names of subsidiaries which are yet to commence operations: JKM Erla Automotive Limited & JKM Automotive Limited
Names of subsidiaries which have been liquidated or sold during the year: Nil



P S RAMESH
ED – Group Technical Services & HR
DIN : 05205364



UDAYANT MALHOUTRA
CEO & Managing Director
DIN : 00053714

Place: Bengaluru
Date: 3rd July 2020

ANNEXURE - 2

DYNAMATIC TECHNOLOGIES LIMITED REMUNERATION POLICY

Preamble

- 1.1 The Remuneration Policy (hereinafter referred to as the 'Policy') of Dynamatic Technologies Limited and its Indian subsidiaries (hereinafter collectively referred to as "Dynamatic") is designed to attract, motivate, retain manpower, and improve productivity by creating a congenial work environment, encouraging initiative, personal growth and team work, besides offering appropriate remuneration package. The Policy reflects Dynamatic's objectives for good corporate governance as well as sustained long term value creation for shareholders.
- 1.2 This Policy applies to Directors, Senior Management including its Key Managerial Personnel (KMP) and other employees of Dynamatic.

Guiding Principle

- 2.1 The guiding principle is that the remuneration and other terms of employment shall be competitive in order to ensure that Dynamatic can attract and retain competent executives.
- 2.2 The Remuneration Policy for executives reflects the overriding remuneration philosophy and principles of Dynamatic. When determining the Remuneration Policy and arrangements for Executive Directors/ KMP's, the Nomination and Remuneration Committee ('NRC') considers pay and employment conditions with peers / elsewhere in the competitive market to ensure that pay structures are appropriately aligned and that levels of remuneration remain relevant in this context.
- 2.3 The NRC while designing the remuneration package considers the level and composition of remuneration to be reasonable and sufficient to attract, retain and motivate the person to ensure the quality required to run the company successfully.
- 2.4 The NRC while considering a remuneration package ensures a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.
- 2.5 The NRC considers that a successful remuneration policy must ensure that a significant part of the remuneration package is linked to the achievement of corporate performance targets and a strong alignment of interest with stakeholders.

Reward Principles and Objectives

- 3.1 This Policy is guided by a common reward framework and set of principles and objectives as envisaged under section 178 of the Companies Act 2013, inter-alia principles pertaining to determining qualifications, positives attributes, integrity and independence.

Directors

- 4.1 The Board has decided to pay the Independent directors remuneration in the form of sitting fees for attending Board and Allied Committee meetings. The quantum of sitting fee is fixed by the Board of Directors from time to time subject to statutory provisions. Presently sitting fee is ₹ 50,000 for every meeting attended by the Independent Directors.
- 4.2 When considering the appointment and remuneration of Whole Time Directors, the NRC considers pay and employment conditions in the industry, merit and seniority of the person and the paying capacity of Dynamatic.
- 4.3 The term of office and remuneration of Whole Time Directors are subject to the approval of the Board of Directors, Shareholders and the limits laid down under the Companies Act from time to time.
- 4.4 Minimum Remuneration: if, in any financial year, the company has no profits or its profits are inadequate, the company shall pay remuneration to Whole-Time Directors in accordance with the provisions of the Schedule V of the Company's Act 2013.

Reward Policy

- 5.1 Remuneration packages for Whole Time Directors are designed subject to the limits laid down under the Companies Act, 2013 to remunerate them fairly and responsibly. The Whole Time Directors' remuneration comprises salary, perquisites, performance based commission/ reward apart from retirement benefits like Provident Fund, Superannuation, Gratuity etc. as per rules of Dynamatic.
- 5.2 The Whole Time Directors are entitled to customary non-monetary benefits such as conveyance allowance, house rent allowance, leave travel allowance, communication facilities, etc.
- 5.3 Remuneration also aims to motivate personnel to deliver Company's key business strategies, create a strong performance oriented environment and reward achievement of meaningful targets over the short and long term.

Key Managerial Personnel and Senior Management

- 6.1 Appointment of KMP & Senior Management and cessation of their service are subject to the approval of the NRC and the Board of Directors. Remuneration of KMP and other Senior Management personnel is decided by the CEO & Managing Director on recommendation of the Whole Time Director concerned, where applicable, broadly based on the Remuneration Policy in respect of Whole Time Directors. Total remuneration comprises:
 - (a) Fixed Base Salary: set at a level aimed at attracting and retaining executives with professional and personal competence, showing good performance towards achieving Company goals.

- (b) Perquisites: in the form of house rent allowance, conveyance allowance, reimbursement of medical expenses, telephone, leave travel, etc.
- (c) Retirement Benefits: contribution to provident fund, superannuation, gratuity, etc. as per Statute.
- (d) Performance Linked Incentive: performance appraisal is carried out annually and promotions/ increments/ rewards are decided by CEO & MD based on the appraisal and recommendation of the concerned Whole Time Director, where applicable.
- (e) Provident Fund: contribution made in accordance with applicable laws and employment agreements.
- (f) Severance Payment: in accordance with terms of employment, and applicable statutory requirements, if any.

Other Employees

7.1 Remuneration of other employees is fixed from time to time as per the guiding principles outlined above and considering industry standards and cost of living. In addition to basic salary they are also provided perquisites and retirement benefits as per schemes of the Company and statutory requirements, where applicable. Policy of motivation/ reward/ severance payments are applicable to this category of personnel as in the case of those in the management cadre.

Disclosure of Information

8.1 Information on the total remuneration of members of the Company's Board of Directors, Whole Time Directors and KMP/Senior Management personnel may be disclosed in the Company's annual financial statements as per statutory requirements.

Application of the Remuneration Policy

9.1 This Policy shall continue to guide all future employment of Directors, Company's Senior Management including Key Managerial Personnel and other employees.

Any departure from the Policy can be undertaken only with the approval of the Board of Directors.

Approval of the Remuneration Policy

10.1 This Policy shall apply to all future employment agreements with members of Company's Senior Management including Key Managerial Person and Board of Directors.

10.2 This Policy is binding on the Board of Directors. Any departure from the Policy shall be recorded and reasoned in the Board meeting minutes.

Dissemination

11.1 This Policy shall be published on the website at <http://www.dynamics.com/investor.html>



UDAYANT MALHOUTRA
CEO & Managing Director
DIN : 00053714



PS RAMESH
ED – Group Technical Services & HR
DIN : 05205364

Place: Bengaluru

Date: 3rd July 2020

ANNEXURE – 3

AOC-2

1. Details of contracts/arrangement/transactions not at arm’s length basis: Nil

2. Details of contracts/arrangement/transactions at arm’s length basis: refer below table

(₹ in lakhs)


Name of related party	Nature of relationship	Nature of contracts/ arrangement/ transactions	Transactions during the FY2020	Date of approval by the Board	Amount paid as a advance
Dynamatic Limited, UK	Step Subsidiary	Sale of manufactured goods	72	As per the Listing Regulations, appropriate omnibus approval have been obtained at the Audit and Risk management Committee meeting held on 29 th May 2019, 8 th August 2019, 11 th November 2019 and 11 th February 2020	Nil
		Purchase of raw materials	1,271		Nil
		Management Fees income	302		Nil
		Corporate Guarantee released/ (settled)	(227)		Nil
		Rent Expense	175		Nil
		Reimbursement of Expenses	5		Nil
		JKM Research Farm Limited	Subsidiary		Rent Expense
JKM Erla Automotive Limited	Subsidiary	Equity Investment	400		Nil
JKM Ferrotech Limited	Step Subsidiary	Sale of manufactured goods	15		Nil
		Purchase of raw materials	1628		3,955*
		Interest income	443		Nil
		Corporate Guarantee released/ (settled)	(868)		Nil
		Reimbursement of Expenses	55		Nil
JKM Holdings Private Limited	Companies over which key management personnel or relatives of such personnel are able to exercise significant influence (other related entities)	Rent Expense	4		Nil
Wavell Investments Private Limited		Purchase of raw materials	740	402*	
Udayant Malhoutra	Chief Executive Officer and Managing Director	Managerial Remuneration	79	Nil	
P S Ramesh	Executive Director Group Technical Services and Human Resources	Managerial Remuneration	90	Nil	
Arvind Mishra	Executive Director and Global COO, Hydraulics-Head of Homeland Security	Managerial Remuneration	90	Nil	
Chalapathi P	Chief Financial Officer	Managerial Remuneration	70	Nil	
Shivaram V	Head - Legal, Compliance and Company Secretary	Managerial Remuneration	31	Nil	

Note:

* Trade advance extended

Place: Bengaluru
Date: 3rd July 2020


UDAYANT MALHOUTRA
CEO & Managing Director
DIN : 00053714


PS RAMESH
ED – Group Technical Services & HR
DIN : 05205364

ANNEXURE – 4

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2020.

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014].

To

The Members of

Dynamic Technologies Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Dynamic Technologies Limited (“the Company”). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon. Based on my verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to me and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended 31st March 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter: I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March 2020, according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made hereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-
 - a) SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) SEBI (Prohibition of Insider Trading) Regulations, 2015;
 - c) SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; and
 - d) SEBI (Listing Obligations and Disclosures Requirements), Regulations, 2015

I have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. The major head/groups of Acts, Laws and Regulations as applicable to the Company are:

- (i) Industrial Laws;
- (ii) Labour Laws;
- (iii) Environmental and prevention of pollution Laws;
- (iv) Tax Laws;
- (v) Economic and Commercial Laws;
- (vi) Legal Metrology Act, 2009 and
- (vii) Acts prescribed under Shops and Establishment Act of various local authorities.

I have also examined compliance with the applicable clauses of the following Secretarial Standards issued by the Institute of Company Secretaries of India:

- (i) Meetings of the Board of Directors (SS-1); and
- (ii) General Meetings (SS-2)

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc., mentioned above.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Woman Director and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, except few meeting(s) which were called at shorter-notice and the meetings were held in compliance with the applicable provisions. There is a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For Ratish Tagde & Associates.
(Company Secretaries)



Mr. RatishTagde
(Proprietor)
CP.NO. 22018
FCS NO. 6162

Place: Mumbai
Date: 3rd July 2020

To

The Members of

Dynamic Technologies Limited

My Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial record, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively are the responsibilities of the management of the Company. My responsibility is to express an opinion on these secretarial records, systems, standards and procedures based on audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure the correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards are the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Ratish Tagde & Associates.
(Company Secretaries)



Mr. RatishTagde
(Proprietor)
CP.NO. 22018
FCS NO. 6162

Place: Mumbai
Date: 3rd July 2020

ANNEXURE – 5

ANNUAL REPORT ON CSR ACTIVITIES

1. A brief outline of the company’s CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

Dynamatic CSR Policy has identified programs such as - Empower Woman, Underserved Communities, and Unemployed Youth through Skill Development and Vocational Training, Equip local communities with basic amenities such as access to Health Care and Safe Drinking Water.

Having identified the CSR Policy and Programs, our mission is to deploy our CSR team and concerned employees to participate in our CSR initiatives in a structured manner. Our objectives is to embed CSR in the overall strategy of the Company and implement CSR activities which build trust with stakeholders and create long term sustainability value with measurable outcome.

We have adopted E3 approach that is, to Equip, Empower and Enrich. Empower and Equip underserved communities while preserving ecological balance and to Enrich art and national heritage. Through our CSR Programme we have been equipping the underserved communities with the amenities they need, empower the rural youth with technical / shop floor skills and knowledge, and support the enrichment of national art and heritage of the nation.

The CSR policy of the Company is available on the Company’s website **www.dynamatics.com**.

2. Composition of the CSR and Sustainability Committee as on 31st March, 2020:

Ms. Malavika Jayaram	Chairperson
Mr. Govind Mirchandani	Member
Mr. P.S Ramesh	Member

3. Average Net Profit of the company for last three financial years: ₹ **1,139.38 Lakhs**
 4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): ₹ **22.79 Lakhs**
 5. Details of CSR Spent during the Financial Year 2019-2020 :

- a. Total amount spent for the Financial Year: **24.07 Lakhs**
 b. Amount unspent, if any: Nil
 c. Manner in which the amount spent during the Financial Year: Refer table below (Amount in ₹)

Sl. No	CSR Project/Activities	Sector	Location District (State)	Amount outlay (budget) Project	Cumulative expenditure up to reporting period	Amount Spent
1	ITI College, Devanahalli	Education	Bangalore, Karnataka	-	12,36,242	12,36,242
2	Expenses incurred towards school children at Devanahalli	Education - Distribution of Sports equipment, uniform and stationary	Bangalore, Karnataka	-	2,35,758	2,35,758
3	Infrastructure for School Building	Education	Bangalore, Karnataka	-	9,17,177	9,17,177
4	Other activities	Education - Training Materials	Bangalore, Karnataka	-	18,003	18,003
		Total		-	24,07,000	24,07,000

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report: **Not applicable**.
 7. Responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

The CSR Committee confirms that the implementation and CSR activities of the Company is in Compliance with CSR objectives and CSR Policy of the Company

Place: Bengaluru
Date: 3rd July 2020


UDAYANT MALHOUTRA
 CEO & Managing Director
 DIN : 00053714


PS RAMESH
 ED – Group Technical Services & HR
 DIN : 05205364

ANNEXURE-6**FORM NO. MGT 9 (Extract of Annual Return as on financial year ended on 31.03.2020)****Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.****I. REGISTRATION & OTHER DETAILS**

1.	CIN	L72200KA1973PLC002308
2.	Registration Date	07-03-1973
3.	Name of the Company	Dynamatic Technologies Limited
4.	Category/Sub-category of the Company	Company Limited by Shares, Indian Non-Government Company
5.	Address of the Registered office & contact details	Dynamatic Park, Peenya, Bangalore – 560058
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	KFin Technologies Private Limited Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)**Standalone**

(₹ in lakhs)

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	Turnover	% to total turnover of the company
1	Hydraulic products	2813	20,902	37%
2	Aerospace Products	3030	35,535	62%
3	Others		526	1%
	Total Revenue		56,963	

Consolidated

(₹ in lakhs)

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	Turnover	% to total turnover of the company
1	Hydraulic products	2813	29,500	22%
2	Aerospace Products	3030	49,760	38%
3	Automotive Products	2930	52,613	40%
4	Others		248	
	Total Revenue		132,121	

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	Percentage of shares held
1.	JKM Research Farm Limited, India	U85110KA1994PLC016696	Subsidiary	100%
2.	JKM Global Pte. Limited, Singapore		Subsidiary	100%
3.	JKM Erla Automotive Limited, India	U35122KA2011PLC056973	Subsidiary	100%
4.	Dynamatic Limited, UK		Subsidiary	100%
5.	Yew Tree Investments Limited, UK		Subsidiary	100%
6.	JKM Erla Holdings GmbH, Germany		Subsidiary	100%
7.	Eisenwerk Erla, GmbH, Germany		Subsidiary	100%
8.	JKM Ferrotech Limited, India	U27310TN2007PLC063323	Subsidiary	100% (Direct Holding – 33.03%, remaining holding through subsidiaries)
9.	JKM Automotive Limited	U28110KA2017PLC102660	Subsidiary	100%
10.	Dynamatic LLC, US	-	Subsidiary	-

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) as at 31st March, 2020
A) Category-wise Share Holding

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR (as on 31 st March 2019)				NO. OF SHARES HELD AT THE END OF THE YEAR (as on 31 st March 2020)				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(A)	PROMOTER AND PROMOTER GROUP									
(1)	INDIAN									
(a)	Individual /HUF	625117	0	625117	9.86	625117	0	625117	9.86	0.00
(b)	Central Government/State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	2468128	0	2468128	38.92	2468128	0	2468128	38.92	0.00
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(1) :	3093245	0	3093245	48.78	3093245	0	3093245	48.78	0.00
(2)	FOREIGN									
(a)	Individuals (NRIs/Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(2) :	0	0	0	0.00	0	0	0	0.00	0.00
	Total A = A(1) + A(2)	3093245	0	3093245	48.78	3093245	0	3093245	48.78	0.00
(B)	PUBLIC SHAREHOLDING									
(1)	INSTITUTIONS									
(a)	Mutual Funds /UTI	672964	10503	683467	10.78	672964	50	673014	10.61	-0.16
(b)	Financial Institutions /Banks	392	0	392	0.01	443	0	443	0.01	0.00
(c)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Foreign Institutional Investors	934883	0	934883	14.74	939731	0	939731	14.82	0.08
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(1) :	1608239	10503	1618742	25.53	1613138	50	1613188	25.44	-0.09
(2)	NON-INSTITUTIONS									
(a)	Bodies Corporate	215447	2084	217531	3.43	249192	1501	250693	3.95	0.52
(b)	Individuals									
	(i) Individuals holding nominal share capital upto Rs.2 lakh	832262	86672	918934	14.49	828206	62334	890540	14.04	-0.37
	(ii) Individuals holding nominal share capital in excess of Rs.2 lakh	395126	0	395126	6.23	395110	0	395110	6.23	-0.08
(c)	Others									
	CLEARING MEMBERS	22554	0	22554	0.36	1654	0	1654	0.03	-0.33
	I E P F	25480	0	25480	0.40	49072	0	49072	0.77	0.37
	NON RESIDENT INDIANS	13202	1248	14450	0.23	10591	1248	11839	0.19	-0.04
	NRI NON-REPATRIATION	31482	0	31482	0.50	32306	0	32306	0.51	0.01
	TRUSTS	3796	0	3796	0.06	3796	0	3796	0.06	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(2) :	1539452	90004	1629456	25.70	1569927	65083	1635010	25.78	0.09
	Total B = B(1) + B(2) :	3147691	100507	3248198	51.22	3183065	65133	3248198	51.22	0.00
	Total (A + B) :	6240936	100507	6341443	100.00	6276310	65133	6341443	100.00	0.00
(C)	Shares held by custodians, against which Depository Receipts have been issued									
(1)	Promoter and Promoter Group									
(2)	Public	0	0	0	0.00	0	0	0	0.00	0.00
	GRAND TOTAL (A+B+C) :	6240936	100507	6341443	100.00	6276310	65133	6341443	100.00	

B) SHAREHOLDING OF PROMOTER AND PROMOTERS' GROUP - AS AT 31ST MARCH, 2020

SN	SHAREHOLDER'S NAME	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	MR. UDAYANT MALHOUTRA	620,179	9.78	0.007	6,20,179	9.78	0.007	Nil
2	M/S. JKM HOLDINGS PRIVATE LIMITED	9,12,538	14.39	2.84	9,12,538	14.39	2.84	Nil
3	M/S. UDAYANT MALHOUTRA AND COMPANY PRIVATE LIMITED	6,42,011	10.12	-	6,42,011	10.12	-	Nil
4	M/S. WAVELL INVESTMENTS PRIVATE LIMITED	4,48,281	7.07	4.65	4,48,281	7.07	4.65	Nil
5	M/S. JKM OFFSHORE INDIA PRIVATE LIMITED	4,42,071	6.97	-	4,42,071	6.97	-	Nil
6	M/S. GREENEARTH BIOTECHNOLOGIES LIMITED	22,927	0.36	-	22,927	0.36	-	Nil
7	MRS. BAROTA MALHOUTRA	4,938	0.08	-	4,938	0.08	-	Nil
8	M/S. VITA PRIVATE LIMITED	100	0.00	-	100	-	-	Nil
9	M/S. CHRISTINE HODEN (INDIA) PRIVATE LIMITED	100	0.00	-	100	-	-	Nil
10	M/S. PRAMILLA SANITARY PRODUCTS PRIVATE LIMITED	100	0.00	-	100	-	-	Nil

C) CHANGE IN PROMOTER AND PROMOTERS' GROUP SHAREHOLDING

Sl. No.	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase/Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No of shares	% of total shares of the company				No of Shares	% of total shares of the company
1	UDAYANT MALHOUTRA	620179	9.78	01-04-2019	-	-	6,20,179	9.78
				31-03-2020	-	-	6,20,179	9.78
2	JKM HOLDINGS PRIVATE LIMITED	912538	14.39	01-04-2019	-	-	9,12,538	14.39
				31-03-2020	-	-	9,12,538	14.39
3	UDAYANT MALHOUTRA AND COMPANY PRIVATE LIMITED	642011	10.12	01-04-2019	-	-	6,42,011	10.12
				31-03-2020	-	-	6,42,011	10.12
4	WAVELL INVESTMENTS PRIVATE LIMITED	448281	7.07	01-04-2019	-	-	4,48,281	7.07
				31-03-2020	-	-	4,48,281	7.07
5	JKM OFFSHORE INDIA PVT LTD	442071	6.97	01-04-2019	-	-	4,42,071	6.97
				31-03-2020	-	-	4,42,071	6.97
6	GREENEARTH BIOTECHNOLOGIES LTD	22927	0.36	01-04-2019	-	-	22,927	0.36
				31-03-2020	-	-	22,927	0.36
7	BAROTA MALHOUTRA	4938	0.08	01-04-2019	-	-	4,938	0.08
				31-03-2020	-	-	4,938	0.08
8	VITA PRIVATE LTD	100	-	01-04-2019	-	-	100	-
				31-03-2020	-	-	100	-
9	CHRISTINE HODEN (INDIA) PRIVATE LIMITED	100	-	01-04-2019	-	-	100	-
				31-03-2020	-	-	100	-
10	PRIMELLA SANITARY PRODUCTS PVT LTD	100	-	01-04-2019	-	-	100	-
				31-03-2020	-	-	100	-

D) SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS)

Sl. No.	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase/Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No of shares	% of total shares of the company				No of Shares	% of total shares of the company
1	HDFC TRUSTEE COMPANY LIMITED - HDFC TAX SAVERFUND	5,69,650	8.98	01/04/2019			5,69,650	8.98
				31/03/2020			5,69,650	8.98
2	SAMENA SPECIAL SITUATIONS MAURITIUS	5,55,754	8.76	01/04/2019			5,55,754	8.76
				31/03/2020			5,55,754	8.76
3	SBI MAGNUM TAXGAIN SCHEME (formerly known as SBI MAGNUM MULTIPLIER FUND)	1,03,314	1.63	01/04/2019			1,03,314	1.63
				31/03/2020			1,03,314	1.63
4	ALCHEMY INDIA LONG TERM FUND LIMITED	89,974	1.42	01/04/2019			89,974	1.42
				31/03/2020			89,974	1.42
5	MUKUL MAHAVIR PRASAD AGRAWAL	1,00,000	1.58	01/04/2019			1,00,000	1.58
				31/03/2020			1,00,000	1.58
6	NEHA SANGHVI	82,000	1.29	01/04/2019			82,000	1.29
				31/03/2020			82,000	1.29
7	LASHIT SANGHVI	82,000	1.29	01/04/2019			82,000	1.29
				31/03/2020			82,000	1.29
8	TAYO GREATER INDIA FUND LTD	214,870	3.39	1/04/2019			2,14,870	3.39
				07/06/2019	851	Transfer	2,15,721	3.40
				05/07/2019	2183	Transfer	2,17,904	3.44
				12/07/2019	753	Transfer	2,18,657	3.45
				19/07/2019	5979	Transfer	2,24,636	3.54
				26/07/2019	2843	Transfer	2,27,479	3.59
				09/08/2019	38	Transfer	2,27,517	3.59
				30/08/2019	1217	Transfer	2,28,734	3.61
				31/03/2020			2,28,734	3.61
				01/04/2019			41,266	0.65
9	PREMIER INVESTMENT FUND LIMITED	41,226	0.65	31/03/2020			41,266	0.65

10	GIRISH GULATI (HUF)	131126	2.07	1/04/2019			1,31,126	2.07
				09/08/2019	1	Transfer	1,31,127	2.07
				20/12/2019	-55067	Transfer	76,060	1.20
				31/03/2020			76,060	1.20

E) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Sl. No.	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase/Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No of shares	% of total shares of the company				No of Shares	% of total shares of the company
1	Udayant Malhoutra	620179	9.78	01-04-2019	-	-	6,20,179	9.78
				31-03-2020	-	-	6,20,179	9.78

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(₹ in lakhs)

Particulars	Secured loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
1) Principal Amount	51,249	1,037	-	52,286
2) Interest due but not paid	-	-	-	-
3) Interest accrued but not due	5	-	-	5
Total(1 + 2 + 3)	51,254	1,037	-	52,291
Change in Indebtedness during the financial year				
Addition	1,911	-	-	1,911
Reduction	4,305	758	-	5,063
Net Change	(2,394)	(758)	-	(3,152)
Indebtedness at the end of the financial year				
1) Principal Amount	48,696	279	-	48,975
2) Interest due but not paid	-	-	-	-
3) Interest accrued but not due	164	-	-	164
Total(1 + 2 + 3)	48,860	279	-	49,139

VI. REMUNERATION OF DIRECTORS & KEY MANAGERIAL PERSONNEL

Compensation paid to the Directors for the financial year ended 31st March 2020:

A. Remuneration to Managing Director, Whole-time Directors and/or Key Managerial Personnel (Amount in ₹)

Sl. No	Particulars of Remuneration	Name of Managing Director / Whole Time Director (WTD) / Key Managerial Personnel					Total Amount
		Mr. Udayant Malhoutra (CEO & MD)	Mr. P S Ramesh (WTD)	Mr. Arvind Mishra (WTD)	Mr. Chalapathi P (CFO)	Mr. Shivaram V (Company Secretary)	
1	Gross salary						
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	72,04,404	82,73,772	82,73,772	61,87,644	27,69,883	3,27,09,475
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	7,24,608	7,66,656	7,66,656	7,85,550	2,97,390	33,40,860
(c)	Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	-	-
2	Stock Option	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-
4	Commission as % of profit others, specify...	-	-	-	-	-	-
5	Others, please specify	-	-	-	-	-	-
	Total (A)	79,29,012	90,40,428	90,40,428	69,73,194	30,67,273	3,60,50,335
	Ceiling as per the Act	-	-	-	-	-	-

B. Remuneration to other Directors

(Amount in ₹)

Name of Directors	Sitting Fee for attending Board / Committee Meeting (Gross)	Commission	Others	Total Managerial Remuneration	Overall ceiling as per Act
Non- Executive & Independent Directors					
Mr. Govind Mirchandani	8,50,000	-	-	8,50,000	-
Ms. Malavika Jayaram	1,00,000	-	-	1,00,000	-
Mr. Nalini Ranjan Mohanty (Retired on 14 th August 2019)	4,00,000	-	-	4,00,000	-
Mr. Pradyumna Vyas	4,00,000	-	-	4,00,000	-
Mr. Pierre de Bausset	4,50,000	-	-	4,50,000	-
Other Non- Executive & Non-Independent Directors					
Mr. Dietmar Hahn	-	-	-	-	-
Mr. James David Tucker	-	-	-	-	-

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES: NIL

Place: Bengaluru
Date: 3rd July 2020


UDAYANT MALHOUTRA
CEO & Managing Director
DIN : 00053714


PS RAMESH
ED – Group Technical Services & HR
DIN : 05205364

ANNEXURE 7

DETAILS OF REMUNERATION (CTC) OF KEY MANAGERIAL PERSONNEL AND OTHER DIRECTORS:

1. Details / Disclosures of Ratio of Remuneration to each Director to the median employee's remuneration of the Employees of the Company (Ratio) for the financial year 2018-19 and the percentage increase in remuneration of Directors and Key Managerial Personnel (KMP) during the Financial Year 2019 -20:

Name & Designation	Category	FY 2019 -20	FY 2018 -19	Increase / (Decrease)	Ratio	% Increase / (Decrease)
Mr. Udayant Malhoutra, CEO & Managing Director	Director and KMP	7,929,012	7,929,012	-	1:16	-
Mr. P S Ramesh, Executive Director – Group Technical services and Human Resources	Director and KMP	9,040,428	7,186,239	1,854,189	1:18	26%
Mr. Arvind Mishra, (Executive Director and Global COO, Hydraulics-Head of Homeland Security)	Director and KMP	9,040,428	7,186,239	1,854,189	1:18	26%
Mr. Chalapathi, Chief Financial officer	KMP	6,973,194	4,505,457	2,467,737	1:14	55%
Mr. Shivaram V, Head - Legal, Compliance and Company Secretary	KMP	3,067,273	281,342*	2,785,931	1:6	NA

(Amount in ₹)

- * KMP employment is for part of the period in previous year.
- The percentage increase in the median remuneration of employees in this financial year is 11.6%
 - The number of permanent employees on the rolls of company as on 31st March 2020: 1055
 - Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:
The average percentage increase in the salaries of employees other than the managerial personnel is 13.77%
 - Average percentage increase in the managerial remuneration is 23.04%

Name of the Director	Sitting Fees (₹)
Mr. Govind Mirchandani	8,50,000
Ms. Malavika Jayaram	1,00,000
Mr. Nalini Ranjan Mohanty (Retired on 14 th August 2019)	4,00,000
Mr. Pradyumna Vyas	4,00,000
Mr. Pierre de Bausset	4,50,000

- Affirmation that the remuneration is as per the Remuneration Policy of the Company: It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.
- The percentage of equity shares held by the employee in the company (greater than 2% of paid-up capital): NIL.
Whether any such employee is a relative of any director or manager of the company and if so, name of such Director or Manager – Not applicable.
- Details of the employees drawing remuneration of ₹8.50 lakhs per month or ₹1.02 crores per annum: NIL.



UDAYANT MALHOUTRA
CEO & Managing Director
DIN : 00053714



PS RAMESH
ED – Group Technical Services & HR
DIN : 05205364

Place: Bengaluru
Date: 3rd July 2020

ANNEXURE 8

Details On Energy Conservation, Technology Absorption And Foreign Exchange Earnings & Outgo

(Pursuant To Section 134(3)(M) Of The Companies Act, 2013 Read With Rule 8(3) Of The Companies (Accounts) Rules, 2014)

A. CONSERVATION OF ENERGY

All our facilities in India and abroad are built with the environment in mind and the processes are designed for efficiency in usage of resources, energy conservation and to ensure that no waste is transmitted into the environment. The industrial complexes are highly energy efficient and completely non-polluting. This has been made systematic and quantifiable through the implementation of ISO 14000.

1) The steps taken or impact on conservation of energy

As a green energy initiative, Dynamatic Technologies has entered into third party agreement with M/s Clean Max Mercury Power Private Limited, one of the leading solar companies pioneering the sale of energy. The main objective of this program is to cut energy cost and reduce carbon footprint around the Company. Under this scheme power, the producer will provide onsite solar power through BESCO from the grid with minimum capex investment of ₹ 4 Lakhs.

2) The steps taken by the Company for utilizing alternate sources of energy

Under this scheme Dynamatic Technologies has agreed to buy 24Lacs kWH solar power from vendor at ₹5.50/Unit. Currently we are incurring average ₹9.00/Unit.

Dynamatic-Oldland Aerospace® has tied with a private partner and will be using solar generated power for its operations. Thus, it has reduced our carbon foot print by going green

3) The capital investment on energy conservation equipment

The Company is also making an investment of about ₹ 52.35 Lakhs at the JKM Pumps division. This will result in expected annual energy savings of 6.6 lakh kWH equivalent to cost savings of ₹ 56 Lakhs

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars of foreign exchange earnings and outgo are as follows:

(₹ in Lakhs)

Particulars	31 st March 2020	31 st March 2019
a. Total Foreign Exchange Earned	35,275	32,397
b. Total Foreign Exchange Used	10,713	10,702
Import of Raw materials, components, stores and spares	10,140	9,567
Foreign Travel	164	128
Capital Expenditure	32	444
Others	377	564

B. TECHNOLOGY ABSORPTION

1) The efforts made towards technology absorption

Research & Development plays a vital role in creating and adopting new technologies to enhance our operational efficiencies. The Company owns one of the world's best hydraulic technologies. The Company has added technology from Plessey through the acquisition of Dynamatic Limited, UK, in 2007. The Aerospace & Hydraulics units in India & the UK; Automotive units in India and Germany work together in resolving engineering challenges leading to better synergies across the group.

The Company's Research & Development is actively driven by a Board level committee constituted as the Technology & Strategy Development Committee.

The Technology & Strategy Development Committee of the Board provides direction to the Company's R&D strategy and on key issues pertaining to R&D technology. The Committee regularly reviews and updates the skills and competencies required, the structure and the processes needed to ensure that the R&D initiatives of today result in products necessary for the sustained and long-term growth of the Company.

2) The benefits derived like product improvement, cost reduction, product development or import substitution

R&D and Innovation continues to be an integral part of the Company's growth strategy, business profitability, sustainability and as a part of its contribution towards the building of the Nation. Dynamatic Science Lab, created by consolidating various research and technology functions, helps to enhanced value delivery by leveraging skills and competencies to create new business opportunities.

3) Imported technology (imported during the last three years reckoned from the beginning of the financial year): No imported technology

4) Expenditure incurred on Research and Development: (₹ in Lakhs)

Particulars	31 st March 2020	31 st March 2019
Capital	92	104
Revenue	696	826
Total	788	930

Place: Bengaluru

Date: 3rd July 2020


UDAYANT MALHOUTRA
CEO & Managing Director
DIN : 00053714


PS RAMESH
ED – Group Technical Services & HR
DIN : 05205364

CERTIFICATION BY CEO & CFO OF THE COMPANY

We, Udayant Malhoutra, Chief Executive Officer and Managing Director, and Chalapathi P, Chief Financial Officer of Dynamic Technologies Limited, to the best of our knowledge and belief, certify that:

1. We have reviewed the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement of the Company and all the schedule and notes on accounts and the Board's Report;
2. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
3. The Financial Statements, and other financial information included in this report, present in all material respects a true and fair view of the Company's affairs, the financial condition, results of operations and cash flows of the Company as at, and for, the periods presented in this report, and are in compliance with the existing accounting standards and / or applicable laws and regulations.
4. There are no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's Code of Conduct.
5. We are responsible for establishing and maintaining Internal Controls for financial reporting of the Company regularly evaluating the effectiveness of internal control systems of the Company pertaining to financial reporting and disclosure to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any.
6. We have disclosed, all relevant information wherever applicable, to the Company's Auditors and the Audit & Risk Management Committee of the Company's Board:
 - A. We have eliminated all significant deficiencies in the design or operation of internal controls, which could adversely affect the Company's ability to record, process, summarise and report financial data and have evaluated the effectiveness of internal control systems of the Company in consultation with the statutory and internal auditors of the Company.
 - B. Any significant changes in internal controls over financial reporting during the year;
 - C. All significant changes in accounting policies during the year, if any, and the same have been disclosed in the notes to the financial statements; and
 - D. Any instances of significant fraud of which we are aware, that involve the Management or other employees who have a significant role in the Company's internal control system.
7. We further confirm that the Company has framed a specific Code of Conduct for the members of the Board of Directors and Senior Management Personnel of the Company pursuant to SEBI (LODR) Regulations, 2015;
8. All the members of the Board and Senior Management Personnel of the Company have affirmed due observance of the said Code in so far as it is applicable to them and there is no non-compliance thereof during the year ended 31st March 2020.



Udayant Malhoutra
CEO & Managing Director
DIN : 00053714



Chalapathi P
Chief Financial Officer

Place : Bengaluru
Date : 3rd July 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR FY2020

BUSINESS OVERVIEW

Incorporated in 1973, Dynamatic Technologies Limited ('Dynamatic Technologies' or the 'Company') is a manufacturer of highly engineered, mission critical products for the Aerospace, Automotive and Hydraulic industries. With futuristic design, engineering and manufacturing facilities in Europe and India, Dynamatic Technologies serves customers across six continents.

The Company is one of the world's largest manufacturers of hydraulic gear pumps and automotive turbochargers and has held the leadership position in hydraulic gear pumps market for over 45 years. Dynamatic Technologies has 75% share of the Indian organized tractor market with supplies to almost all OEMs in India. Dynamatic Technologies is a pioneer and leader, both in the Indian private sector and the UK for the manufacture of precision flight critical, and complex airframe structures and aerospace components. It is a Tier-I supplier to the global aerospace OEMs such as Airbus, Boeing, Bell Helicopters and Hindustan Aeronautics Limited. The Company also manufactures high precision, complex metallurgical ferrous for performance critical components such as turbochargers and exhaust manifolds and has capabilities to develop automotive components on single-source basis.

Dynamatic Technologies' facilities located in India (Bengaluru, Chennai, Coimbatore, Nasik), United Kingdom (Swindon, Bristol) and Germany (Schwarzenberg), are lean, green and clean, and designed to support neighbouring communities as well as the environment. The Company is vertically integrated, with its own alloy-making and casting capabilities as well as its own captive green energy sources.

Dynamatic Technologies operates in three business segments: Hydraulics, Aerospace & Defence and Automotive & Metallurgy.

Dynamatic Hydraulics® is one of the world's largest Hydraulic Gear Product manufacturers with three state-of-art manufacturing facilities located in India and a facility each in UK and Milwaukee, USA. This division manufactures hydraulic gear pumps in aluminium or cast iron and multiple frame sizes. Dynamatic Technologies products include low torque high speed hydraulic motors, hand pumps, hitch control valves, rock shaft assemblies, power steering valves and mobile control valves for construction equipment and global OEMs. It also commands a strong market share on most of these products. The division also manufactures very high flow scavenging and lubes oil pumps, and water pumps for high horsepower engines, which find applications on off highway vehicles, marine and offshore equipment. The Company also designs and builds customized hydraulic solutions, from simple hydraulic pumping units to complex marine power packs and aircraft ground support systems to turnkey industrial installations. The division is equipped with advanced innovation and development centers in Bengaluru (India) and Swindon (UK) and holds a number of patents to its credit.

Aerospace & Defence: The products include control surfaces such as wing, ailerons and wing flaps, fuselages, and other key flight critical airframe structures such as flap track beams. The Aerospace Division has developed excellent capabilities in automated robotic machining, 5 axis components in aluminium, steel and titanium. Tooling is another proven expertise the division has demonstrated. Dynamatic-Oldland Aerospace® is a pioneer and leader in the Indian private sector for the manufacture of high precision airframe and aerospace components. The Company has large infrastructure to cater to the needs of global OEMs such as Airbus, Boeing, Bell Helicopters and HAL as a Tier-I supplier.

The Automotive & Metallurgy division supplies performance critical automotive parts for global passenger car and commercial vehicle manufacturers. It produces high precision, complex metallurgical ferrous castings for engine, turbocharger, steering, brakes and chassis components. The Company possesses state-of-the-art manufacturing facilities in India and Germany. Dynamatic Technologies can vertically integrate the competence and locational advantages of its facilities to deliver greater value to its customers. The Company divested its aluminium business in FY2019 to rationalise its product mix and enhance margins.

RESEARCH & DEVELOPMENT

With three design laboratories across India and Europe, Dynamatic Technologies is a leading private R&D organization, with several inventions and patents to its credit. The Company has defined an Intellectual Property (IP) strategy to build an effective portfolio for future monetization, collaboration and risk mitigation, focusing on future technologies.

The Company owns 21 patents to its credit in various countries including India, USA, UK, Germany, and other European countries. There are few patent applications pending for registration. Besides the patents mentioned above, the Company has registered eight trademarks and applied for multiple others in various countries including India, USA and UK. Dynamatic Technologies employs over 65 scientists and 615 engineers and technicians with expertise in Mechanical Engineering, Advanced Computer Aided Engineering, Computer Aided Manufacture, Materials & Metallurgical Engineering, Fluid Dynamics, and Defence & Aerospace & Medical Devices Research. The state-of-the-art JKM Science Center brings together Design Engineering, Development, Prototyping, Metallurgical and Manufacturing Infrastructure enabling the Company to comprehensively address the needs of its global customers.

The Dynamatic Hydraulics® Research Laboratory in Swindon, UK, has advanced design knowledge, focused on the Mobile Hydraulics, best in class engineering capabilities and intellectual property with several patented products and designs. This facility provides testing and validation of new products for various OEM customers.

GLOBAL MACROECONOMIC SCENARIO

With a 4.9% decline in world GDP forecasted by IMF in 2020, the global economy seems likely to experience its worst recession, far worse than the financial crisis of 2008. Developed economies are projected to contract by 8.0% in 2020, owing to the containment measures undertaken by governments to contain the COVID-19 outbreak. The lockdowns and movement restrictions have also dealt a major blow to economic activity. Emerging markets and developing countries are projected to decline by 3%. Severe demand shock, tightening in global financial conditions and a drop in commodity prices will impact the economic activity severely. Even economies that have not been affected by the pandemic will face spill over effects of other economies. Due to the unpredictability of the pandemic, demand and supply disruptions, changes in spending patterns and behaviour and confidence levels, there is an uncertainty in gauging the global growth forecast. Central banks have injected monetary stimulus and liquidity facilities to stimulate individual economies and reduce systemic stress. This will ensure smoother recovery and reduce the burden during the pandemic. [Source: IMF World Economic Outlook June 2020]

INDIAN ECONOMY

The pandemic has brought an already struggling economy to a grinding halt, drastically increasing uncertainty. As per the IMF, India is projected to contract by 4.5% in 2020 due to the extended lockdown period and slower recovery. The lockdown completely disrupted the manufacturing sector and services industry resulting in supply side and demand disruptions. Sharp FPI outflows led to the weakening of Rupee against the Dollar. Even with FPI outflows the BoP (Balance of Payments) remained resilient due to the sharp decline in crude prices and rests on a manageable current account deficit. As a response to the economic effects of the lockdown, RBI has infused the banking sector with liquidity and reduced reverse repo and repo rates to curtail banks from depositing funds with them. The government has responded with two stimulus packages in March and May 2020 to further stimulate the economy.

COVID-19, the accompanying lockdowns and the expected contraction in global economy in 2020 weigh heavily on the growth outlook for India. It would also depend upon the speed with which the outbreak is contained and economic activity returns to normalcy. Significant monetary and liquidity measures taken by the Reserve Bank and fiscal measures by the government would mitigate the adverse impact on domestic demand and help spur economic activity once normalcy is restored. [Source: IMF World Economic Outlook June 2020]

INDUSTRY OVERVIEW AND SEGMENT DISCUSSION

HYDRAULICS

Dynatomic Hydraulics® is one of the world's largest manufacturers of hydraulic geared products with state-of-the-art manufacturing facilities located in India, UK and USA. This division manufactures widest range of hydraulic gear pumps in aluminium and cast iron construction, different frame sizes, pressure and flow ratings and designed bespoke for each

application, high speed low torque motors, hand pumps, hitch control valves, rock shaft assemblies, lube and water pumps, mobile control valves, Orbitrols and complete hydraulic solutions for the Indian and overseas markets.

Industry Overview and Outlook

Farm Mechanisation

The domestic tractor industry in India experienced a slow down this year. Q1 and Q2 of FY2020 had witnessed negative year on year growth with some signs of recovery towards the end of Q3 largely due to the improved sentiments around the festival season. However, the COVID-19 pandemic which started around December 2019 had started showing stress signals and the lockdown measures hampered any signs of recovery. The industry overall witnessed a 15-16% Y-o-Y drop in production volumes.

India has remained closed for April 2020 and there are certain parts of the country which are still under lockdown while others are having restrained operations with limits on number of people to cater to the social distancing norms due to unavailability of migrant labours who have since moved to their respective hometowns. Unless every single link of the supply chain ecosystem is fully up and running, industries will find it hard to ramp up quickly.

The monsoon is expected to be good and that augurs well for the Tractor Industry. Government of India continues to come up with pro-farmer, pro-agriculture and pro-rural reform measures and that could also improve the demand for tractors. With all this, FY2021 is still expected to be flat at best. Exports could remain weak due to logistics constraints and the impact COVID-19 has had on all economies. However, exports form a very small percentage of total tractors produced in India (10%), and therefore the impact is expected to be relatively low.

Construction and Material Handling

The construction and off highway vehicles sector experienced a muted performance mainly due to large stressed assets acting as a deterrent to banks for lending. The long-term outlook is positive, with the Government's plans of spending on infrastructure development. Challenges include efficient utilisation of capital and support from the state and private sector. In the near term, this sector is expected to remain under pressure.

Segment Overview

Dynatomic Hydraulic manufactures high precision hydraulic aggregates for tractors, construction equipment, material handling and machine tool industries. The Company has three state-of-the-art manufacturing facilities at Bengaluru for aluminium pumps, cast iron pumps and agriculture sector valves. This manufacturing facility is supported by the Department of Scientific and Industrial Research (DSIR) approved design and R&D center and a rapid prototyping laboratory.

The Company continues to enjoy a leading market share of approximately 75% in the organized Indian tractor industry

and is the partner of choice for almost all the tractor OEMs globally. Dynamic Technologies also designs and builds hydraulic hitch control valve with draft control and complete rockshaft assembly for the agricultural tractors.

The demand for equipment with higher horsepower (i.e. over 50 HP) is expected to continue to grow faster than the industry both in the domestic market as well as internationally. Dynamic Technologies is strategically positioned to cater to this market sector with highest installed capacity in India to produce tandem pumps. The tractor industry in India is expected to grow with current farm mechanisation levels only at around 50% as compared to Europe or America where the mechanisation levels are to the tune of 85%. This local demand will continue to drive growth for Dynamic Technologies, from the local tractor manufacturing companies in India.

There is also an increasing global demand for mid HP tractors (up to 75 HP) that most Indian tractor companies are manufacturing. Current levels of exports stand at meagre 10%, which in next 5 years is expected to rise to over 25%. The growth for Dynamic Technologies will be driven not just by the domestic demand but also by the demand for domestic tractors in global markets.

The Company is also increasing its share of business with all tractor manufacturing OEMs which will further aid future growth. While continuing to consolidate its market leadership position in agriculture sector and given the growth potential in the construction equipment sector, Dynamic Technologies is investing in the development of high pressure, heavy-duty cast iron pumps to cater to the construction equipment sector. These products are in various stages of development and testing, which will cater to the global OEMs. The Company has already developed hydro motors for this sector, which are currently undergoing trials with various global OEMs.

The Company has also integrated its supply chain into a global supply chain for hydraulics which provides the Company with better bargaining capabilities and enables it to keep its costs competitive.

Operational and Financial Performance: (₹ in Lakhs)

Particulars	FY2020	FY2019	Change (%)
Revenue	29,500	36,310	(18.8)%
EBITDA	2,286	4,155	(44.9)%
Margin %	7.8%	11.4%	
Adjusted EBITDA	1,493	4,155	(64.2)%
Margin %	5.1%	11.4%	

EBITDA adjusted for the impact of IND AS 116 to make it comparable with previous year.

The Hydraulics segment was impacted by the global slowdown and the pandemic led lockdowns. Q4 FY2020 witnessed reduced aftermarket sales that impacted the growth. The Company is focused on shifting from outsourcing to in-house production for reducing dependency on third party vendors, increasing utilisation levels, minimising wastages, and enhancing cost controls.

The UK operation reported a flat performance in FY2020 largely due to uncertainties around Brexit. Tractor market in the US had a subdued performance. These two factors impacted the overall performance at Dynamic Swindon operations.

Swindon engineering team has been involved extensively in new product and new market development and have been awarded some interesting projects through large OEMs which are expected to hit full scale production in 2021. Swindon plant has continued to focus on its cost reduction and efficiency improvement projects which is expected to result in margin expansion and will also enable the Company to gain market share. The agrimarket sentiment for FY2021 in the USA looks better compared to the previous year and the Company is experiencing a rising demand from tractor OEMs.

AEROSPACE & DEFENCE

Industry Overview and Outlook

Factors driving progress in the aerospace and defence industry include strong economic growth leading to rapidly expanding domestic demand (**Atmanirbhar Bharat**) liberalization of civil aviation policies, offset requirements, a robust domestic manufacturing base, cost advantages, a large talent pool, the ability to leverage IT competitiveness and a liberal Special Economic Zones law that provides attractive fiscal benefits for developers and manufacturers. The airport sector expects an infusion of US\$ 6 billion in the next 5 years and there could be a demand for more than 2,100 new aircraft in India over the next two decades, which would be dominated by single-aisle aircraft. However, the industry is facing certain challenges such as access to technology, high cost of raw material and stringent certification processes.

Commercial Aerospace

Government of India has launched **UDAN-RCS, UDAN (Ude Desh ka Aam Naagrik)** is a regional airport development and "Regional Connectivity Scheme" (RCS) with the objective of "letting the common citizen of the country fly", aimed at making air travel affordable and widespread, to boost inclusive national economic development, job growth and air transport infrastructure development of all regions and states of India. At the beginning of the scheme, out of total 486 airports, 406 were participating unserved airports, 27 were well served airports out of 97 non-RCS airports and 12 were operational airports out of 18 participating underserved regional operational airports (Nov 2016) with regular fixed-wing scheduled flights. UDAN scheme will add to this number by expediting the development and operationalisation of India's potential-target of nearly 425 unserved, underserved, and mostly underdeveloped regional airports with regular scheduled flights.

The Indian aviation industry is currently the seventh largest aviation market in the world and is growing at a strong rate and is expected to become the third largest aerospace industry by 2024. Driven by the rapid increase in passenger traffic over the last few years, almost all Indian airlines are focused on increasing their capacities. The commercial aircraft order backlog is at its peak of more than 14,000, with about 38,000

aircraft expected to be produced globally over the next 20 years. By 2027, the Indian operators' fleet size is expected to total more than 1,000. Key focus is on modernization of airports, communications, navigation and surveillance systems for air traffic management, radars and facilities for maintenance, repair and overhaul of aircraft and subsystems.

Defence Aerospace

The Defence industry of India is a strategically important sector in India. The total budget sanctioned for the Indian military for the financial year 2019 is 4,31,011 (\$60.9 billion). In 2020, India with third largest annual defence budget (US\$70 b) behind USA (US\$732 b) and China (US\$261 b), and second largest defence imports behind Saudi Arabia making up 9.2% of global arms import, also has domestic defence industry 80% of which is government owned public sector including DRDO and its 50 labs, 4 defence shipyards, 5 defence PSUs and 41 ordnance factories, has come up with new draft 2020 Defence Manufacturing Policy to reduce imports and enhance domestic manufacturing.

Government of India has taken initiatives to achieve higher levels of indigenization and self-reliance in the defense sector, by harnessing the capabilities of public and private sector industries in the country.

In order to further encourage procurement from local Indian suppliers, in May 2020, the central government issued a Public Procurement Policy to encourage the Make in India initiative, and promote manufacturing and production of goods and services indigenously in India. As a part of the Aatmanirbhar Bharat Abhiyan, initiated by the Government of India in June 2020, the Indian defense ministry has proposed to ban the import of defense weapons that can be indigenously manufactured. These steps by the government are expected to boost private sector participation in the defense manufacturing industry.

Segment Overview

Dynamatic-Oldland Aerospace® ("DOA") India, is the largest aerostructures Tier - I supplier in south-east Asia and a recognized leader in the Indian private sector. The Company is vertically integrated to manufacture CNC and sheet metal components, with soft and hard tooling assembly, jig manufacturing along with comprehensive engineering capabilities. The Aerospace & Defence Division has the largest infrastructure in the Indian private sector for the manufacture of complex aero structures. QMS is AS9100 approved, NADCAP approved for heat treatment, spot welding, non-destructive testing and metrology, the Company is also approved by major OEMs like Airbus, Boeing, Bell Helicopters and HAL. This is the first time such capabilities have been developed in the Indian private sector.

The Company's modern and state of the art manufacturing facilities in India and UK deliver high value to its customers, by seamless integration of highly skilled workforce in India and cost of capital for manufacturing in UK. The Company has launched 'Mission Zero' as the language of change to drive continuous improvement culture for sustainable growth and increase value to the customers and shareholders.

The Company has delivered over 5,500 aircraft sets till date and is working closely with Spirit Aero Systems to ramp up production requirements. Dynamatic Technologies has secured a contract to supply flap track beams for the long-range aircraft variants in the Airbus A330 family. First article was delivered in FY2018 and the project has a deep industrialization with over 96% of details manufactured within Dynamatic Technologies and the final assembly shipped to Airbus. The Company is a single source supplier making us the largest flap track beam manufacturer in the world.

In FY2020, Dynamatic Oldland-Aerospace® received industry wide recognition and won a few major awards:

April 2019: 2nd place in the TPM Kaizen competition organized by CII and TPM Club of India

July 2019: 1st and 2nd place in Kaizen competition organized by CII

July 2019: Global Awards for Excellence in Quality Management & Leadership for the 'Best Process Improvement Category' organized by World Quality Congress

July 2019: 1st place in 3M Competition organized by CII and TPM Club of India

Sep 2019: 5 Gold awards in QCC Competition organized by QCFI

Nov 2019: 1st place in Quality Excellence Award organized by Qualtech

Jan 2020: 4 Gold awards in Poka Yoke Competition organized by QCFI

Operational and Financial Performance (₹ in Lakhs)

Particulars	FY2020	FY2019	Change (%)
Revenue	49,760	46,885	6.1%
EBITDA	15,252	11,684	30.5%
Margin %	30.7%	24.9%	
Adjusted EBITDA	12,316	11,684	5.4%
Margin %	24.8%	24.9%	

EBITDA adjusted for the impact of IND AS 116 to make it comparable with previous year.

Continuing order book execution and delivery led to revenue growth in FY2020, in particular, ramp up of orders from Bell Helicopters. The last quarter was partially impacted due to COVID-19 lockdown and subsequent postponement of deliveries. With all this, during FY 2021, owing to COVID-19 there is a demand drop primarily because of Customer Order deferment. The Company has won orders from the Indian Defence Public Sector Undertakings (PSUs) to mitigate the slowdown in the civil aviation sector. This segment is focused on developing capabilities in large aero-structural assemblies, composites and high precision aero-structure designing and manufacturing.

Dynamic Homeland Security®, offers cutting edge security products and technologies such as unmanned aerial vehicles, mobile surveillance vehicles, under vehicle scanners, bollards, boom barriers and RFID based access controls. These solutions are aimed at enhancing the potential customers' capabilities in countering modern day security threats. The Company has industrial defence production licenses from the Ministry of Commerce & Industry, Government of India for the manufacture of drones (unmanned aerial systems).

AUTOMOTIVE & METALLURGY

Industry Overview and Outlook

The automotive industry has evolved significantly over the past decade. Digital technology led changes in customer preferences and economic health have played a vital role in this evolution. OEMs are taking note of this evolution and investing heavily in non-commercial business practices of manufacturing vehicles. Alternative revenue sources are rapidly taking over the market. Mobility companies have grown exponentially over the past few years. Connected technology has become even more important and fundamental to the advancement of vehicles, bringing in a host of new features and offerings.

The global automotive industry faced a challenging phase in 2019 with OEMs impacted by multiple headwinds all over the world. China faced its first decline in vehicles sales in over 20 years and the USA market grew only marginally. The adverse impact of the Brexit and NAFTA 2.0 deals were only accentuated by the US-China trade war. This is expected to play out till 2020 with global markets expected to rebound by around 2023.

The fundamental growth drivers in the automotive industry remain intact and the sector is likely to see an upward trend in demand in the coming years as the economic environment improves and investments increase. The government's 'Make in India' initiative has played an important role in elevating the country's position and it has improved on ease of doing business in the last few years. Today, India is looked upon as a favourable destination for low-cost manufacturing. The World Economic Forum has ranked India 30th on the Global Manufacturing Index, which assesses the manufacturing capabilities of countries.

Currently, India's automotive industry is at an inflection point and is witnessing five megatrends that are expected to transform the industry in a big way. Rapidly evolving customer needs, the disruptive impact of technology, the dynamic regulatory environment, changing mobility patterns and global interconnectedness are all impacting the way auto companies are doing business today globally and in India.

Disruptive impact of technology

According to a report by Bloomberg New Energy Finance (BNEF), India will see progress on electric two-wheelers, rickshaws and electric buses over the next 10 years and by 2040, EVs will constitute 40% of the total passenger vehicle fleet in the country. However, while transportation infrastructure continues to be augmented, EV charging

infrastructure (with less than 1000 charging stations in India) is yet to take off. In this scenario, the industry is expected to face unique challenges with changing mobility infrastructure, the specifications of fast-charging standards and exploration of enhanced technology options.

Globally interconnected industry Global and local markets offer a sustained growth potential for the Indian automotive industry. An increase of FDI in India and the emergence and adoption of globally emerging megatrends and technologies in India are expected to result in the country's increased dependence on other countries at every step of the automotive value chain, e.g. R&D, purchase of raw material, power electronics, manufacturing support and sales. Therefore, automotive companies' ability to put in place and implement effective global and local strategies to manage risks and build their capability to drive their strategies will be of paramount importance.

Segment Overview

JKM Ferrotech Ltd (JFTL), subsidiary of the Company located in Chennai, possesses best-in-class manufacturing and testing facilities with the capability to produce and supply performance critical automotive components. It produces high quality technology oriented components for engine, turbocharger, steering, brakes and chassis for Indian and global automotive OEMs like Volkswagen (Germany), BMW (Austria), Daimler (Germany and India), MAN (Germany) Hyundai Motors (India) and Isuzu (India).

JFTL offers unique locational advantage to the OEMs and Tier-I suppliers in and around Chennai. JFTL is the preferred supply partner to Hyundai Motors, India for more than two decades for the exhaust manifolds in High Si-Mo metallurgy. It is also one of the major suppliers to Daimler, India for the chassis and cabin parts for their heavy-duty trucks.

JFTL specialises in manufacturing of brake parts and is a strategic supplier for Foundation Brakes International and Haldex India for the passenger car and commercial vehicle brakes, respectively. The Company is the single source supplier for Foundation Brakes International and is currently partnering with them in the development of next generation, Zero Offset Harmonized evolution (ZOHe) brakes. Maruti Suzuki India has approved JFTL as a Tier-II supplier for their chassis brakes. The Company is one of the major suppliers to Haldex, Nasik for the commercial vehicle brake parts and presently engaged in the development of complex designed parts for Haldex Hungary. JFTL has consistently achieved best results in terms of number of cycles in the endurance tests.

New business from Myunghwa Automotive for the safety critical Steering Knuckle, BSIV parts from Daimler, India and Turbo Energy Ltd were some of new orders in the last year. On line fully robotic X-ray testing equipment is under commissioning for 100% checking of the Steering Knuckles and it's a key addition to the in-house testing facility at JFTL.

Eisenwerk Erla GmbH, Germany, is a preferred supplier of precision, complex metallurgical products for automotive

engines and turbochargers to leading global automotive OEMs including Audi, BMW, Borg Warner Turbo Emission Systems, Daimler and Volkswagen and off-high way vehicle majors. With a history of over 630 years, Eisenwerk Erla possesses one of the finest ferrous foundries in Europe, capable of manufacturing extremely intricate ferrous castings in exotic metallurgy. It also has strong R&D capabilities with patented technologies specific to the automotive industry. Eisenwerk Erla continues to provide access to the latest technology and the European markets, which differentiates us from our peers in this industry.

The Company's machining facility is fully robotized which incorporates the latest technological innovations and will allow Eisenwerk Erla to increase its competitiveness in manufacturing high value precision parts of BMW.

Operational and Financial Performance (₹ in Lakhs)

Particulars	FY2020	FY2019	Change (%)
Revenue	52,613	66,833	(21.3)%
EBITDA	2,884	2,509	14.9%
Margin %	5.5%	3.8%	
Adjusted EBITDA	1,370	2,509	(45.4)%
Margin %	2.6%	3.8%	

EBITDA adjusted for the impact of IND AS 116 to make it comparable with previous year.

During the year FY2020, the automotive segment saw a reduction in top line growth due to the slowdown of the global and domestic auto industry. However, with the Company's continued focus on margin expansion, low margin products rationalisation continued during the year. Over the longer term, the Company expects to derive further synergies. The shift in production facilities from China to Europe will help improve Company's product base and in turn drive business. Overall, Dynamatic Technologies continues to focus on high margin product mix, exports, ramp-up of existing products, performance-critical components, customer diversification, steel castings and capacity utilization for this segment.

TECHNOLOGY & QUALITY

Dynamatic Technologies being a Tier-I supplier for OEMs has continuously invested in technology to make the business more cost effective and world class. The Company's best practices include implementing lean manufacturing and continuous improvement programs. Dynamatic Technologies has also launched QSP – Quality, Safety & Productivity, as its new business initiative to emphasise these aspects to the customer.

The Company has state-of-the-art rubber press, inspection equipment like CMM and laser tracker, paint booths, high accuracy 5-axis machines which are one of the largest giga

milling machines in the country. This giga milling machine comes with a special probing software system enhancing the capability of the machine beyond a CMM.

Dynamatic Technologies has also launched a skill initiative for its direct and indirect work force using a software called CATI (Competency Assessment & Training Identification). The software is designed to map each of the employees' skill level and training needs. This in turn enables the management to provide the required training for the work force.

The Company has also established an in-house Skill Development Center to train and mentor new recruits. Having adopted a Government ITI under PPP, Dynamatic Technologies provides training to the students, preparing them to serve in any Aerospace and Defence industry in order to make the 'Make In India' drive a great success.

In November 2019, Airbus Group had conducted an Industrial Process Capability Assessment (IPCA+) on DOA. DOA surpassed this evaluation with a fabulous score of 78.6%, which is the highest score any supplier in the aero-structures portfolio had ever achieved. With this score, DOA remains at the top, amongst the list of aero-structure suppliers in Asia

Dynamatic-Oldland Aerospace® UK is a demonstrated leader in the development of exacting airframe structures and precision aerospace components. It has two unique state-of-the-art facilities in Bristol and Swindon, possessing complex 5 axis with robotic machining capabilities for the manufacture of aerospace components and tooling. It also offers a fast track facility, working with all the major primes and manufactures necessary holding fixtures. Dynamatic Technologies specializes in reverse engineering, fixtures and design manufacturing. This division is a certified supplier to Airbus UK, GKN Aerospace Europe & USA, Spirit AeroSystems, Boeing, Magellan Aerospace, GE Aviation Systems and Leonardo. It is compliant with BSI ISO 9001:2000 and AS 9100 Rev D standards. Dynamatic Technologies has also been accredited with Environmental Management System (EMS) certification under ISO: 14001. The Aerospace Division has been continuously expanding to build capabilities in large aero-structures and complex engineering both in the UK and India. The Swindon facility has been expanded and now manufactures main landing gear parts and over wing details for the Airbus fleet. The Company is a pioneer in the Indian and UK private sectors, with a demonstrated track record for the manufacture and development of complex aerostructures. Dynamatic Technologies offers its customers a comprehensive solution of high capex, highly skilled multi-axis machining from the UK and high value added, highly skilled sheet metal details and assembly from India. This provides customers with offset credits and best value from two cost models.

ANALYSIS OF KEY RATIOS

An analysis of key ratios for the period under review is as follows: (₹ in Lakhs)

Profitability Ratios	FY20	FY19	Change (%)	Comments
EBITDA (in lakhs (Consolidated))	18,986	17,524	8.3%	Due to adoption of IND AS 116, effective April 1, 2019, results for FY2020 is not comparable with previous
EBITDA Margins	14.4%	11.7%	270bps	
Net Profit (lakhs Consolidated – from continuing operations)	5,506	3,116	76.7%	Deferred Tax reversal on Impairment of investment in subsidiaries
Net Profit Margins	4.2%	2.1%	210bps	

Liquidity Ratios	FY20	FY19	Change (%)	Comments
Debt Equity	2.0	2.0	(1.9)%	-
Current Ratio	1.5	1.6	(5.4)%	-
Interest Coverage Ratio	1.2	1.6	(24.2)%	Lease rentals have been reclassified to depreciation

Return Ratios	FY20	FY19	Change (%)	Comments
Return on Net Worth	15.8%	9.8%	602 bps	Improved earnings
Return on Assets	3.8%	2.2%	161 bps	-
Return on Capital Employed	10.2%	13.4%	(319) bps	-

Turnover Ratios	FY20	FY19	Change (%)	Comments
Creditors Turnover	2.3	2.8	(18.5)%	Cash conversion cycle remained flat y-o-y
Debtors Turnover	5.6	6.5	(21.4)%	
Inventory Turnover	2.4	2.7	(14.0)%	

FINANCIAL CONDITION

Share Capital (₹ in Lakhs)

Year Ended 31st March	FY20	FY19	Change (%)
Share Capital	634	634	-
Reserves & Surplus	36,679	31,855	15.1%

As at 31st March 2020, the Company had an authorized share capital of ₹ 2,500 lakhs, divided into 2,00,00,000 equity shares of ₹10/- each and ₹ 500 lakhs divided into 5,00,000 redeemable cumulative preference shares of ₹100/- each. During the year under review, there is no change in the Company's issued, subscribed and paid-up equity share capital.

The Reserves and Surplus were ₹36,679 lakhs, as on 31st March 2020, increase of ₹4,827 lakhs compared to 31st March 2019.

The increase is attributable to (₹ in Lakhs)

Profit generated during the year	3,906
Credit balance arising on consolidation	997
Total	4,903
Other Comprehensive loss during the year	76
Total	76
Net Comprehensive Income for the year	4,827

Borrowings (₹ in Lakhs)

Year Ended 31 st March	FY2020	FY2019	Change (%)
Long term borrowings	38,755	44,316	(12.5)%
Short term Borrowings	21,995	21,604	1.8%
Total	60,750	65,920	(7.8)%
Lease Liability	13,533	-	-
Total	74,283	65,920	

Fixed Assets (₹ in Lakhs)

Year Ended 31st March	FY2020	FY2019	Change (%)
Property Plant and Equipment	58,863	52,594	11.9%
Intangible Assets	2,339	2,541	(7.9)%
Capital work in Progress	301	556	(45.9)%
Right-of-use assets	11,723	-	-
Total	73,226	55,691	

Capital Expenditure

During the year under review, your Company incurred capital expenditure of ₹5,666 lakhs for physical infrastructure and ₹139 lakhs for procurement of intangible assets. Significant investments have been made in building infrastructure, state-of-the-art machinery, design software, data security, information systems, and design and development activities for the future benefits of your Company.

Inventories

The inventories of the Company mainly comprises of raw materials of ₹8,760 lakhs, work in progress of ₹13,887 lakhs, finished goods of ₹2,692 lakhs and, stores and spares of ₹1,157 lakhs.

OPPORTUNITIES & THREATS

Manufacturing for India, in India: Going forward, India's appeal to potential investors will be more than just its low-cost labour as manufacturers are building competitive businesses to tap into the large and growing local market. Further reforms and public infrastructure investments could make it easier for all types of manufacturing businesses to achieve scale and efficiency.

Increasing Farm Mechanization: India's proportion of mechanised farming is considerably lower than other developed agricultural geographies. The growing need of modern agricultural equipment and mechanization is driving the demand for equipment such as tractors, harvesters, and tillers. However, this is an uphill battle as farm mechanisation is region specific and a large part of India is yet to transition to mechanisation and reduce manual labour. Government of India continues to come up with pro farmer, pro- agriculture and pro-rural reform measures and that could improve the demand for Agri tractors.

Favourable Industry Dynamics: Rising disposable income and a young population will bode well for the auto industry. Policies issued by the Government will also be favourable to the auto sector in the long term. In addition, with increasing acceptance of digital solutions, a new wave of emerging technologies is on the cusp of affecting the industry at various levels. Although, due to the pandemic, the Industry is expected to remain under pressure in the near term.

Strong Technology and Manufacturing Platform: Dynamatic Technologies is always committed to enhance its existing capabilities and with that focus it has made significant investments, in particular, the Aerospace segment. The Company's performance is expected to benefit from the ramp up in the order book of the Aerospace segment.

Diverse Product Portfolio and End Market Segments: Dynamatic Technologies' product portfolio is diversified across three key business segments, namely Hydraulics, Aerospace and Automotive. This spread ensures that the Company performance is relatively stable and not dependent on any single industry segment. The Company has an optimum mix of high growth and stable end markets.

Regulatory changes: Increased stringency and compliance requirements in regulations related to environment and safety standards such as BS VI are expected to increase cost and complexity for the component manufacturers. Further, as OEMs seek to develop alternative powertrain technologies, suppliers will be required to provide more value-added content per car. With a wide product portfolio and a strong R&D base, Dynamatic Technologies is positioned to capitalise on the industry opportunities. Government investment in the automotive sector and infrastructure development will also help Dynamatic Technologies grow.

RISKS & CONCERNS

Growth in Indian economy: As per the IMF, India is projected to contract by 4.5% in 2020 due to the extended lockdown period and slower recovery. Contraction in Industrial activity has eased as compared to the earlier part of the year and manufacturing recorded a year on year decline of more than 75% in April and May 2020. Although there are near term uncertainties and challenges, the long-term dynamics of India growth story remain intact.

Competition: The business environment in which the Company operates is highly competitive in nature. In the Auto sector, most OEMs maintain multiple suppliers for their products and do not prefer exclusive contracts. However, Dynamatic Technologies believes that this is not a major concern as they focus on enhancing the quality of the product and ensure customer satisfaction. Furthermore, the long-standing relationship that it has with the global OEMs is an added advantage.

Impact of COVID-19: The pandemic has taken the whole world by surprise. Lack of preparedness to deal with such calamities and lack of a unified global voice will be a concern. While globalisation has always given us the best of technologies and resources at the most competitive prices, pandemics like this emphasise the importance of building a local ecosystem, a local cluster in and around our areas of operation. That is a new paradigm. Working from home, which is going to be the new normal, will throw up data security concerns which need to be tackled.

Technological Changes: The business segments in which the Company operates are very technology driven and therefore the Company's products tend to have a shorter life cycle. Dynamatic Technologies is always focused on Research & Development and believes that technological enhancement is an integral part of the culture of the organization. The Company works closely with its customers to better understand their needs and develop suitable products tailored to their requirements. The dedicated R&D center of the Company is engaged in design and prototyping of new products, improvement of existing designs and continuous improvement of existing processes.

Foreign Currency Fluctuations: Given the nature and scale of the business, the Company's operations are exposed to various foreign currencies. The volatility in the foreign exchange rates can impact the financial performance and hence the Company is closely monitoring these risks and adopting appropriate hedges / forward contracts to mitigate such risks, whenever required.

Global Macroeconomic Uncertainty: The Company's business operations are global in nature and thus impacted by the economic volatility prevalent across the world currently. Over the last few years, global economic growth has remained subdued and several key markets have faced economic challenges. These are further impacted by US China trade tensions, escalating protectionist trade policies being implemented worldwide and the growing socio-political instability. This is further being elevated by the pandemic that has caused disruptions to global production and manufacturing. The Company closely monitors the factors impacting the macroeconomic performance in its key markets and to counter these risks continues to broaden its product segments, increase customer base and enhance geographic reach.

RISK MANAGEMENT

Effective risk management is fundamental to the business activities of the group. While we remain committed to increasing shareholder value by developing and growing our business within our board-determined risk appetite, we are mindful of achieving this objective in line with the interests of all stakeholders

The Company emphasizes on achieving the corporate strategic objectives by following best practices in Risk Management. It has formulated a risk management policy and has in place a mechanism to inform the Board Members about risk assessment and minimization procedures and periodical review to ensure that executive management controls risk by means of a properly designed framework.

Our policy is based on the following principles:

- The Board of Directors and Management are responsible for monitoring internal risk management
- Effective risk management and internal monitoring will reduce the likelihood of errors, wrong decisions and surprises due to unforeseen circumstances;
- In order to thrive, an enterprise must take risks. The Management Board is responsible for determining the limits of what is acceptable (referred to as 'risk appetite').
- Line managers are responsible for the implementation of risk management for the processes for which they are responsible.

This mechanism is implemented as an integral part of our business processes across the Dynamatic Group Companies and includes recording, monitoring, and controlling internal enterprise business risks and appropriate actions are immediately taken to mitigate such risks.

QUALITY MANAGEMENT SYSTEM (QMS)

Dynamatic Technologies is always focused on achieving international quality standards for its products and services. In pursuit of this goal, Dynamatic Technologies has established a comprehensive Quality Management System which encompasses all aspects of the business with a focus on establishing a quality assurance ecosystem that is designed

to consistently deliver quality products and superior service.

To achieve product quality assurance, the Company focuses on excellence in in-house production processes while ensuring that suppliers consistently produce components as per specifications.

Aerospace: Dynamatic-Oldland Aerospace® is always focused on achieving international quality standards for its products and services. In pursuit of this goal, the Company has established a comprehensive Aerospace Quality Management System which encompasses all aspects of the business with focus on establishing a quality assurance ecosystem that is designed to consistently deliver quality products and superior service.

During FY2020 your Company has successfully completed the surveillance audits to ISO: 14001 specifications for its Environmental Management System and Information Security Management System (ISO/IEC 27001). Your Company's QMS which is compliant to ISO: 9001 and AS9100 standards since 2006, has evolved and matured and is highly system driven and was audited by DQS and Novostar, India with ZERO non-conformance.

Dynamatic Technologies is also NADCAP accredited (accreditation for special processes in the aerospace and defence industry) for special processes like heat treatment, spot welding, non-destructive testing, measurement, and inspection and in the current year got NADCAP for Alodine processes.

For the first time, Boeing carried out a General Performance Assessment (GPA) Assessment of Dynamatic-Oldland Aerospace®, India covering the following categories.

Management, Schedule, Quality, Technical, Cost

The assessment was successfully completed with maximum **GOLD rating** on the above categories. While the official rating on the Boeing portal is awaited, the **General Performance Assessment (GPA)** rating is a major critical step in qualifying Dynamatic-Oldland Aerospace® for Boeing Performance Excellence Award.

Hydraulics: Dynamatic Hydraulics® has successfully completed the surveillance audits to ISO: 9001 specifications for Quality Management System and also to ISO:14001 specifications for its Environmental Management System. These two management systems which are merged and called as Integrated Management System (IMS) was audited by UL DQS India. The Company has also successfully completed ISO 45001 AUDIT for occupational health and safety management systems OHSAS.

Automotive & Metallurgy: In FY2020, preparations have been completed for the AS9100 standards, at the facility of Eisenwerk Erla GmbH. The certification is planned for FY2021. The Dynamatic Quality Management System (DQMS) addresses the quality requirements and management expectations set out by the global automotive OEM such as BMW, AUDI, VW, Daimler, MAN, Hyundai Motors India, Maruti Suzuki, Nissan India and Brazil, Toyota Motors India, Honda

India and Mahindra & Mahindra. DQMS utilizes some of the best tools such as 5S, 8D, FMEA, APQP, Ishikawa, Business Process Re-engineering, Overall Equipment Effectiveness, Root Cause Analysis, Six Sigma, Statistical Process Control, Total Productive Maintenance, Visual Control, Learning-by-Doing and Employee Participation Program (EPP).

Lean Management concepts together with quality tools are being used on the shop floor by management to increase the overall equipment effectiveness (OEE) of the operations. This is achieved by reducing rejections, set ups, cycle time and through effective material management. The EPP has resulted in the participation of employees in innovative activities and their contributions have resulted in continual improvements to work and work processes.

INFORMATION SECURITY MANAGEMENT SYSTEM (ISMS)

Dynamatic - Oldland Aerospace® has a well-established Information Security Management System (ISO/IEC 27001) and has been certified by DQS, India since March 2018. During the current year, the company has successfully completed the routine internal audits on Information Security Management System. Over the years, with due training and awareness sessions, the system has matured and data security measures are well established. In the ISMS Policies and Procedures, Data security risks are all addressed in the process and followed in accordance to the ISMS requirements

The Information Security Management System (ISMS) addresses the Data Security requirements and expectations of aerospace customers like Airbus, Boeing, Bell and HAL and hence it is a key responsibility of the management to protect and safeguard the customer data.

Having the Data Centre upgraded from traditional physical servers to high end "virtualization", wherein, virtual servers are configured and used for various applications, the performance has enhanced and it is now a more effective and reliable data storage. To ensure Business continuity, backup of the entire data of the server is required and is maintained at a different location outside the Dynamatic, Peenya premises.

Awareness training is continuously given to all the employees on Data Security and Password Protection. Encryption has been adopted to ensure data security. Data transfers with customers and suppliers is through secured File Transfer Protocol. Having established a highly reliable system, the customers are comfortable to share the technical information with the Company. Separate virtual servers for each customer, are configured and maintained. The Company has always ensured and protected IP rights of the customers.

Apart from maintaining and upgrading the system, data security features are enabled for remote access where it can be effectively used for data centre resources.

SUPPLY CHAIN MANAGEMENT (SCM) AND PRODUCTIVITY

Dynamatic Technologies supply chain is modelled around the delivery of enhanced customer and economic value through synchronized management of the flow of physical goods, services, and associated information from sourcing to consumption. Your company's robust supply chain management enables sustainable flow of critical raw materials and acts as a powerful source of competitive advantage.

At Dynamatic Technologies there is a continuous effort to adopt the best practices and tools to achieve excellence in supply chain, driven by a sharp focus on revenue growth, better asset utilization, inventory turns, cost reduction and accelerating cash to cash cycles. Flexibility, reliability and cost efficiency are the key drivers for our Supply Chain Management practices. In order to further enhance the cost efficiency model, the Indian Aerospace operations have been converted into an EOU. During the year, focus was laid on seamlessly integrating our strategic corporate objectives, engineering and IT systems and methods towards an optimum supply chain and productivity model.

- Speed to market management tools like Just in Time (JIT) manufacturing and distribution, vendor managed inventory (VMI) of detail parts and efficient customer response.
- Improving quality and productivity within operational areas such as warehousing, logistics, inventory management and packaging
- Value Addition & Value Engineering (VAVE) involvement with suppliers to drive the cost down
- Supplier rating linked scheduling
- Supplier audits and onsite training
- Global tax minimization including transfer pricing & customs duties
- Integrated customer services cell to handle customer complaints and warranty claims

Significant productivity increases can come from effectively managing relationships; information and material flow across enterprise borders. The Company's initiatives to leverage information technology in supply chain activities have resulted in improved efficiency through real-time information exchanges and processing. Dynamatic-Oldland Aerospace® has a 3-tier approach – Strategic, Tactical and Operational to ensure that the Supply Chain Management is operating efficiently and generating highest level of customer satisfaction at optimum cost. These measures have helped your Company improve cost and efficiency in a year, which was otherwise faced with global macroeconomic challenges.

Export Oriented Unit (EOU)

The conversion of Indian Aerospace Division into EOU will also drive business efficiencies. The scheme helps in promoting exports, enhance foreign exchange earnings, attract investment for export production and employment generation.

Following are the additional advantages of being an EOU:

- 1) Allows imports without payment of custom duties and IGST
- 2) Imports allowed for undertaking Job work
- 3) Import of second hand goods and machinery allowed
- 4) Permits longer time duration for fulfilment of Export Obligations
- 5) DTA sale is permitted on payment of applicable GST
- 6) Time savings in case of clearance of imports due to green channel mode

ENVIRONMENT SAFETY AND HEALTH

Dynamatic Technologies always plans and executes actions to ensure the protection of the environment, conservation of energy resources and at the same time has focus on the health and safety of all its employees. The Dynamatic campus at Peenya has a well-managed green park. Dynamatic Technologies takes steps to ensure sustainable use of resources, maintaining ecological balance, and takes protective steps to minimise waste generation. Compassionate attitude towards environment is an integral part of operations and the Company's vision of sustainable and responsible growth.

Dynamatic Technologies Limited believes that managing its environment footprint is of the utmost importance especially given the growing awareness and stringency concerning environmental laws globally and the need for industries to responsibly account for their impact on the environment. Accordingly, the Company's policies are aimed towards optimizing usage of natural resources and implementing green technologies for production wherever possible. Techniques such as rainwater harvesting and waste water treatment have been adopted at all plants to minimize water consumption and wastage, considering shortage of water has become a growing concern in our country.

The new factory at Devanahalli is constructed with thermal roofing and thermal walls to conserve energy required to cool the interiors. The design also ensures 100% harvesting of rainwater. The Company's facilities are non-polluting and are ISO: 14001 certified. This enables adoption of systematic and quantifiable approaches and techniques to minimize impact on the environment.

SAFETY AND HEALTH

Dynamatic Technologies is focused on creating and ensuring a healthy workplace, free from occupational hazards, to realize its aim of zero incidents. To achieve this vision, emphasis has been on making and implementing rules, training employees on preventive measures, and setting up fool-proofing measures

on site. This is further complimented by the implementation of best in class engineering standards for design and project execution. This has enabled the company to keep workplace hazards to a minimum. The Company also provides various health benefits such as regular health check-ups and health-related awareness programmes for the employees. These initiatives are conducted across all Company facilities and are in line with the Company's objective of maintaining a healthy and motivated workforce.

The Company also undertakes activities which are focused on health and safety of its employees on the shop floor. Awareness campaigns have been undertaken to enforce the use of personnel protective equipment (PPE) at work. At the same time, the Company has been successful in merging the EMS and OHSAS requirements into a common management system called IMS. This has avoided unnecessary duplication of work in monitoring and maintenance of records. The facilities are also certified for ISO 45001 on Occupational Health and Safety Management System by DQS.

INDUSTRIAL RELATIONS

Dynamatic Technologies is always focused on creating a harmonious and inclusive work environment where employees feel motivated to contribute towards the collective goal. This outlook involves providing our employees the requisite perks and benefits, but also equal opportunities for growth and skill development.

The Company is committed to improving day to day work life for the employees through safe work practices, use of personal protective equipment on the shop floor and by continuously educating the workforce through training programmes and demonstrations. The management team also works towards implementing the industry best practices for safety and productivity across locations. Onsite health care facilities, health and accident insurance coverage, medical feedback from experts and support in maintaining Special health requirements form part of the initiatives undertaken by the Company.

Dynamatic Technologies strength lies in its extremely competent and committed workforce, who feel cared for. Some concrete efforts made towards welfare of employees are medical insurance at very low premium for self and family alongside conversion to Corporate salary account, generating better benefits for account holders including zero balance, accident insurance, free demand drafts and better terms for withdrawal through ATM. The Company undertook negotiations with Indian Bank to provide cheaper personal loan to employees. The trust and credibility that the Company enjoys among its employees enables the Company to develop a well enabled and engaged work force (including workers on contract) of over 2756 personnel with very low attrition rate.

WORK CULTURE

Dynamatic Technologies is always proud of its workforce, which is matured, involved and identifies itself with the company's mission. The Company is constantly focused on creating a conducive work environment through constant

bilateral communication with an aim to achieve mutual growth. The Company has put in place an HR development framework to ensure employees' career progression and greater connect with the vision and mission of the Company. This framework rides on multiple programs and opportunities for individual training and development, skill up-gradation schemes, congenial atmosphere for labour-management relationship and equal opportunities. HR policies, practices and the work environment are constantly reviewed to make them current, inclusive and enjoyable. The Company also strives towards acquiring, developing, management and retention of best talent in the market as we focus on optimizing workforce productivity and achieving growth for all.

The focus of the HR team is to promote the recognition of merit and hard work across the work force. They also work towards improving transparency and trust across the organisation. HR teams work towards inculcating Dynamatic vision and values through training, sharing, inspiring, and celebrating, to promote a sense of belonging amongst all the employees of the Company.

Highlights for the Year

All women employees of the company were given training on "women safety", wherein topics such as self-defence techniques, stress drills, basic strikes and defence were addressed. A workshop on Prevention, Prohibition and Redressal of Sexual Harassment of Women at the Workplace was conducted. An exclusive session on workplace etiquettes for women employees was organised.

Competency Assessment and Training Identification (CATI) software being used by the HR department captures training provided to each employee. The number of hours training imparted is duly captured and also the effectiveness of such training is evaluated.

A new HR Information System Called "Dynamatic Employees Services Kiosk" (DESK) has been commissioned and is being extensively used. This is the advanced digital HR tool which captures every data and transactions pertaining to each employee between his entry and exit phase. This avoids huge paperwork transactions earlier used by HR department. The data remains non-editable and safe with necessary back up measures.

Training programs on first aid, emergency preparedness and response were given to concerned employees. Emergency evacuation mock drill was carried out in the premises to ensure the system is working well and employees would get evacuated safely in case of emergency.

As part of Wellbeing Programs, Dental camp and International Yoga day were organised on 20th June 2019 and 21st June 2019 respectively. Sports and other fine arts competitions were held amongst the employees, strengthening Employee Engagement.

The Football Tournament conducted by Dynamatic Technologies had a huge response and participation from every department. The sports spirit, mutual understanding, spirit of friendship and fair play was excellently visible. The Potluck lunch organised by Dynamatic-Oldland Aerospace® for its employees had an excellent success. It was a great experience as a variety of ethnic food prepared by employees was shared and relished by all.

COVID-19 disrupted operations at the end of the financial year. However, Dynamatic Technologies took initiatives to raise awareness amongst employees and the safety measures to be followed were explained. The MD and CEO addressed the employees in a town hall meeting, briefing them on the proactive steps taken by the Company. Although the entire country was under lockdown, your Company restarted the operations from 6th April 2020, after obtaining necessary approvals from authorities.

SAFE HARBOUR STATEMENT

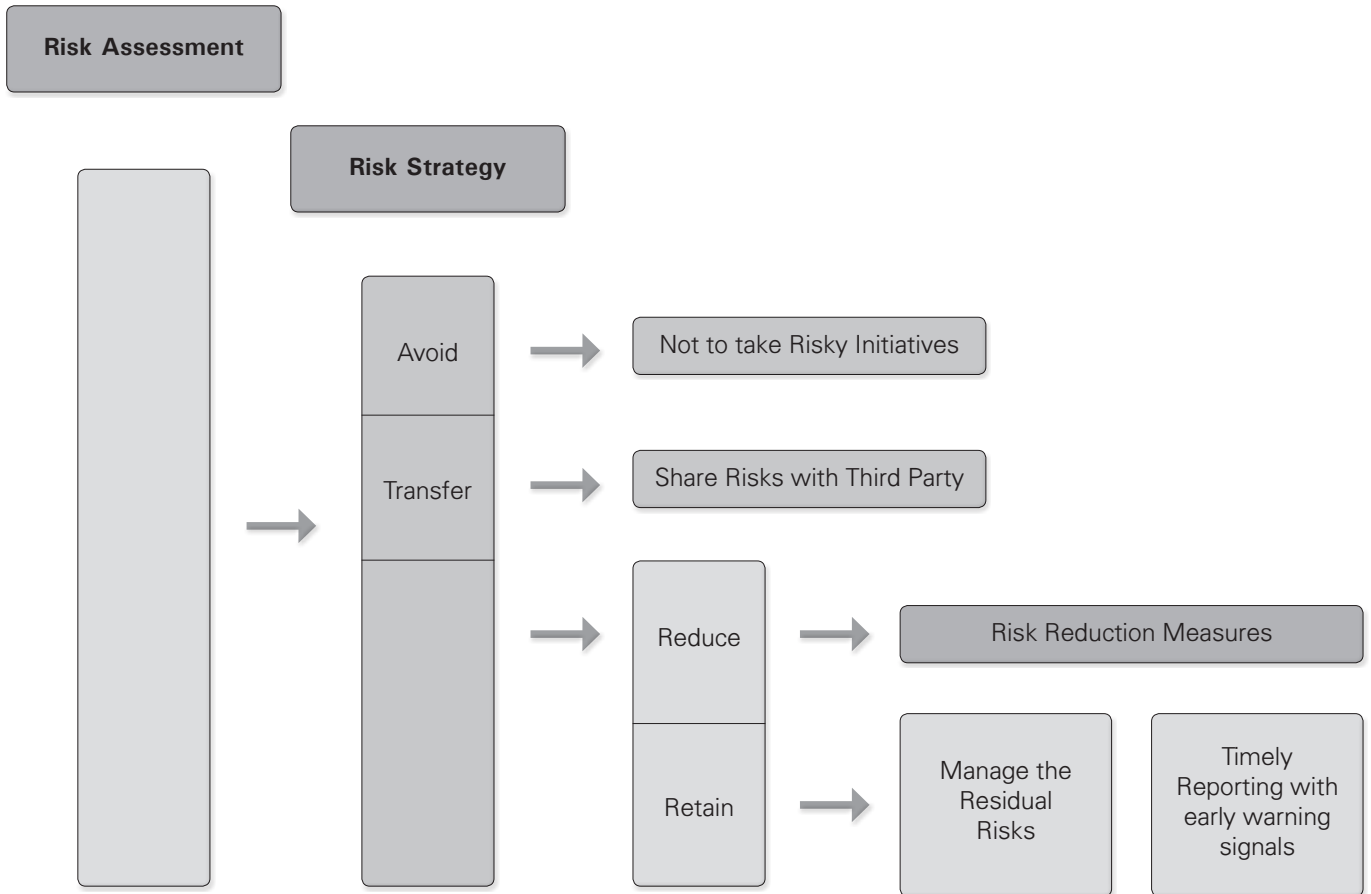
Statements in this Management Discussion and Analysis contains "forward looking statements" including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to Dynamatic Technologies' future business developments and economic performance. While these forward looking statements indicate the Company's assessment and future expectations concerning the development of business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from expectations. These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with the Company, legislative developments, and other key factors that could affect the business and financial performance. Dynamatic Technologies undertakes no obligation to publicly revise any forward looking statements to reflect future/likely events or circumstances, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with the Company, legislative developments, and other key factors that could affect the business and financial performance. Dynamatic Technologies undertakes no obligation to publicly revise any forward looking statements to reflect future/likely events or circumstances.

RISK MANAGEMENT REPORT

The following section discusses various dimensions of our risk management. The risk-related information outlined in this section is not exhaustive and is for information purposes only. The discussion may contain statements, which may be forward looking in nature. Our business model is subject to uncertainties that could cause actual results to differ materially from those reflected in the forward looking statements. Readers are advised to refer to the detailed discussion of risk factors and related disclosures in our regulatory filings, and exercise their own judgment in assessing risks associated with the Company.

Overview

The Company has a well-defined Risk Management Policy which has been developed after taking cognizance of the relevant statutory guidelines, Company internal guidelines, empirical evidences and stakeholder feedback. Dynamic Technologies believes that Risk Management is the culture, processes and structures that are directed towards the effective management of potential opportunities and adverse effects within the Company environment. Our business plans articulate the key business objectives of the Company through a set of specific goals that have to be achieved in the short-term and strategic goals aimed at achieving our aspirations in the medium term. Several risks can impact the achievement of a business objective. Similarly, a single risk can impact the achievement of several business objectives. Our risk management practices seek to sustain and enhance the long-term competitive advantage of the Company. Our core values and ethics provide the platform for our risk management practices.



Risk Management: Governance Structure

Our risk management framework works at various levels across the enterprise. The key roles and responsibilities regarding risk management in the Company are summarized as follows:

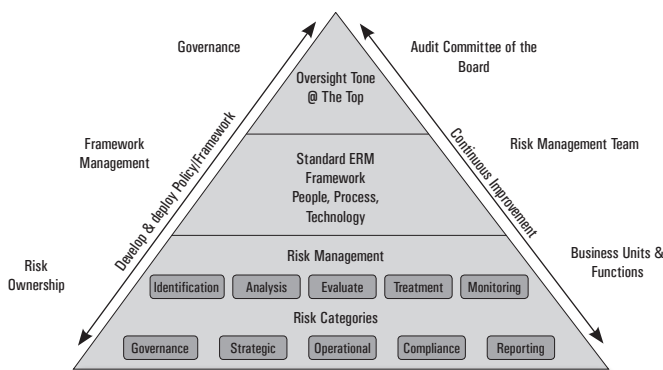
Level	Key roles and responsibilities
Risk Council (RC)	<ul style="list-style-type: none">• Comprises Chief Executive Officer (CEO), Chief Operating Officer/s (COO), Chief Financial Officer (CFO) and Head - Legal, Compliance & Company Secretary• Responsible for oversight of risk management practices including, identification, impact assessment, monitoring, mitigation, and reporting• Reviewing enterprise risks for the achievement of business objectives periodically, initiating mitigation actions, identifying owners for mitigation actions, and reviewing progress of mitigation actions
Chief Risk Officer (CRO)	<ul style="list-style-type: none">• Headed by Head-Legal, Compliances and Company Secretary who also acts as CRO• Comprises the network of risk managers from business units and specialist groups• Facilitating the execution of risk management practices in the enterprise, in the areas of risk identification, impact assessment, monitoring, mitigation and reporting
Business Unit Risk Managers	<ul style="list-style-type: none">• Managing their functions as per the Company's risk management practices• Ensuring compliance to policies and procedures laid out by the Company in their respective business units• Managing risks concomitant to the business decisions relating to their unit, span of control or area of operations• Ensuring effectiveness of risk mitigation actions in their units• Reporting risk events and incidents relating to their unit in a timely manner

Key Business Objectives

We have a business planning process and we quarterly review the business objectives of the Company. The corporate performance is measured, monitored and managed on an ongoing basis. The focus of risk management is to assess risks to the achievement of these business objectives and to deploy mitigation measures. This is done through periodic review meetings of the Risk Management Committee and the Risk Council.

Risk Categories

The risk landscape in the current business environment is changing dynamically with the dimensions of Cyber security, Information Security & Business Continuity and Data Privacy figuring prominently in the risk charts of most organizations. To effectively mitigate these risks, we have deployed a risk management framework which helps proactively identify, prioritize and mitigate risks. The framework is based on principles laid out in the four globally recognized standards.



The following broad categories of risks to the business objectives have been considered in our risk management framework:

Strategic: An organization implements strategies in order to reach their goals. Each strategy has related risks that must be managed in order to meet these goals for the successful execution of the Company's articulated strategies. These originate from the choices we make on markets, business mix, resources and delivery models that can potentially impact our competitive advantage in the medium and long-term.

Operational: Risks inherent to business operations including those relating to quality, delivery, cost competition.

Compliance: Risks emanating out of the policies and procedures. This also includes Regulatory Compliances covering various federal, state, local and foreign laws relating to various aspects of the business operations are complex and non-compliances can result in substantial fines, sanctions etc.

Governance: The current corporate governance models usually cater to the financial sector. Thus, current corporate governance principles haven't proved to be reliable during serious financial crises, we feel that there is a need to place a heavier focus on identifying, monitoring and managing catastrophic risks, irrespective of the chance of such risks actually occurring. This also includes the reputational risk

Reporting: We encourage employees to report risk concerns to managers, who would communicate and coordinate information to be addressed by the appropriate parties.

Key Risk Management Practices

The key risk management practices include those relating to identifying key risks to our business objectives, impact assessment, risk analysis, risk evaluation, risk reporting and disclosures, risk mitigation and monitoring, and integration with strategy and business planning.

Risk identification and impact assessment: Risk register and internal audit findings also provide inputs for risk identification and assessment. Risk survey of executives across units, functions and subsidiaries is conducted on an annual basis to seek inputs on key risks. Operational risks are assessed primarily on three dimensions, namely, strength of underlying controls, compliance to policies and procedures and business process effectiveness.

Risk Evaluation: Risk evaluation is carried out to decide the significance of risks to the Company.

Risk Reporting and Disclosure: Risks to the achievement of key business objectives through the maintenance of Risk register are reported and discussed with the Risk Council and Committee.

Risk mitigation and monitoring: Risk mitigation is done based on risk score which is based on risk impact and risk probability. Risk are transferred, treated or tolerated based on Risk scores

Integration with strategy and business planning: Identified risks to the business objectives in the near term, medium-term and long-term are used as one of the key inputs for the development of strategy and annual business plan. Key strategic initiatives are identified to mitigate specific risks.

Risk Management Highlights for the Year

This year has brought a completely different perspective to the risk management and we as an organization have endeavored remain abreast with these highly volatile risk scenarios

Our Risk Management processes have continued to improve during this fiscal year with the key focus being on consolidations and harmonization within the group thereby increasing the synergies at the group level.

Management remained closely involved in important risk management initiatives, which have focused particularly on preserving appropriate levels of liquidity and capital, and effectively managing the risk portfolios

With the advent of the current scenarios, we are working towards strengthening our risk transfer and looking at a more robust framework in view of the emerging risks in the Industry

BUSINESS RESPONSIBILITY REPORT FOR THE YEAR 2019-20

[REGULATION 34(2) (F)]

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. **Corporate Identity Number (CIN) of the Company:**
L72200KA1973PLC002308
2. **Name of the Company:** Dynamatic Technologies Limited (“Dynamatic Technologies” or “the Company”)
3. **Registered address:** Dynamatic Park, Peenya, Bengaluru 560058, India
4. **Website:** www.dynamatics.com
5. **E-mail Id:** investor.relations@dynamatics.net
6. **Financial Year reported:** 1st April 2019 to 31st March 2020
7. **Sector(s) that the Company is engaged in (industrial activity code-wise):** Hydraulic Products (NIC Code:2813); Aerospace Products (NIC Code:3030)
8. **List three key products/services that the Company manufactures/provides (as in balance sheet):**
 - **Aerospace and Defense**
 - o Boeing Chinook Ramp & Pylon, P8 Power & Mission Cabinets
 - o Bell 407 Helicopter cabins
 - o Airbus Flap Track Beams for A318, A319, A320, A321 & A330 family of aircrafts
 - **Hydraulics**
 - o Hydraulic Gear Pumps & Motors
 - o Rock Shaft Assembly & Hitch Control Valves
 - o Lube Oil & Water Pumps
 - **Automotive**
 - o High precision, complex metallurgical ferrous castings for passenger cars, commercial vehicles and tractor application
 - o Components for Engine, Steering, Brakes and Chassis.
9. **Total number of locations where business activity is undertaken by the Company**
 - a) **Number of International Locations:** The Company has manufacturing facilities across India, UK and Germany.
 - b) **Number of National Locations:** The Company is headquartered in Bengaluru, and operates eight manufacturing plants and four sales offices.
10. **Markets served by the Company:** Incorporated in 1973, Dynamatic Technologies is a manufacturer of highly engineered, mission critical products for the Aerospace, Automotive and Hydraulic industries. With futuristic design, engineering and manufacturing facilities in Europe and India, Dynamatic Technologies serves customers across six continents.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (₹): 6,34,14,430
2. Total Turnover (₹): 56,963 Lakhs
3. Total profit after taxes (₹): (19,174) Lakhs
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (₹): 24.07 Lakhs
5. List of activities in which expenditure in 4 above has been incurred: -

Description	Project Outlay (₹)
Education Expenses	23,89,177
Other activities	18,003
Total	24,07,000

* Please refer to the CSR Report Annexed as **Annexure-5** of this Annual Report

SECTION C: OTHER DETAILS

1. **Does the Company have any Subsidiary Company/ Companies?** Yes. The Company has ten subsidiaries as given below

I. JKM Ferrotech Limited, II. Dynamatic Limited, UK, III. Eisenwerk Erla GmbH, Germany IV. JKM Global Pte Limited, Singapore V. JKM Erla Automotive Limited, VI. JKM Research Farm Limited, VII. JKM Automotive Limited, VIII. JKM Erla Holdings GmbH, Germany IX. Yew Tree Investments Limited, UK and X. Dynamatic LLC, US
2. **Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s):** Yes. Our policies are extended to our subsidiaries and they participate in BR initiatives in line with our policies.
3. **Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]:** No.

SECTION D: BR INFORMATION

1. **Details of Director/Directors responsible for BR**
 - a) **Details of the Director/Directors responsible for implementation of the BR policy/ policies**
 1. DIN Number: 05205364
 2. Name: Mr. P S Ramesh
 3. Designation: Executive Director - Group Technical Services and Human Resources

b) Details of the BR head:

No.	Particulars	Details
1	DIN Number (if applicable)	05205364
2	Name	Mr. P S Ramesh
3	Designation	Group Technical Services & Human Resources
4	Telephone number	+91 80 2839 4933 / 34 / 35
5	E-mail Id	investor.relations@dynamics.net

2. Principle-wise (as per NVGs) BR Policy/policies

(a) Details of compliance (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have policy/ policies for...?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Yes, the policies are based on the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' released by the Ministry of Corporate Affairs								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Policies, as required by the applicable statutes, are approved by the Board/Committee, and other internal policies are approved by the Managing Director								
5	Does the company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	Yes, the Company's officials/business heads are responsible for overseeing the implementation of policies with respect to their respective departments								
6	Indicate the link for the policy to be viewed online?	http://www.dynamics.com/								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies are accessible to the employees at all times and are available on the intranet. The policies that are relevant to other stakeholders are communicated to them from time-to-time.								
8	Does the company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes, any grievances or feed back to the policies can be sent to investor.relations@dynamics.net								
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	All policies undergo regular monitoring and review by respective policy owners. Our policies comply with all applicable local laws. They are also aligned with the principles of the National Voluntary Guidelines. In addition to this, we have externally certified management systems.								

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company

Annually

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Dynamic Technologies Limited has published its first Business Responsibility Report for FY2020 which forms part of the Company's Annual Report for the year. The same can be accessed at www.dynamics.com

SECTION E: PRINCIPLE-WISE PERFORMANCE

PRINCIPLE 1 [P1]: ETHICS, TRANSPARENCY AND ACCOUNTABILITY.

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs /Others?

The Dynamic Code of Conduct that the Company has adopted is applicable to its employees, business partners and suppliers.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

No concerns/complaints were received relating to ethics, bribery and corruption from any of our stakeholders during FY2020.

PRINCIPLE 2 [P2]: PRODUCT LIFECYCLE SUSTAINABILITY

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

The Hydraulic Division has developed technologies that address the environmental and social concerns such as: 1) low noise pumps 1DX series, which has reduced dB levels and is in line with our DFE objective, 2) Compact 2-piece design pumps that reduce the form factor and number of elements as compared to a standard pump design. Use of metal is optimized and this has been done in line with our DFE objective of reduce, re-use, recycle. 3) P4000 Gear Pumps have been designed for 95% and more volumetric efficiency. Thus, increasing the equipment efficiency of the equipment on which our pumps are fitted and economizing the fuel consumption of fuel, 4) Our pumps do not have any hazardous material content and are aligned to ROHS and REACH standards, and 5) All our manufacturing facilities are OHSAS certified.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

(a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

Dynamatic-Oldland Aerospace® has tied up with a private partner and will be using solar generated power for its operations in this premises. Thus it has reduced carbon foot print by going green. In the Hydraulic division, extension in the use of hollow extrusion against solid extrusion has led to a reduced consumption of input raw material to the tune of 3 tons per month, thus, reducing the usage of non-renewable resources. Through energy audits, we have been able to optimize the electricity consumption. We have replaced conventional lightning system to LED leading to energy efficiencies. Recycling of used hydraulic oil by the refining process, while maintaining NAS levels has also reduced the need for procurement of new oil.

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Dynamatic Technologies has undertaken special efforts in the area of sustainable development. The Company has designed technology to enable a resource efficient, sustainable manufacturing processes and technology required to produce our products. The Company has proactively looked at opportunities in green solutions as well as product designs. In packaging, introduction of recyclable bins have led to reduction in usage of corrugated boxes, thus reducing the Company's environmental footprint.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company emphasizes on sustainable procurement practices as much as possible. Suppliers are selected based on Dynamatic Code of Conduct and are constantly evaluated against the same. All our suppliers conform to our norms on code of conduct, safety, ethics and other good practices. The Company has also established an effective inter-department communication mechanism enabling the purchases department to act according to production and sales forecasts for the forthcoming quarters to ensure optimum raw material procurement. Supplier quality assurance is focused on continuous development of the supplier thereby ensuring quality of parts supplied and reduction in rejections.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company engages with multiple suppliers, local and international while preference is always given to local suppliers. Proximity to the Company's location is one significant consideration for selection of suppliers. We also consolidate our imports from various ports to optimize on transport. Preference is given to MSME vendors. The Company also employs local service providers for housekeeping, security, gardening, maintenance and transport. In the process of implementation of operational excellence, vendor partners are given priority in enhancing and upgrading their capabilities thereby meeting the best industry practices and higher levels of productivity.

5. Does the company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, > 10%). Also, provide details thereof, in about 50 words or so.

The Company has in place policies and guidelines to set a direction that addresses environmental protection. The Company has systems and processes in place that takes into account the protection of the environment and our specific actions include recharging ground water using rainwater, and effluent treatment and re-use of treated water for gardening. Our e-waste recycling process takes care of computers, monitors, computer accessories and other electronic office equipment's and specialized agencies are hired to carry out the e-waste disposal. We encourage reduced use of printing papers and thus reduce the use of paper, wherever feasible. Our resource utilization processes enable optimal use of equipment and sharing or transferring of equipment based on their needs and utility.

PRINCIPLE 3 [P3] :EMPLOYEES’ WELL-BEING

1. Please indicate the Total number of employees: 1635
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis: 1121
3. Please indicate the Number of permanent women employee: 130
4. Please indicate the Number of permanent employees with disabilities: 14
5. Do you have an employee association that is recognized by management? Yes
6. What percentage of your permanent employees is members of this recognized employee association? 47.10%
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour. The company does not employ child labour. There were no complaints relating to child labor, forced labor and involuntary labor	Nil	Nil
2	Sexual Harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

8. **What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?**
 - (a) Permanent Employees – 89%
 - (b) Permanent Women Employees – 96.5%
 - (c) Casual/Temporary/Contractual Employees – 72.75%
 - (d) Employees with Disabilities – Safety and skill upgradation training is an ongoing process in the company. This data is not separately maintained.

PRINCIPLE 4 [P4]: STAKEHOLDER ENGAGEMENT

1. **Has the company mapped its internal and external stakeholders?**

Yes. The Company has mapped its stakeholders and they include, but are not limited to, shareholders, employees, customers, business partners, suppliers, and the wider communities that we serve.

2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?**

The Company is an equal opportunity employer. It has policies instituted to prevent sexual harassment, aid safety of employees, mandate travel guidelines for women employees, obtains employee opinions and grievances through employee touch points, periodic employee satisfaction surveys and code of conduct.

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.**

The Company engages with each of its stakeholders through multiple channels and includes engagement initiatives, feedback process, Code of Conduct briefings and investor meetings. Our CSR initiative has adopted E3 approach that is, to Equip and Empower undeserved communities while preserving ecological balance and to Enrich art and national heritage. please refer **Annexure - 5** for more information

PRINCIPLE 5 [P5]: HUMAN RIGHTS

1. **Does the policy of the company on human rights cover only the company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/Others?**

The Company follows a human rights policy which is applicable to all employees. For its subsidiaries, the policy is applicable in line with the local requirements prevailing in the country of operation. The Company also encourages its business partners to follow the policy. Dynamic Technologies discourages dealing with any supplier/contractor/business associate if it is in violation of human rights and also prohibits the use of forced or child labour at all our manufacturing units.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

Our processes enable our stakeholders to voice their grievances and complaints. Dedicated emails are instituted and communicated to each of our stakeholders. Helpdesks are made available to our employees and SLAs put in place for timely closure. During this reporting period, no complaint was received pertaining to human rights violation.

PRINCIPLE 6 [P6]: ENVIRONMENT

1. **Does the policy related to Principle 6 cover only the company or extends to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ others?**

The Company’s Code of Conduct applies to its business partners, contractors and suppliers.

2. **Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.**

The Company strives for environmental sustainability and complies with all applicable laws and regulations, in all its manufacturing operations. It also seeks to prevent the wasteful use of natural resources and is committed to improving the environment. The Company is particular on decreasing emission of greenhouse gas, optimize consumption of water and energy and the overall management of waste and hazardous materials. The Company has procured star rated electric and electronic equipments and planted tree inside and outside our premises.

3. Does the company identify and assess potential environmental risks?

Dynamatic Technologies firmly believes in sustainable development which is reinforced by environmental management systems practiced across all our manufacturing units. The Company is consistently making efforts to improve the environment protection measures further.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

This is not applicable.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give hyperlink for web page etc.

Dynamatic Technologies has designed technologies to enable resource efficient, sustainable manufacturing processes and technologies required to manufacture its products.

Active measures taken by us towards energy conservation and carbon footprint reduction include using technology to monitor and control the power consumption of air conditioning and other related equipment, use of energy efficient light bulbs, using technology for switching off computer monitors when not in use, motion sensors for lighting controls, etc.

We undertake regular reviews of energy requirements and consumption patterns, with action plans for effective utilization of power, during peak and non-peak seasons.

We also undertake continuing education and awareness programmes among all employees on energy conservation measures that can be adopted at individual levels, to help conserve power and energy.

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/ SPCB for the financial year being reported?

Yes, the emissions and waste generated by the Company are within the limits prescribed by the Pollution Control Board.

7. Number of show cause/ legal notices received from CPCB/SPCB which is pending (i.e. not resolved to satisfaction) as on end of Financial Year.

None

PRINCIPLE 7 [P7] : POLICY ADVOCACY

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Yes. Dynamatic Technologies is a member of several industrial and trade bodies namely;

- a. CII (Confederation of Indian Industry)
- b. FICCI (Federation of Indian Chamber of Commerce and Industry)
- c. ASSOCHAM (Associated Chambers of Commerce and Industry of India)
- d. MCC Chamber of Commerce and Industry

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

Yes. The Company has advocated through the above organization on Governance & Administration and Economic Reforms.

PRINCIPLE 8 [P8] : INCLUSIVE GROWTH

1. Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

The Company undertakes all its initiatives through the CSR Committee of the Board in line with its CSR policy. A brief outline of the policy for undertaking the CSR activities of the Company includes the imparting of education at ITI College Devanahalli, Bengaluru including distribution of text books and stationary to school children in the vicinity.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures /any other organization?

The programmes / projects chosen are a mix of in-house, external and group level initiatives. The details can be found in **Annexure 5** of the Directors Report

3. Have you done any impact assessment of your initiative?

Yes, the CSR committee internally performs an impact assessment of its initiatives at the end of each year to understand the efficacy of programmes in terms of delivery of desired benefits to the community and to gain insights for improving the design and delivery of future initiatives.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

The Company has spent/committed an amount of ₹ 24,07,000 during this Financial Year. The programmes have been mainly directed towards education / skill development and healthcare including relief measures undertaken in view of COVID-19 pandemic.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Dynamatic Technologies continuously engage with communities surrounding their area of operations through focused meetings. This is done to gauge the needs, priorities and expectations of the local community. Initiatives are thus designed and delivered in a transparent manner in line with inputs from the community itself. This is done to ensure flow of benefits to communities even if the Company is unable to support the programme in the future. This ensures successful adoption by communities to the extent possible.

PRINCIPLE 9 [P9] : CUSTOMER VALUE

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?

The Company has a process of obtaining customer queries, complaints and satisfaction by means of periodic interactions, emails, dedicated relationship managers, established SLAs and escalation mechanisms. These processes help the Company to resolve any dissonance with our customers in a timely manner.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)

Yes, Dynamatic Technologies displays product information on its packaging for the benefit of the consumer, over and above what is mandated by local laws like packing commodities rules under Legal

Metrology, Bureau of Indian Standards Act. This additional information is provided to enhance the value consumers can derive from the product and to ensure safe and appropriate use. The additional information on the product label relates to proven directions for use, safety, caution etc. and varies from product to product.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.

There are no cases filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising, and/or anti-competitive behavior during the last five years.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

The Company carries out periodic customer satisfaction surveys. They provide us an index of our customers' satisfaction levels along with qualitative feedback on our services

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Company's Philosophy on Code of Governance

In accordance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (hereinafter referred to as "SEBI Listing Regulations"), the report containing the details of governance systems and processes at Dynamic Technologies Limited ("Dynamic Technologies" or "The Company") are appended here under:

SEBI with an objective to improve the standards of Corporate Governance in India and in line with the needs of dynamic market mandates listed entities to bring in transparency and accountability and report the same in the Annual Report for the benefit of the stakeholders.

Corporate Governance involves the value systems of a Company including the moral, ethical and legal value framework within which business decisions are taken.

Effective corporate governance practices constitute a strong foundation on which successful commercial enterprises are built to last. The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

The Company has a strong legacy of fair, transparent and ethical governance practices and operates within accepted standards of propriety, fair play and justice and aims at creating a culture of openness in relationships between itself and its stakeholders. It has set up a system which enables all of its employees to voice their concerns openly and without any fear or inhibition.

The Corporate Governance practices followed by the Company are compatible with International Standards. Your Company has established systems to encourage and recognize employee participation and volunteering in environmental and social initiatives that contribute to organizational excellence, sustainability, human resources development and health of its employees and that of the neighbouring community etc. These actions have become an integral part of your Company's operating plans in discharging social responsibilities too.

The Company believes that a strong disclosure regime is a pivotal feature of market-based monitoring of corporate conduct and is central to the ability of shareholders to exercise their voting rights effectively and that Corporate Governance is vital in enhancing and retaining its stakeholders' trust. The guiding principles of Corporate Governance are becoming an integral part of the business. The Company's Board exercises its fiduciary responsibility in a broad sense in every facet of its operations. The Company's long standing commitment to the high standards of Corporate Governance and ethical business practices is a fundamental shared value of its Board of Directors, Management and Employees.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI Listing Regulations, as applicable, with regard to corporate governance.

The Company's philosophy on Corporate Governance envisages enhancing overall Stakeholder's value on a sustained basis by way of

- Constitution of a highly independent Board of appropriate composition, size, varied experience and commitment to discharge its responsibilities and duties.
- Ensuring timely disclosures, transparent accounting policies and a strong, independent Board to help preserve shareholders' trust while maximizing long-term shareholders' value and respecting minority rights.
- Best practices identified based on benchmarking certain global governance standards with core values of transparency, professionalism, empowerment, equity and accountability.
- Fulfilling obligations to other stakeholders such as customers, suppliers, financiers, employees, Government and to society at large
- Upholding, sustaining and nurturing core values in all facets of its operations through growth and innovation.
- Maximizing national wealth and adhering to transparent actions in business

This philosophy has helped the Company to transform itself into a higher plane of leadership, better transparency and accountability.

The Company's commitments towards Corporate Governance started well before the law mandated such practice. The Company continuously reviews its Corporate Governance policies and practices with the clear goal of not merely complying with statutory requirements in letter and spirit but also to constantly endeavor to implement the best international practices of corporate governance in the overall interest of all stakeholders.

Some Corporate Governance Initiatives are as follows

- Comprehensive Digital Compliance Management System:
- Board e-Portal:
- Paperless Board/Committee Meetings:
- Induction kit to Directors:
- Evaluation of the performance of Directors on Board:
- To ensure best governance, the Company has in place, Code of Business Conduct for Board Members & Senior Management Personnel, Key Accounting Policies etc.
- These guidelines are constantly monitored and reviewed by the Board from time to time.
- The Board is kept abreast of all significant changes in the legislations which have a bearing on the Directors and / or the Board's operation in any manner from time to time.

- Mr. Ratish Tagde, Company Secretary in Practice had conducted the Corporate Governance Audit for the year under review. The Annual Corporate Governance Audit Report on Corporate Governance was placed before the Board which is made part of this Annual Report.

1. BOARD OF DIRECTORS:

As on 31st March 2020, the Company has nine Directors. Of the Nine Directors, Six are Non-Executive Directors out of which Four are Independent Directors. The profiles of Directors can be found in the "Directors and the KMP Profile" appearing in the "Overview Section" of this Annual Report. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Companies Act, 2013 ("the Act")

None of the Directors on the Board holds directorships in more than ten public companies. None of the Independent Directors serves as an independent director on more than seven listed entities. Necessary disclosures regarding Committee positions in other public companies as on 31st March 2020, have been made by the Directors. None of the Directors are related to each other.

Independent Directors are Non-Executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their

ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.

Four Board meetings were held during the year under review and the gap between two meetings did not exceed one hundred and twenty days. The said meetings were held on:

29th May 2019; 08th August 2019; 11th November 2019 and 11th February 2020. The necessary quorum was present for all the meetings.

The names and categories of the Directors on the Board, their attendance at board meetings held during the year under review and at the last Annual General Meeting ("AGM"), name of other listed entities in which the Director is a director and the number of Directorships and Committee Chairmanships / Memberships held by them in other public limited companies as on 31st March 2020, are given herein below. Other directorships do not include directorships of private limited companies, foreign companies and companies registered under Section 8 of the Act. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he / she is a Director. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Listing Regulations.

COMPOSITION OF THE BOARD AND DIRECTORSHIPS/SHAREHOLDINGS IN THE COMPANY/MEMBERSHIP HELD BY DIRECTORS DURING THE YEAR 2019-20

Name of the Director	Category	Number of Board Meetings attended during the FY 2020	Whether attended last AGM held on 10th August 2019	Other Public Companies excluding this Company	Committee Memberships held in public Company		Shareholding in Dynamatic	Directorship in other listed entity (Category of Directorship)
					As Chairman	As Member		
Mr. Govind Mirchandani	Independent and Non-Executive Director	4	Yes	1. JKM Erla Automotive Limited	Audit Committee		Nil	-
				2. JKM Ferrotech Limited	Audit Committee		Nil	
Mr. Nalini Ranjan Mohanty*	Independent and Non-Executive Director	2	Yes	1. JKM Erla Automotive Limited		Audit Committee	Nil	-
				2. JKM Ferrotech Limited		Audit Committee	Nil	
				3. India Metals and Ferro Alloys Ltd			Nil	
Ms. Malavika Jayaram	Woman Independent and Non-Executive Director	2	Yes	-	-	-	Nil	-

Mr. Pradyumna Vyas	Independent and Non-Executive Director	4	Yes	1.Kirloskar Brothers Limited	-	-	Nil	Titan Company Limited (Independent Director)
				2.JKM Ferrotech Limited				
				3. JKM Erla Automotive Limited				
Mr. Pierre de Bausset	Independent and Non-Executive Director	4	Yes	-	-	-	Nil	-
Mr. Dietmar Hahn	Non-Executive and Non-Independent Director	3	No	-	-	-	Nil	-
Mr. James David Tucker	Non-Executive and Non-Independent Director	4	Yes	-	-	-	Nil	-
Mr. P S Ramesh	Executive Director	3	Yes	1. JKM Automotive Limited	-	-	Nil	-
				2. JKM Erla Automotive Limited				
				3. JKM Research Farm Limited				
				4. JKM Ferrotech Limited				
Mr. Arvind Mishra	Executive Director	4	Yes	1. JKM Ferrotech Limited	-	-	Nil	-
				2. JKM Research Farm Limited				
Mr. Udayant Malhoutra	Promoter, CEO and Managing Director	4	Yes	1. Centrust Financial Limited	-	-	620179	-
				2. Greearth Biotechnologies Limited	-	-		-
				3. SAN Engineering and Locomotive Company Limited	-	-		-

*Retired on 14th August 2019.

Familiarisation programme imparted to Independent Directors:

All new Independent and Non-Executive Directors inducted to the Board are introduced to our Company culture through orientation sessions. Executive Directors and Senior Management provide an overview of operations and familiarize the new directors on matters related to our values and commitments. They are also introduced to the organization structure, services, group structure and subsidiaries, constitution, board procedures, matters reserved for the Board, major risks and risk management strategy. The details of the familiarization programme are also available on the Company's website, at (www.dynamics.com)

Skills / Expertise / Competencies of the Board of Directors:

The following is the list of core skills / expertise in competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available with the Board Members:

- I. Knowledge on Company's businesses (Hydraulics, Aerospace, Automobile and Metallurgy), policies and culture (including the Mission, Vision and Values), major risks / threats and potential opportunities and knowledge of the Industry in which the Company operates
- II. Behavioural Skills - Attributes and Competencies to use their knowledge and skills to contribute effectively to the growth of the Company
- III. Business Strategy, Sales & Marketing, Corporate Governance, Forex Management, Administration, Decision Making
- IV. Financial and Management Skills alongside Technical / Professional Skills and specialized knowledge in relation to Company's business
- V. Global Business Understanding, of global business dynamics, across various geographical markets, industry verticals and regulatory jurisdictions.
- VI. Strategy and Planning - Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments.
- VII. Governance - Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values.

The eligibility of a person to be appointed as a Director of the Company is dependent on whether the person possesses the requisite skill sets identified by the Board as above and whether the person is a proven leader in running a business that is relevant to the Company's business or is a proven academician in the field relevant to the Company's business. Being a Hydraulics and Aerospace major, the Company's business runs across different industry verticals, geographical markets and is global in nature. The Directors so appointed are drawn from diverse backgrounds and possess special skills with regard to the industries / fields from where they come.

Chart / matrix setting out the skills/expertise/competence of the Board of Directors

The Board of the Company is highly structured to ensure a high degree of diversity by age, education/qualifications, professional background, sector expertise and special skills.

The following are the skills as identified by the Board.

Sl. No	Core skills /expertise/ competencies identified by the Board of Directors as required in the context of its business(es) and sector(s)	Names of Directors who have such skills / expertise / competence
1	Finance, Law, Management, Administration, Sales & Marketing, Corporate Governance related to the Company's business	Mr. Govind Mirchandani, Mr. Pierre de Bausset, Ms. Malavika Jayaram,
2	Technical Operations related to the Company, Design & Development, Information Technology, Knowledge on Production, Processing, Quality and Marketing of Aerospace, Hydraulics and Automobile	Mr. Pradyumna Vyas, Mr. James Tucker, Mr. Dietmar Hahn, Mr. Udayant Malhoutra, Mr. Arvind Mishra
3	Management, Strategy, Marketing, Administration, Industrial Relations and Human Resources, Technical Operations related to the Company's business	Mr. P S Ramesh , Mr. Arvind Mishra, Mr. Udayant Malhoutra

Responsibilities of the Chairman and Executive Directors:

The Company presently has Mr. Govind Mirchandani, Independent Director as the Chairman of the Board.

Mr. P S Ramesh and Mr. Arvind Mishra are the Executive Directors of the Company along with Mr. Udayant Malhoutra (CEO & Managing Director), who is also a Promoter Director.

The Executive Directors of the Subsidiary Companies incorporated abroad are part of the Board as Non-Executive Directors of the Company. There is clear demarcation of responsibilities and authority among these officials.

The Senior Management makes periodic presentations to the Board on the Company performance and business growth of the business units.

Independent Directors

An Independent Director is a person other than an officer or employee of the Company or its subsidiaries or any other individual having a material pecuniary relationship or transactions with the Company which, in the opinion of the Board of Directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a Director and all the Independent Directors possess the requisite qualifications and are experienced in diversified fields and the Independent Directors fulfils the conditions specified in the SEBI Listing Regulations and are independent of the Management.

The Independent Directors of the Company have been appointed in terms of the requirements of the Act and the SEBI Listing Regulations. Formal letters of appointment have

been issued to the Independent Directors and the terms and conditions of their appointment are disclosed on the Company's website at www.dynamics.com. Separate meetings of Independent Directors of the Company without the presence of the Executive Directors & the Management Representatives were held on 10th February 2020, as required under Schedule IV to the Act (Code for Independent Directors) and Regulation 25 (3) of the SEBI Listing Regulations. At the said meeting, the Independent Directors inter alia:

- reviewed the performance of Non-Independent Directors and the Board of Directors as a whole;
- reviewed the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
- assessed the quality, quantity and timeliness of flow of information between the management of the listed entity and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties. All the Independent Directors attended the Meeting of Independent Directors held on 10th February 2020. The Independent Directors expressed their satisfaction to the desired level on the governance of the Board

Term of Directors:

Independent Directors term are governed by applicable provisions of the Act, which in any case doesn't exceed two consecutive terms of 5 years each.

Executive Directors are appointed for a maximum term not exceeding 5 years, liable to retire by rotation, but are eligible for re-appointment.

Non-Executive Directors are liable to retire by rotation in accordance with applicable provisions of the Act, but shall be eligible for re-appointment.

Evaluation Mechanism:

Formal evaluation of the Board is made based on the guidelines laid down by the Nomination & Remuneration Committee.

The criteria for Board Evaluation include inter-alia, structure of the Board, qualifications, experience and competency of Directors, diversity in Board and process of appointment; Meetings of the Board, including regularity and frequency, agenda, discussion and dissent recording of minutes and dissemination of information; functions of the Board, including strategy and performance evaluation, corporate culture and values, governance and compliance, evaluation of risks, grievance redressal for investors, stakeholder value and responsibility, conflict of interest review of Board evaluation and facilitating Independent Directors to perform their role effectively; evaluation of management's performance and feedback, independence of management from the Board, access of Board and management to each other, succession plan and professional development and functioning and quality of relationship between the Board and Management.

Criteria for evaluation of Individual Directors include aspects such as professional qualifications, prior experience,

especially experience relevant to the Company, knowledge and competency, fulfilment of functions, ability to function as a team, initiative, availability and attendance, commitment, contribution, integrity, independence and guidance / support to management outside Board/ Committee Meetings. Currently the Board is well composed with representation of experts from Finance, Legal, Engineering, Marketing Management, Aerospace and Defence, Scientific and Industrial Design etc.,. In addition, the Chairman is also evaluated on key aspects of his role, including effectiveness of leadership and ability to steer meetings, impartiality, ability to keep shareholders' interests in mind and effectiveness as Chairman.

Criteria for evaluation of the Committees of the Board include mandate of the Committee and composition; effectiveness of the Committee; structure of the Committee; regularity and frequency of meetings, agenda, discussion and dissent recording of minutes and dissemination of information; independence of the Committee from the Board; contribution to decisions of the Board; effectiveness of meetings and quality of relationship of the Committee with the Board and Management. The procedure followed for the performance evaluation of the Board, Committees and Directors is detailed in the Board's Report which forms part of the Annual Report. The Nomination and Remuneration Committee has also formulated criteria for determining qualifications, positive attributes and independence of Directors in terms of Section 178(3) of the Act and the SEBI Listing Regulations.

To ensure and drive down gender diversity across Dynamic group and ensure gender balance on the Board, the Nomination & Remuneration Committee emphasises having representation of more Women Directors on the Board.

Board Continuity and Succession Planning:

The Nomination & Remuneration Committee of the Board is vested with the responsibility of ensuring continuity in the Board Management by recommending suitable candidates to the Board, beforehand, in place of those retiring.

As mentioned above, the Dynamic Technologies Board is well represented with experts from various realms. While ensuring continuity in the Board Management, the Nomination & Remuneration Committee endeavors to fulfil the position of the retiring Director by choosing candidates, ideally, from the same realm as that of the retiring Director so as to ensure balanced representation of Directors on the Board at all times.

Compensation to Directors (CTC) for the year ended 31st March 2020 is as follows: (in ₹)

Name of the Director	Remuneration		Total
	Sitting fees	Salary	
Mr. Govind Mirchandani	8,50,000	-	8,50,000
Ms. Malavika Jayaram	1,00,000	-	1,00,000
Mr. Nalini Ranjan Mohanty (Retired on 14 th August 2019)	4,00,000	-	4,00,000
Mr. Pradyumna Vyas	4,00,000	-	4,00,000

Mr. Pierre de Bausset	4,50,000	-	4,50,000
Mr. Dietmar Hahn	-	-	-
Mr. James David Tucker	-	-	-
Mr. P S Ramesh, Executive Director & Group Technical Services and Human Resource	-	90,40,428	90,40,428
Mr. Arvind Mishra, Executive Director and Global Chief Operating Officer-Hydraulics, Head of Homeland Security	-	90,40,428	90,40,428
Mr. Udayant Malhoutra, CEO & Managing Director	-	79,44,012	79,44,012

The terms of appointment of the Executive Directors are governed by the provisions of the law and such appointment is subject to termination by either party by giving three months' notice unless termination at a shorter notice is mutually agreed by the concerned Executive Director and the Board of Directors of the Company. As per terms of appointment none of the Executive Directors are entitled to receive any severance fees. Service Contracts are governed as per the terms set out in the resolution by the Shareholders at the General Meeting while appointing the Director(s).

The Company does not have any scheme for grant of stock options either to Directors or to employees.

BOARD COMMITTEES:

Currently, the Board has seven (7) Committees:

1. Audit & Risk Management Committee
2. Nomination and Remuneration Committee
3. Stakeholders' Relationship Committee
4. Technology & Strategy Development Committee
5. Corporate Social Responsibility Committee
6. Finance Committee and
7. Independent Directors' Committee

Procedure at Committee Meetings:

The Company's guidelines relating to Board meetings are applicable to Committee meetings as far as may be practicable. Minutes of the proceedings of the Committee meetings are placed before the Board for perusal and records. The quorum for the meetings is either two members or one third of the members of the Committee, whichever is higher.

AUDIT & RISK MANAGEMENT COMMITTEE:

The Board, at its Meeting held on 21st July 2001, constituted the Audit Committee which was renamed as Audit & Risk Management Committee on 14th August 2014. The powers and scope of the said committee are as mentioned in part C of schedule II of the SEBI Listing Regulations. The Board reviews the scope of the Committee and its terms of reference from time to time.

The Audit & Risk Management Committee has met four times in the Financial Year 2019-2020.

Objective:

The Audit & Risk Management committee assists the Board in its responsibility:

- To oversee the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliances with the legal and regulatory requirements.
- To oversee the audit of the Company's financial statements, appointment, independence and performance of Internal Auditors and the Company's risk management policy.

Composition:

The Audit & Risk Management Committee of the Board comprises the following 2 (Two) Independent Directors and 1 (One) Executive Director as on 31st March 2020:

- **Mr. Govind Mirchandani, Chairman**
- Mr. Nalini Ranjan Mohanty (Retired on 14th August 2019)
- Mr. Pierre de Bausset (Appointed w.e.f 29th May 2019)
- Mr. P S Ramesh

Majority of the members of the Committee are Independent and all are financially literate. The members of the Committee have adequate expertise in Finance, Accounting and Financial Management. The composition of the Audit Committee meets the requirements of Section 177 of the Act, and part C of schedule of the SEBI Listing Regulations.

Extract Terms of reference (Duties, Responsibilities and Powers)

The terms of reference of the Audit Committee covers all the matters specified in the areas mentioned in Section 177 of the Act and Regulation 18 read with Part C of Schedule II to the SEBI Listing Regulations. The terms of reference of the Audit Committee, inter-alia are as follows:

- Oversight of financial reporting process.
- Reviewing with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval.
- Evaluation of internal financial controls and risk management systems.
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
- Approve policies in relation to the implementation of the Insider Trading Code and to supervise implementation of the same.
- To consider matters with respect to the Dynamic Technologies Code of Conduct on Director and Senior Management.

Other details:

- Four meetings of the Audit Committee were held during the year under review and the gap between two meetings did not exceed one hundred and twenty days.
- Committee invites such of the executives as it considers appropriate, representatives of the statutory auditors and internal auditors, to be present at its meetings.

- The Company Secretary acts as the Secretary to the Audit Committee.
- Shivaram V is the Compliance Officer to ensure compliance and effective implementation of the Insider Trading Code.
- Quarterly Reports are sent to the members of the Committee on matters relating to the Insider Trading Code.
- The previous Annual General Meeting (“AGM”) of the Company was held on 9th August 2019, and was attended by Mr. Govind Mirchandani, the then Chairman of the Audit Committee.

The Company has adequate Internal Control and Internal Audit system commensurate with its size and nature of its business. The Internal Audit Plan is approved by the Audit Committee and the Internal Auditors directly present their report to the Audit Committee for their consideration.

Attendance at Audit & Risk Management Committee Meetings held during the Financial Year 2019-2020:

Audit & Risk Management Committee meetings were held on

- 29th May 2019
- 8th August 2019
- 11th November 2019
- 11th February 2020

The requisite quorum was present in above meetings.

Name of the Member	No. of meetings attended
Mr. Govind Mirchandani (Chairman of the Audit Committee)	4
Mr. Nalini Ranjan Mohanty (Retired on 14 th August 2019)	2
Mr. Pierre de Bausset (Appointed w.e.f 29 th May 2019)	3
Mr. P S Ramesh	3

The Internal Auditors, representatives of the Statutory Auditors, Chief Financial Officer and CEO & Managing Director of the Company attend as invitees and participate in the Committee meeting/s to review and discuss financial performance, disclosure practices, internal control systems, internal audit reports, feedback reports of management and financial policies of the Company so that the Committee is able to oversee the financial reporting process, make appropriate financial disclosures and implement the terms of reference as mandated by the Board and the terms of the SEBI Listing Regulations. The Statutory Auditors and Internal Auditors actively participate and recommend the required policies and changes from time to time.

All the recommendations of the Audit Committee have been accepted by the Board of Directors.

During the year, the Audit Committee inter alia reviewed key audit findings covering Operational, Financial and Compliance areas affecting the Company which were presented to the Committee. The Chairman of the Audit Committee briefed the Board members on the significant discussions which took place at Audit Committee Meetings

Mr. Govind Mirchandani, Chairman of the Audit & Risk Management Committee was present at the Annual General Meeting held on 9th August 2019.

NOMINATION AND REMUNERATION COMMITTEE:

The Company had constituted a “Remuneration Committee” at its Board meeting held on 7th July 2002. Considering the need for developing leadership within the group and the significance of absorbing, retaining and training high quality manpower, the Remuneration Committee was renamed as the “HRD & Remuneration Committee” with effect from 22nd July 2006. Further, the Committee was renamed as the “Leadership, HRD & Remuneration Committee” with effect from 11th February 2008. The powers to recommend the appointment of Directors were earlier vested with the Nomination Committee of the Board and the powers to decide on the appointment of Senior Management remuneration aspects of the Directors / Senior Management and macro HRD matters of the Company was vested with the Leadership HRD & Remuneration Committee.

With a view to meet the requirements of section 178 of the Act, which requires appointment of all Directors (Independent, Executive and Non-Executive), appointment of Senior Management and remuneration to Directors / Senior Management be decided by one single committee known as the ‘Nomination and Remuneration Committee’, it was decided to merge the Nomination Committee and Leadership, HRD & Remuneration Committee into a single Committee called as ‘Nomination and Remuneration Committee’. The combined unified Nomination and Remuneration Committee takes care of the functions of both Nomination Committee and Leadership, HRD & Remuneration Committee.

The Nomination and Remuneration Committee has been constituted by the Board on 8th November 2013, in compliance with the requirements of Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations.

Extract of Terms of Reference:

The terms of reference of the Nomination and Remuneration Committee (NRC) which covers the areas mentioned in Section 178 of the Act and Regulation 19 read with Part D (A) of Schedule II to the SEBI Listing Regulations.

The terms of reference of the NRC, inter-alia are as follows:

- Recommend to the Board the setup and composition of the Board and its Committees.
- Recommend to the Board the appointment / re-appointment of Directors and Key Managerial Personnel.
- Support the Board and Independent Directors in Evaluation of the performance of the Board, its Committees and individual Directors.
- Recommend to the Board the Remuneration Policy for Directors, Executive Team or Key Managerial Personnel as well as the rest of employees.

- Oversee familiarisation programs for Directors.

Other details:

- The Company does not have any Employee Stock Option Scheme.
- Details of Performance Evaluation Criteria and Remuneration Policy are provided in the report.
- The previous AGM of the Company was held on 9th August 2019, and was attended by Mr. Nalini Ranjan Mohanty (Retired on 14th August 2019), the then Chairman of the Nomination and Remuneration Committee.

Composition:

The Committee comprises 3 (three) Independent Directors as on 31st March 2020:

- Mr. Pierre de Bausset, Chairman (Appointed w.e.f 8th August 2019)**
- Mr. Govind Mirchandani
- Mr. Nalini Ranjan Mohanty (Retired on 14th August 2019)
- Mr. Pradyumna Vyas (Appointed w.e.f 8th August 2019)

Mr. Pradyumna Vyas, an Independent Director, is the Alternate Chairman to Mr. Pierre de Bausset.

In terms of Regulation 19 of the SEBI Listing Regulations read with the provisions of Section 178 of the Act, all the members of the Nomination and Remuneration Committee are Independent directors.

During the Financial Year 2019-2020, the Committee had 1 (One) meeting on 10th February 2020.

Attendance at the Nomination and Remuneration Committee Meetings held during the Financial Year 2019-2020:

Name of the Member	No. of meetings attended
Mr. Pierre de Bausset, Chairman	1
Mr. Nalini Ranjan Mohanty (Retired on 14 th August 2020)	-
Mr. Govind Mirchandani	1
Mr. Pradyumna Vyas	1

Performance Evaluation criteria for Directors:

Pursuant to the provisions of the Act, and the applicable provisions of the SEBI Listing Regulations, the Annual Performance Evaluation was carried out for the Financial Year 2019-2020, by the Board in respect of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration, Risk Management, Stakeholders' Relationship and Corporate Social Responsibility Committees.

A structured questionnaire covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance was prepared after taking into consideration the Guidance note issued by SEBI.

A separate exercise was carried out to evaluate the performance of Individual Directors including the Chairman of the Board who were evaluated on parameters such as guidance/support to management outside Board/Committee meetings, degree of fulfilment of key responsibilities, effectiveness of meetings etc. The performance evaluation criteria for Independent Directors is determined by the Nomination and Remuneration Committee. An indicative list of factors on which evaluation was carried out includes participation and contribution by a director, commitment, effective deployment of knowledge and expertise, integrity and maintenance of confidentiality and independence of behaviour and judgment.

Remuneration Policy:

The Company's philosophy for remuneration of Directors, Key Managerial Personnel and all other employees is based on the commitment of fostering a culture of leadership with trust. The Company has adopted a Policy for Remuneration of Directors, Key Managerial Personnel and other employees, which is aligned to this philosophy. The key factors considered in formulating the Policy are as under:

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors to run the Company successfully;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- Remuneration to Directors, Key Managerial Personnel and Senior Management involves short and long-term performance objectives appropriate to the working of the Company and its goals.

The Company does not have any Employee Stock Option Scheme.

Remuneration of Directors:

The key principles governing the Company's Remuneration Policy are as follows:

- Independent Directors and Non-Independent Non-Executive Directors:
Independent Directors ('ID') are paid sitting fees for attending the Meetings of the Board and of Committees of which they are Members. For Non-Independent and Non-Executive Directors, being employees of overseas subsidiary, no sitting fee is paid.
- Managing Director ('MD')/ Executive Directors ('ED') / Key Managerial Personnel ('KMP')/ rest of the employees:

The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence, remuneration should be market competitive, driven by the role played by the individual, reflective of the size of the Company, complexity of the Sector / Industry / Company's Operations and the Company's capacity to pay, consistent with recognized best practices and aligned to regulatory requirements.

Basic / Fixed Salary is provided to all employees to ensure that there is a steady income in line with their

skills and experience. In addition, the Company provides employees with certain perquisites, allowances and benefits in accordance with terms of the Company policy.

The Remuneration and Nomination Policy is displayed on the Company's website www.dynamatics.com

The details of Remuneration/Sitting Fee paid to the Managing Director and Executive Directors along with Independent Directors during the Financial Year 2019-20 is as follows:

- During the year, there was no pecuniary relationship or transactions between the Company and any of its Independent Directors apart from sitting fees.
- Non-Executive Directors' compensation and disclosures;

The Independent Directors (except Non-Executive and Non-Independent) are paid sitting fees for attending the meetings of the Board and Committees of the Board. The Company pays a sitting fee of INR 50,000 per meeting per director for attending meetings of the Board and all Committee Meetings. The Company also reimburses out of-pocket expenses incurred by the Directors for attending the meetings as on 31st March 2020.

(Amount in ₹)

Directors	Sitting Fees (in ₹)
Mr. Govind Mirchandani (Independent Director)	8,50,000
Mr. Nalini Ranjan Mohanty^ (Independent Director)	4,00,000
Ms. Malavika Jayaram (Woman Independent Director)	1,00,000
Mr. Pradyumna Vyas (Independent Director)	4,00,000
Mr. Pierre de Bausset (Independent Director)	4,50,000
Mr. Dietmar Hahn* (Non-Executive and Non-Independent Director)	Nil
Mr. James Tucker* (Non-Executive and Non-Independent Director)	Nil

^ Retired on 14th August 2019

* Mr. Dietmar Hahn and Mr. James Tucker are not paid Sitting fees as they are full time employees of Subsidiaries.

* No Commission is being paid to the Independent Directors

c)(i) & (ii) The Remuneration details of Managing Director / Executive Directors are mentioned below:

(Amount in ₹)

Particulars	Mr. P S Ramesh	Mr. Arvind Mishra	Mr. Udayant Malhoutra
Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	82,73,772	82,73,772	72,04,404
Allowances and perquisites	7,66,656	7,66,656	7,24,608
Contribution to Retrial Funds	-	-	-
Incentive	-	-	-
Stock option	-	-	-
No. of Shares held	-	-	6,20,179
Terms of Service Contract	Terms of Service Contract - He is appointed for a term of 2 Years from 14 th November 2018, is subject to reappointment during the current year. The resolution for his reappointment in the ensuing Annual General Meeting is circulated to members.	He is appointed for a term of 3 Years from 9 th August 2017, is subject to reappointment during the current year. The resolution for his reappointment in the ensuing Annual General Meeting is circulated to members.	He is appointed for a term of 3 Years from 1 st October 2017, is subject to reappointment during the current year. The resolution for his reappointment in the ensuing Annual General Meeting is circulated to members.
Notice period	3 Months	3 Months	3 Months

(iii) The terms of appointment of the Managing and Executive Directors provide that the appointment may be terminated by either party by giving to the other party three months' notice of such termination or the Company paying three months' remuneration in lieu thereof.

Note: The resolutions appointing these directors do not provide for payment of severance fees.

(iv) Stock options: The Company has not granted Stock Option to any of its Directors

STAKEHOLDERS' RELATIONSHIP COMMITTEE:

Extract of Terms of reference:

The terms of reference of the Stakeholders Relationship Committee (SRC) covers the areas mentioned in Section 178 (5) of the Act and Regulation 20 read with Part D (B) of Schedule II to the SEBI Listing Regulations. The terms of reference of the SRC, inter-alia are as follows:

- Consider and resolve the grievances of security holders.
- Consider and approve issue of share certificates, transfer and transmission of securities, etc.
- Review activities with regard to the Health Safety and Sustainability initiatives of the Company

Other details:

- Four meetings of the SRC were held during the year under review.
- Details of Investor complaints and Compliance Officer are provided in the report.
- The previous AGM of the Company was held on 9th August 2019, and was attended by Mr. Govind Mirchandani the then Chairman of the SRC.

The Composition of the SRC and the details of the meetings attended by its members during the financial year ended 31st March 2020, are as under:

The SRC comprises 3 (three) Directors as on 31st March 2020. They are

- **Mr. Pradyumna Vyas, Chairman**
- Mr. Nalini Ranjan Mohanty (Retired on 14th August 2019)
- Mr. Govind Mirchandani
- Mr. Udayant Malhoutra

The Chairman is heading the Committee. The Committee Meetings were held on:

- 29th May 2019
- 8th August 2019
- 11th November 2019
- 10th February 2020

Attendance at the Committee Meetings held during the Financial Year 2019-2020:

Name of the Member	No. of meetings attended
Mr. Pradyumna Vyas	2
Mr. Govind Mirchandani	4
Mr. Nalini Ranjan Mohanty (Retired on 14 th August 2019)	2
Mr. Udayant Malhoutra	4

Compliance Officer:

Mr. Shivaram V, Head - Legal, Compliance & Company Secretary is the Compliance Officer responsible for complying with the requirements of SEBI Listing Regulations.

Investor Grievance report for the Financial Year 2019-2020:

Details of complaints received and attended to during the Financial Year 2019-2020 are given below:

Subject	
No. of complaints pending as on 1 st April 2019	Nil
No. of complaints received during the year	Nil
No. of complaints resolved during the year	Nil
No. of complaints pending as on 31 st March 2020	Nil
TOTAL	Nil

International Securities Identification Number (ISIN):

ISIN is the identification number for traded shares, which needs to be quoted in every transaction relating to the dematerialized shares of the Company. The ISIN for Company's equity shares is INE221B01012.

Corporate Identity Number (CIN):

The CIN, allotted by the Ministry of Corporate Affairs, Government of India, is L72200KA1973PLC002308.

Dematerialization of Shares and Liquidity:

The equity shares of the Company are traded in dematerialized form. The process of conversion of shares from physical form to electronic form is known as dematerialization. For dematerializing the shares, the Shareholder has to open a demat account with a Depository Participant (DP). The Shareholder is required to fill in a Demat Request Form and submit the same along with the Share Certificate(s) to the DP. The DP will allocate a demat request number and shall forward the request physically and electronically, through NSDL/CDSL to the R&T Agent. On receipt of the demat request both physically and electronically and after verification, the Shares are dematerialized, and an electronic credit of shares is given in the account of the Shareholder.

During Financial Year 2019-2020, 76 demat requests for dematerialization covering 11846 shares were received and processed and 11 request for Transfer / Transmission covering 2432 shares were received and processed.

Transfer of Unclaimed/Unpaid Amounts to the Investor Education and Protection Fund

As per Rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") read with Section 124 of the Act, intimations have been sent to shareholders concerned, requesting them to encash their unclaimed dividends failing which the unclaimed dividends and the corresponding shares held by them shall be transferred to IEPF Authority.

As required under Section 124 of the Act read with the IEPF Rules as amended, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs.

The following table gives information relating to outstanding dividend accounts and the dates when due for transfer to IEPF:

Financial Year Ended	Date of declaration of dividend	Last date for claiming unpaid Dividend	Due/ Transferred to IEPF fund due during
2018-2019 (Interim Dividend)	10.08.2018	09.08.2025	09.09.2025

Shareholders are requested to get in touch with the RTA for encashing the Unclaimed Dividend amount, if any, standing to the credit of their account.

During the Financial Year 2019-2020, the Company has transferred following amounts and shares to Investor Education and Protection Fund Authority (IEPF):

Financial Year	Amount of unclaimed dividend (in ₹)	Number of shares transferred
2019-2020	1,37,960	24,925

Details of shares transferred have been uploaded on the Company's website at www.dynamics.com.

All requests/communications from Shareholders including request for annual reports, revalidation of dividend warrants, change of address, transfer of shares, etc., are received by Kfin Technologies Private Limited, Hyderabad, Registrars and Share Transfer Agents on behalf of the Company (RTA / Kfin) and all these requests from the Shareholders have been addressed to their satisfaction.

Every quarter, the company reviews various communications received by the RTA. These communications and the replies furnished are made available to the Company through RTA's website <http://karisma.karvy.com>.

A quarterly report of the same is submitted to the Committee for improving investor relations and services provided to them. Kfin provides high quality of Shareholder servicing through their services and updated technological support, thereby ensuring that the Company provides its investors with the best possible services.

Suspense Account for the unclaimed shares:

Pursuant to Regulation 39(4) read with schedule VI of the SEBI Listing Regulations, the Company has sent three reminders to Shareholders with regard to unclaimed shares out of the shares issued by the Company. Further in terms of the said provision, the Company has opened a demat suspense account with Karvy Stock Broking Limited for crediting unclaimed shares and any corporate benefits in terms of securities accruing on such shares, like, bonus shares, split etc. and thereafter shall be transferred by the listed entity in accordance with provisions of Section 124 and 125 of the Act and rules made thereunder.

Details of suspense account

As required under clause F of schedule V of the Listing Regulations, the disclosures with respect to demat suspense account / unclaimed suspense account are appended here below:

Aggregate number of Shareholders and the outstanding shares in the suspense account lying at the beginning of the year; 15 Shareholders and 953 shares.

Further, 102 equity shares 4 equity shareholders were transferred from unclaimed suspense account to IEPF account during the year.

Aggregate number of Shareholders and the outstanding shares in the suspense account lying at the end of the year; 11 Shareholders and number of shares were 851.

The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

Share Transfer Committee – A Sub Committee of Stakeholders' Committee

A Share Transfer Committee has been constituted by the Board to ensure timely and efficient servicing of requests for share transfers and transmissions.

Composition

The Committee comprises the following members as on 31st March 2020:

- **Mr. Udayant Malhoutra, Chairman**
- Mr. Govind Mirchandani
- Mr. Shivaram V

The Committee is vested with the responsibility of approving cases which comply with the required provisions of the applicable laws of India relating to share transfers, transmissions, transpositions, duplicate share certificates, exchange, consolidations, etc. on a fortnightly basis. The status on complaints and share transfers is reported to the Stakeholders' Committee and subsequently to the Board.

Share transactions in electronic form can be effected in a much simpler and faster manner. After confirmation of sale / purchase transaction from the broker, shareholders should approach the Depository Participant with a request to debit or credit the account for the transaction. Shareholders are periodically requested to utilize the demat facility.

Technology & Strategy Development Committee:

The Technology & Strategy Development Committee, which was constituted by the Board in 2003, provides direction on the Company's Research and Development strategy and on key issues pertaining to R&D technology. The Committee also reviews and updates the skills and competence required, the structure and the process needed to ensure that the R&D initiatives of today result in products necessary for the sustained and long term growth of the Company. The Committee is instrumental in augmenting the Intellectual properties of the Company. Resultant is the host of patents and trademarks for the Company's products and process in India and across the globe from time to time.

Objectives:

- Develop products and technologies keeping in mind the customers and business strategy of the Company.
- Provide effective project support and assurance to production and its business.
- Provide best technical assistance available across the globe.
- Exploit synergies through cutting edge technologies.
- Deploy scientists, engineers to meet current and future business needs.
- Promote and develop Intellectual Property to processes and products.
- Work as a Design & Developmental partner with customers in future technologies across the units.
- Innovation on extreme efficiency, value, maximization to serve the new market conditions and safety and reliability of assets, across the Company as a part of its DNA.

Composition:

The Board Level Technology & Strategy Development Committee comprises 9 (Nine) Directors as on 31st March 2020.

The Committee comprises the following members:

- **Mr. Govind Mirchandani, Chairman**
- Ms. Malavika Jayaram
- Mr. Pierre de Bausset
- Mr. Pradyumna Vyas
- Mr. Arvind Mishra
- Mr. Dietmar Hahn
- Mr. P S Ramesh
- Mr. James Tucker
- Mr. Udayant Malhoutra

The Technical and Operations heads attend the Committee meeting to present the improvements made with regard to new technical products and innovation, which deliver greater value to its existing and new customers.

During the Financial Year 2019-2020, the Committee had one (1) meeting on 28th May 2019.

Finance Committee:

The Board, at its meeting held on 5th February 2013, constituted the Finance Committee. The said Committee has been constituted with the following powers:

- To approve availing loans, providing necessary security, giving guarantees.
- Approve investing funds of the Company.
- To consider and approve purchase of securities of wholly owned subsidiary.
- To authorize suitable Directors/Personnel of the Company to do such acts and things as is necessary or incidental to give effect to the aforesaid finance related activities of the Company such as registration of documents, affixing common seal of the Company and so on.

Composition:

The Board Level Finance Committee comprises 6 (six) Directors as on 31st March 2020.

The Committee comprises the following members:

- **Mr. Govind Mirchandani, Chairman**
- Ms. Malavika Jayaram
- Mr. Pradyumna Vyas
- Mr. P S Ramesh
- Mr. Arvind Mishra
- Mr. Udayant Malhoutra

Corporate Social Responsibility Committee:

The Corporate Social Responsibility (CSR) Committee has been constituted by the Board in compliance with the requirements of Section 135 of the Act.

Terms of reference

The terms of reference of the CSR Committee are:

- a. Formulate and recommend to the Board, a CSR Policy indicating the activity or activities to be undertaken by the Company as specified in Schedule VII to the Act.
- b. Recommend the amount to be spent on CSR activities.
- c. Monitor implementation and adherence to the CSR Policy of the Company from time to time.
- d. Such other activities as the Board of Directors determine as they may deem fit in line with CSR Policy.

The Board has adopted the CSR Policy as formulated and recommended by the Committee. The CSR Policy is available on the website of the Company at www.dynamics.com. The Annual Report on CSR activities for the Financial Year 2019-2020 forms part of the Board's Report.

The composition of the CSR Committee and the details of the meetings attended by its members during the Financial Year ended 31st March 2020, are as under:

Composition:

- **Ms. Malavika Jayaram - Chairperson**
- Mr. Govind Mirchandani
- Mr. P S Ramesh

During the Financial Year 2019-2020, the Committee had two (2) meetings on 28th May 2019 and 10th February 2020.

Independent Directors Committee:

In order to facilitate independent meetings of the Independent Directors without the intervention of the management, an Independent Directors' Committee has been constituted in accordance with the requirements of Companies Act, 2013.

Composition:

- **Mr. Govind Mirchandani - Lead Independent Director**
- Ms. Malavika Jayaram
- Mr. Pradyumna Vyas
- Mr. Pierre de Bausset

GENERAL BODY MEETINGS:

ANNUAL GENERAL MEETINGS ('AGM') / EXTRAORDINARY GENERAL MEETING ('EGM') / POSTAL BALLOT APPROVALS:

Location, date and time of the Annual General Meetings/Extraordinary General Meetings held during the preceding three years and the special resolutions passed thereat are as follows:

Year	Venue	Date and Time	Special Resolution Passed
2016-17 Postal Ballot*	Postal Ballot	15 th November 2016	<ul style="list-style-type: none"> • Special resolution under section 180 (1)(a) of the Companies Act, 2013 • Special resolution under section 180 (1)(c) of the Companies Act, 2013 • Special resolution under section 186 of the Companies Act, 2013
2016-17 AGM	Taj Vivanta, Yeshwantpur, Bengaluru	9 th August 2017: (10:00 AM)	<ul style="list-style-type: none"> • Special resolution under section 197(4) and 203 read with Schedule VI of Companies Act, 2013 for approval of appointment and remuneration of Mr. P. S. Ramesh (DIN: 05205364) for a period of 1 year • Special resolution under section 197(4) and 203 read with Schedule VI of Companies Act, 2013 for approval of appointment and remuneration of Mr. Hanuman Kumar Sharma (DIN:07012725) for a period of 1 year • Special resolution under section 197(4) and 203 read with Schedule VI of Companies Act, 2013 for approval of appointment and remuneration of Mr. Udayant Malhoutra (DIN:00053714) for a period of 3 years • Special resolution under Section 62(3) to convert the whole or part of loan issued by Bankers into equity share of the Company
2017-18 Postal Ballot*	Postal Ballot	16 th May 2018	<ul style="list-style-type: none"> • Approve the Sale/transfer/dispose off the Undertaking / Properties/ located at Sriperumbudur, Chennai, Tamil Nadu under section 180 (1)(a) of the Companies Act, 2013 -Special Resolution • Approve the Sale/transfer/dispose off the Undertaking / properties/ located at Wind farm, Sulur taluk, Palladam Taluk, Coimbatore District, Tamil Nadu under section 180 (1)(a) of the Companies Act, 2013 -Special Resolution

During the Financial Year 2019-2020, the Committee had One (1) meeting on 10th February 2020.

CEO and CFO Certification:

As required by SEBI Listing Regulations, the CEO and CFO certification is provided in this Annual Report.

Code of Conduct:

In compliance with Regulation 26(3) of the SEBI Listing Regulations, and the Act, the Company has framed and adopted a Code of Conduct and Ethics ('the Code'), all the members of the Board and Senior Management personnel affirmed compliance to the said Code as on 31st March 2020.

2017-18 AGM	Taj Vivanta, Yeshwantpur, Bengaluru	10 th August 2018: (10:00 AM)	<ul style="list-style-type: none"> • Re-appointment of Mr. Govind Mirchandani (DIN:00022583) as an Independent Director of the Company for the period of 5 years - Special Resolution • Re-appointment of Ms. Malavika Jayaram (DIN:02252302) as an Independent Director of the Company for the period of 5 years - Special Resolution • Appointment of Mr. Arvind Mishra (DIN: 07892275) as an Executive Director and Global Chief Operating Officer- Hydraulics & Head - Homeland Security for the period of 3 years - Special Resolution. • Re-appointment and approval of remuneration payable to Mr. P S Ramesh (DIN:05205364) as an Executive Director and Chief Operating Officer Aerospace, India for the period of 2 years - Special Resolution.
2018-19 AGM	Taj Vivanta, Yeshwantpur, Bengaluru	9 th August 2019: (10:00 AM)	<ul style="list-style-type: none"> • There were no special resolution passed during the meeting under review.

* The Postal Ballot exercise was carried out by Mr. R. Vijay Kumar Company Secretary in Practice.

Postal Ballot:

For matters which are urgent and require shareholders' approval in the period between the AGMs, the Company seeks the approval of shareholders through postal ballot. In compliance with Sections 108 and 110 and other applicable provisions of the Act, read with the related Rules, the Company also provides electronic voting (e-voting) facility to all its members. For this purpose, the Company has engaged the services of Kfin Technologies Private limited. R. Vijay Kumar, Practicing Company Secretary, had acted as the scrutinizer for past postal ballots and e-voting. During the year, the Company did not pass any special resolution through postal ballot. The details of the previous postal ballots are available on the website, at www.dynamics.com.

Procedure for postal ballot:

Postal ballot notices and forms are dispatched, along with postage-prepaid business reply envelopes to registered members / beneficiaries. The same notice is sent by email to members who have opted to receive communication through the electronic mode. The Company also publishes a notice in the newspaper declaring the details and requirements as mandated by the Act and applicable rules.

Voting rights are reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date. Members who want to exercise their votes by physical postal ballot are requested to return the forms, duly completed and signed, to the scrutinizer on or before the close of the voting period. Those using the e-voting option are requested to vote before the close of business hours on the last date of e-voting.

The scrutinizer completes his scrutiny and submits his report to the Chairman, and the consolidated results of the voting are announced by the Chairman / authorized officer.

The results are also displayed on the Company website, www.dynamics.com, besides being communicated to the stock exchanges, depository and registrar and share transfer agent. The last date for the receipt of postal ballot forms or e-voting is the date on which the resolution would be deemed to have been passed, if approved by the requisite majority.

In view of the prevailing lock down situation across the country due to outbreak of the COVID-19 pandemic and restrictions

on the movement apart from social distancing, the Ministry of Corporate Affairs ("MCA") vide Circular No. 14/2020 dated 8th April 2020, Circular No.17/2020 dated 13th April 2020, read with Circular No. 20/2020 dated 5th May 2020, permitted Companies to hold their Annual General Meeting ("AGM") through VC/OVAM for the calendar year 2020.

In compliance with applicable provisions of the Act, read with aforesaid MCA circulars the 45th AGM of the Company is being conducted through Video Conferencing (VC/OVAM) herein after called as "e-AGM". Therefore, the Postal Ballot facility for the 45th AGM is not being provided.

Means of Communication:

The quarterly and annual financial results of the Company are uploaded on NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre in accordance with the requirements of Listing Regulations. The financial results are displayed on BSE and NSE websites. The financial results are also published in 'Business Standard' (English) and 'Sanjey Vani' (Kannada) newspapers and posted on the Company's website at www.dynamatic.com. In terms of the Listing Regulations, the Company has a designated email ID for dealing with Investors' complaints viz., investor.relations@dynamics.com The official media releases and presentations made to Institutional Investors/Analysts and transcript/ audio recording of Analyst Calls are posted on the Company's website.

General Shareholder Information:

The Company was incorporated in Bengaluru, in 1973, as Dynamatic Hydraulics® Limited within the provisions of the Companies Act, 1956, and changed its name to Dynamatic Technologies Limited in 1992. The address of registered office is Dynamatic Park, Peenya, Bengaluru 560 058, Karnataka, India.

The equity shares of the Company are listed on both National Stock Exchange of India Limited (NSE - with a scrip code of DYNAMATECH) and Bombay Stock Exchange Limited (BSE - with a scrip code of 505242).

The Company has paid the listing fees for the Financial Year 2019-20, to the Stock Exchanges where the shares of the Company are listed in India.

ANNUAL GENERAL MEETING FOR THE FINANCIAL YEAR 2019-2020:

Date and time:	24th September 2020 at 10:00 AM	
Venue:	Proposed to be convened through VC / OAVM mode	
Financial calendar:	Our tentative calendar for declaration of results for the Financial Year 2020-21 is given below:	
	Calendar for Reporting:	
	Quarter ended	Release of results
	30 th June 2020	On 31 st August 2020
	30 th September 2020	On or before 14 th November 2020
	31 st December 2020	On or before 14 th February 2021
	31 st March 2021	On or before 30 th May 2021
Date of book closure	Pursuant to the provisions of Section 91 of the Companies Act 2013 and Regulation 42 of the Listing Regulations, the Register of Members and Share Transfer Books of the Company will be closed from 18th September 2020 to 24th September 2020 (both days inclusive) .	
Dividend payment date	There is no dividend declared during year under review.	
Listing on Stock Exchanges and Stock Code	BSE Ltd. Phiroze Jeejeebhoy Towers Dalal Street Mumbai- 400001 Phones : (022) 22721233/4, 91-22-66545695 Fax : (022) 22721919 Scrip code:505242	National Stock Exchange of India Ltd. Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai- 400 051 Tel No: (022) 26598100- 8114 Fax No: (022) 26598120 Scrip code: Dynamatech

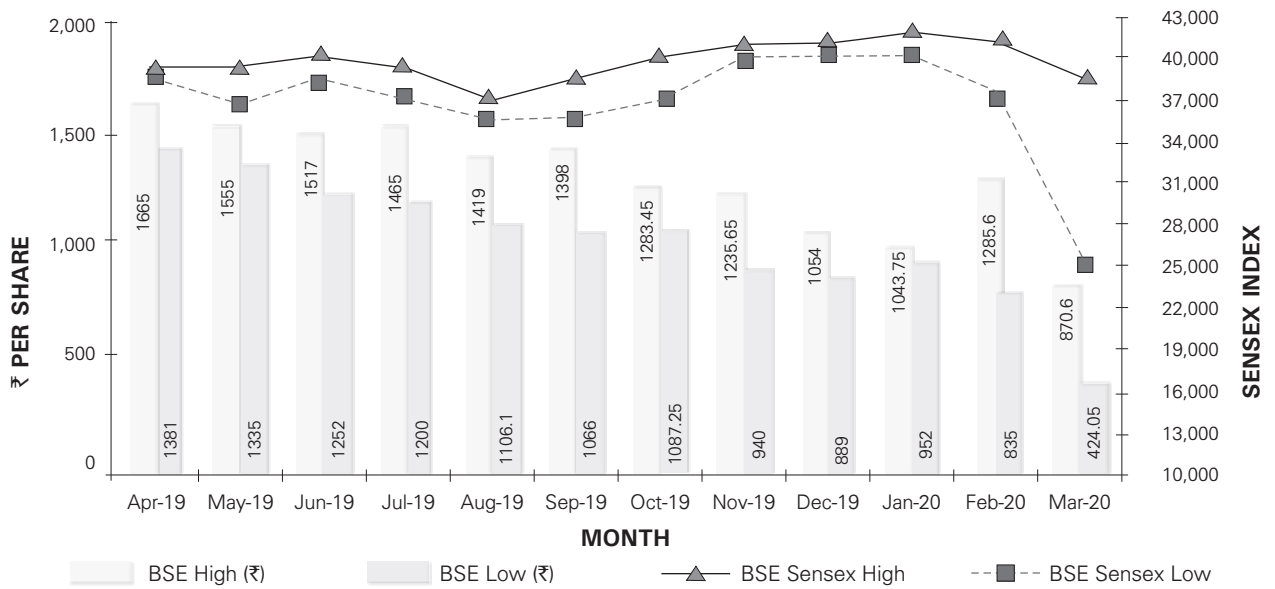
Share market price data

The monthly high and low quotations and volume of shares traded on Bombay Stock Exchange Limited and National Stock Exchange of India Limited for the Financial Year 2019-2020

Month	BSE			NSE		
	High (₹)	Low (₹)	Volume of shares traded	High (₹)	Low (₹)	Volume of shares traded
Apr-19	1,665	1,381	1410	1,637	1,425	15407
May-19	1,555	1,335	10176	1,545	1,332	24262
Jun-19	1,517	1,252	966	1,499	1,352	15917
Jul-19	1,465	1,200	981	1,475	1,244	25624
Aug-19	1,419	1,106	644	1,315	1,112	11827
Sep-19	1,398	1,066	2981	1,405	1,062	40554
Oct-19	1,283	1,087	1163	1,299	1,082	13718
Nov-19	1,235	940	3180	1,242	940	33794
Dec-19	1,054	889	28071	1,064	940	52613
Jan-20	1,043	952	2219	1,037	952	21031
Feb-20	1,285	835	14749	1,285	850	111227
Mar-20	870	424	3636	905	444	44335

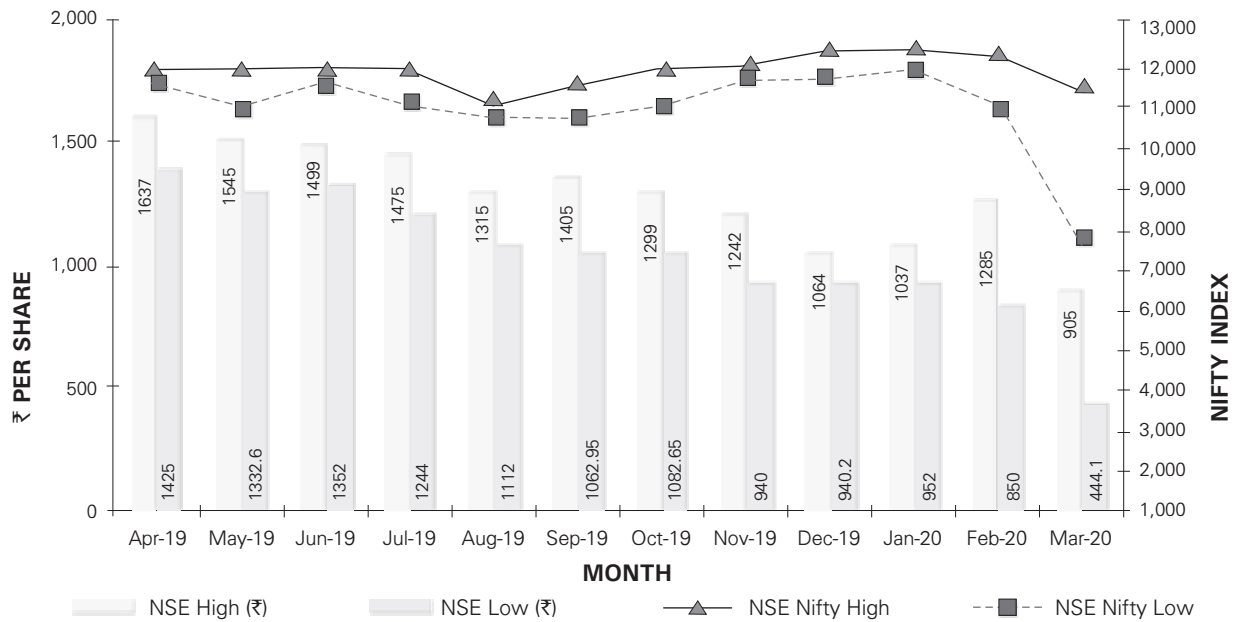
COMPARISON OF COMPANY'S SHARE PRICE MOVEMENT WITH BSE SENSEX DTL Equity Price Vs BSE Sensex

DTL Equity Price Vs BSE Sensex



COMPARISON OF COMPANY'S SHARE PRICE MOVEMENT WITH NSE SENSEX

DTL Equity Price Vs NSE Sensex



Share Transfer System

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended, securities can be transferred only in dematerialized form w.e.f. 1st April 2019, except in case of request received for transmission or transposition of securities. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. The Directors and certain Company officials (including Company Secretary) are authorised by the Board severally to approve transfers, which are noted at subsequent Board Meetings.

Distribution of Shareholding as on 31st March 2020:

Sl. No.	Category	No. of Holders	% To Holders	Amount (₹)	% To Amount
1	1-5000	8,454	95.63	4,676,580	7.38
2	5001- 10000	197	2.23	1,429,080	2.25
3	10001- 20000	91	1.03	1,299,000	2.05
4	20001- 30000	25	0.28	602,100	0.95
5	30001- 40000	7	0.08	250,020	0.39
6	40001- 50000	10	0.11	486,710	0.77
7	50001- 100000	23	0.26	1,755,200	2.77
8	100001 & Above	33	0.38	52,915,740	83.44
	TOTAL:	8840	100	63414430	100

SHAREHOLDING PATTERN AS ON 31st MARCH 2020

Category	No. of Shares	% of shareholding
PROMOTERS HOLDING:		
Indian Promoters:		
JKM Holdings Private Limited	9,12,538	14.39
Udayant Malhoutra	6,20,179	9.78
Udayant Malhoutra and Company Private Limited	6,42,011	10.13
Wavell Investments Private Limited	4,48,281	7.07
JKM Offshore India Private Limited	4,42,071	6.97
Greenearth Biotechnologies Limited	22,927	0.36
Barota Malhoutra	4,938	0.08
Vita Private Limited	100	0.0
Christine Hoden (India) Private Limited	100	0.0
Primella Sanitary Products Private Limited	100	0.0
TOTAL	30,93,245	48.78
NON-PROMOTERS HOLDING		
Mutual Funds / UTI	6,73,014	10.61
Financial Institutions / Banks	443	0.01
Central Government / State Government (S)	-	-
Venture Capital Funds	-	-
Insurance Companies	-	-
Foreign Institutional Investors	9,39,731	14.82
SUB TOTAL	16,13,188	25.44
OTHERS		
Private Corporate Bodies	2,50,693	3.95
Indian Public	12,85,650	20.27
Clearing Agents	1,654	0.03
NBFC Registered with RBI	-	-
NRIs/OCBs	44,145	0.70
Trust	3,796	0.06
IEPF	49,072	0.77
SUB TOTAL	16,35,010	25.78
GRAND TOTAL	63,41,443	100

Note: High and Low are in rupees per traded share. Volume is the total monthly shares traded.

Status of Dematerialisation of shares

Particulars	31 st March 2019		31 st March 2020	
	No. of shares	% of total shares	No. of shares	% of total shares
National Securities Depository Limited	58,08,980	91.60	58,16,354	91.72
Central Depository Services (I) Limited	4,31,956	6.81	4,59,956	7.25
Total Dematerialized	62,40,936	98.41	62,76,310	98.97
Physical	1,00,507	1.59	65,133	1.03
Grand Total	63,41,443	100	63,41,443	100

- There are no outstanding global depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity.
- Commodity price risk or foreign exchange risk and hedging activities:
The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated November 15, 2018 is not required to be given. For a detailed discussion on foreign exchange risk and hedging activities, please refer to Management Discussion and Analysis Report.

E-voting

Pursuant to provisions of section 108 of the Act, read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility to the Members to cast their votes electronically on all resolutions set forth in the Notice convening the 45th Annual General Meeting of the Company. Any Shareholder having any grievance on the e-voting can contact the coordinates mentioned in the 'Investor Guide', towards the end of this report.

OTHER DISCLOSURES:

- All transactions entered into by the Company with related parties as defined under the Act and the SEBI Listing Regulations, during the Financial Year 2019-20 were in the ordinary course of business and on arm's length pricing basis and do not attract the provisions of Section 188 of the Act. There were no materially significant transactions with the related parties during the financial year which were in conflict with the interest of Company. Necessary disclosures as required under the Accounting Standards have been made in the Financial Statements. The Board has approved a policy on materiality of related party transactions and on dealing with related party transactions and the same is disclosed on the website of the Company at the link www.dynamatics.com
- The Company has complied with the requirements of the Stock Exchanges / SEBI and Statutory Authorities on all matters related to the capital markets during the last three years. No penalty or strictures were imposed on the Company by any of these authorities.
- The Company has adopted a Whistle Blower Policy and has established necessary Vigil Mechanism as required under Regulation 22 of the Listing Regulations for Directors and Employees to report concerns about any unethical behaviour. No person has been denied access to the Chairman of the Audit Committee. The said policy has also been disclosed on the website of the Company at the link at the link www.dynamatics.com
- The Company has adopted the Policy on determination of Materiality of Disclosures. The said policy has also been disclosed on the website of the Company at the link at the link www.dynamatics.com
- the Company has formulated the Policy on archiving documents of the Company. The said policy has also been disclosed on the website of the Company at the link at the link www.dynamatics.com
- The Company has complied with all the mandatory requirements of the Listing Regulations. The Company has also fulfilled the following discretionary requirements as provided in the Listing Regulations:
 - The Chairman of the Board is a Non-Executive and Independent Director and his position is separate from that of the Managing Director & CEO.
 - Internal auditors of the Company, make quarterly presentations to the Audit Committee on their reports.
 - The auditors' report on Financial Statements of the Company are unqualified.
- The Audit Committee reviews the consolidated financial statements of the Company and the investments made by its unlisted subsidiary companies. The Minutes of the Board meetings along with a report on significant developments of the unlisted subsidiary companies are periodically placed before the Board of Directors of the Company. The Company has a policy for determining 'material subsidiaries' which is disclosed on its website. www.dynamatics.com
- The CEO & Managing Director and the Chief Financial Officer have certified to the Board in accordance with regulation 33 (2)(a) of the SEBI Listing Regulations pertaining to CEO/CFO certification for the financial year ended 31st March 2020. The CEO & MD and Chief Financial Officer have also issued compliance certificate to the Board pursuant to the provisions of Regulation 17(8) of the SEBI Listing Regulations certifying that the financial statements do not contain any materially untrue statement and these statements represent a

true and fair view of the Company's affairs.

- i. Disclosure of Commodity price risks and Commodity hedging activity: Not applicable.
- j. The Company has managed the Foreign Exchange Risk with appropriate hedging activities in accordance with the policies of the Company. There were no materially uncovered exchange rate risks in the context of the Company's Foreign Exchange exposures.
- k. During the Financial Year 2019-2020, the Board has accepted all the recommendations of its Committees.
- l. The Company has followed all relevant Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with Companies (Indian Accounting Standard) Rules (as amended from time to time) and other relevant provisions of the Act while preparing Financial Statements for Financial Year 2019-2020.
- m. The Company has duly complied with the requirements specified in Regulations 17 to 27 and Clauses (b) to (i) of sub regulation (2) of Regulation 46 of the SEBI Listing Regulations.
- n. Particulars of Directors seeking appointment / Re-appointment at the ensuing Annual General Meeting have been provided in the Notice of the Annual General Meeting.
- o. Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditor and all entities in the network firm/network entity of which the statutory auditor is a part is given below:

Payment to Statutory Auditors	FY 2019-20 (₹ in lacs)
Statutory Audit Fees	33
Limited Review	30
Other services	2
Out of pocket expenses	3
Total	68

- p. Disclosures under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Number of complaints filed during the Financial Year 2019-2020 :

Number of complaints filed during the Financial Year 2019-2020	NIL
Number of complaints disposed off during the Financial Year 2019-2020	NIL
Number of complaints pending as on end of the Financial Year. 2019-2020	NIL

- q. Insider Trading Regulations: The Company has adopted the Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices. This Code of Conduct is applicable to all Directors and such designated persons who are expected to have access to unpublished price sensitive information relating to the

Company. Mr. Shivaram V, Head - Legal, Compliance and Company Secretary of the Company, is the Compliance Officer for the purpose of this regulation.

- r. The Company has obtained Credit Ratings from India Rating and Research. During the relevant FY 2019-20, India Ratings & Research has revised the Company's outlook to Positive from Stable while affirming its long term issuer rating at IND BBB+ .
- s. Certificate on Corporate Governance: All the Directors of the Company have submitted a declaration stating that they are not debarred or disqualified by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such Statutory Authority from being appointed or continuing as Directors of Companies.

Mr. Ratish Tagde, Practicing Company Secretary, has submitted a certificate to this effect.

A Compliance Certificate from Mr. Ratish Tagde, Practicing Company Secretary pursuant to the requirements of Schedule V to the Listing Regulations regarding compliance of conditions of Corporate Governance is attached

PLANT LOCATIONS:

1. Dynamatic Park, Peenya, Bengaluru 560 058, Karnataka, India
2. No. 1A/1, 1st Main Road, 1st Stage, 2nd Phase, Peenya Industrial Area, Bengaluru 560 058, Karnataka, India
3. No. 28/A, 3rd Main, 1st Stage, 1st Phase, Peenya Industrial Area, Bengaluru 560 058, Karnataka, India
4. No. K-12, 5th Cross, 1st Stage, Peenya Industrial Area, Bengaluru 560 058, Karnataka, India
5. No. K-11, Between 5th & 6th Cross, 1st Stage, Peenya Industrial Area, Bengaluru 560 058, Karnataka, India
6. Plot No. 55, Dynamatic Aerotropolis, KIADB Aerospace Park, Unachur Village, Jala Hobli, Yelahanka Taluk, Bengaluru 562 110, Karnataka, India
7. K-4, SIPCOT Phase II, Gummidipoondi, Thiruvallore District 601 201, Tamil Nadu, India
8. Airforce Road, HAL Ancillary Unit - III, Ojhar, Niphad, Nasik 422 207, Maharashtra, India
9. Cheney Manor, Swindon, Wiltshire, SN2 2PZ, United Kingdom
10. Jarvis Street, Barton Hill, Bristol, BS5 9TR, United Kingdom
11. Gießereistraße 1, 08340 Schwarzenberg/Erzgeb, Germany

INVESTOR GUIDE

Investor Contacts

For queries relating to financial statements / shares / dividends / complaints / Investor correspondence

Mr. Shivaram V

Head - Legal, Compliance & Company Secretary
Tel: +91-80-2839 4933 / 34 / 35 Extension: 248
Fax: +91-80-2839 5328
Email id: investor.relations@dynamics.net

Registrar and Share Transfer Agents

KFin Technologies Private Limited
Selenium Tower B, Plot 31-32
Financial District, Nanakramguda
Gachibowli, Hyderabad – 500 032
Tel: +91-40- 6716 1500
Email: shobha.anand@kfintech.com

Depository for Equity shares

National Securities Depository Limited

Trade World, A Wing, 4th Floor
Kamala Mills Compound, Senapathi Bapat Marg,
Lower Parel, Mumbai 400 051
Tel: +91-22-24994200

Central Depository Services (India) Limited

Phiroze Jeejeebhoy Towers
17th Floor, Dalal Street, Fort, Mumbai 400 001
Tel.: +91-22-2272 3333

Shareholders holding shares in demat/electronic form are requested to approach their Depository participants for effecting the following changes in your holdings in their records:

- Change of postal address / email id / contact details
- Change of bank details for receiving dividends
- Incorporating of ECS for receiving dividends through money transfer
- Change in residential status
- Incorporation of PAN
- Incorporation of Nomination
- Transfer of shares or effecting transposition of names of share holders

Further, for any corporate actions like payment of dividends, etc., the Company will take your shareholding details from your DP account through the data downloaded from the Depositories.

NOTE:

The Annual General Meeting will be convened through VC / OAVM mode.

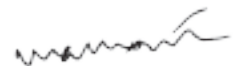
Tel: +91-80-28394933 / 34 / 35 (Extension: 252) (Contact: Mr. J. Devaraj, Secretarial Dept.)

Email: **investor.relations@dynamics.net**

DECLARATION

I, Udayant Malhoutra, CEO & Managing Director of the Company hereby declare that all the members of the Board of Directors and the Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31st March, 2020

Place : Bengaluru
Date : 3rd July 2020



UDAYANT MALHOUTRA
CEO & Managing Director
DIN No.: 00053714

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

The Members

Dynamatic Technologies Limited

Dynamatic Park, Peenya

Bengaluru – 560 058

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Dynamatic Technologies Limited** having CIN : **L72200KA1973PLC002308**, and having Regd. Office at **Dynamatic Park, Peenya, Bengaluru – 560 058** (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications [including Directors Identification Number (DIN) status at the portal www.mca.gov.in] as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March 2020, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company

For Ratish Tagde & Associates.
(Company Secretaries)



Mr. Ratish Tagde
(Proprietor)
CP.NO. 22018
FCS NO. 6162

Place: Mumbai

Date: 3rd July, 2020

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

The Members

Dynamic Technologies Limited

Dynamic Park, Peenya

Bengaluru – 560 058

I have examined all the relevant records of Dynamic Technologies Limited (“the Company”) for the purpose of certifying compliance of the conditions of the Corporate Governance under the SEBI (LODR) Regulations, 2015 for the Financial Year ended 31st March 2020. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of certification.

The compliance of conditions of corporate governance is the responsibility of the Management. My examination was limited to the procedure and implementation process adopted by the Company for ensuring the compliance of the conditions of the corporate governance. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the aforesaid Regulations, 2015.

For Ratish Tagde & Associates.
(Company Secretaries)



Mr. Ratish Tagde
(Proprietor)
CP.NO. 22018
FCS NO. 6162

Place: Mumbai

Date: 3rd July, 2020

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“Your beliefs become your thoughts. Your thoughts become your words. Your words become your actions. Your actions become your habits. Your habits become your values. Your values become your destiny.”

- Mahatma Gandhi

CORPORATE SUSTAINABILITY REPORT

MESSAGE FROM THE CEO & MANAGING DIRECTOR

Dynamatic Technologies has been successful in consistently achieving high growth rates notwithstanding the challenges posed by the market, social and economic situations. This is all due to its philosophy of proactively pursuing balanced and sustainable business policies.

Our Business Policies stress on deep commitment to improving the quality of our products on a continual basis, providing improved value to our customers, improving the quality of life of our Employees, providing a secure environment for our Financiers and Suppliers, and contributing to the Society, Environment and Nation.

Dynamatic Technologies approach towards sustainability is based on a holistic and integrated approach to business development of Standalone and the entire consolidated business. Happy employees are always performers. They develop innovative products efficiently and serve customers' needs by delivering value for money. This ensures the long-term economic relevance of our enterprise, in turn creating a secure environment for Financiers and Suppliers. From this basic business cycle, come profits on a sustainable basis.

The core mission is to help enrich the quality of life of the community and preserve ecological balance and heritage through a strong environment conscience.

Key Learnings

A business philosophy that abjures waste and is based on conservation and optimal utilization of resources, will deliver superior financial results along with a positive ecological impact.

Business model shall always remain flexible and should be able to adapt itself quickly to the challenges confronted and remain always reinventing.

A focus on Safety, Human Resource Development and enhancement of Intellectual Property will help de-risk the Company, and also contribute to societal development.

Eventually sustainable business policies form an important and integral part of good corporate governance.

Udayant Malhoutra
CEO & Managing Director

DIN : 00053714

1. OUR VISION, BUSINESS PHILOSOPHY AND SUSTAINABILITY

A Company like Dynamatic Technologies is essentially an organ deploying significant contribution to the growth of the country's economy and society's wellbeing. We, therefore, are aware of the need to work beyond financial considerations and put in that little extra to ensure that we are perceived not just as corporate entities that exist for profits, but as a wholesome entity created for the good of the society and for improving the quality of life of the communities we serve. Our commitment to responsible citizenship also includes conservation of natural resources and protection of the soil, water and climate required to sustain life on earth.

- To secure market leadership, technological competence and enhance brand equity as a global leader.
- To provide a safe, nurturing and learning environment for our human resources.
- To have a zero tolerance of any transmission of wastes into the environment.
- To secure and de-risk financiers and suppliers.
- To transform the Company into a global R&D organization, with a pre-eminent market position in the Hydraulic, Automotive and Defence sectors in Asia.
- To consistently achieve returns higher than the cost of capital.
- To comply with all legal requirements expected of the Company in every country we are present.



Clean Energy of 12 MW capacity generated by JKM Wind Farm at Coimbatore - a step towards achievement of zero carbon footprint.

- To enhance shareholder wealth.
- To help in the creation of a strong, modern and vibrant India.
- To be an example to any corporate, anywhere in the world, in terms of global best-in-class environmental practices.
- To conduct business affairs, employing the highest standards of personal and corporate conduct.
- To wholly co-operate in proposals of the Government – Central or State, in various activities concerning social cause.

Our Vision & Business Philosophy is driven by our Values, which are:

1.1. CUSTOMER CENTRIC RESEARCH

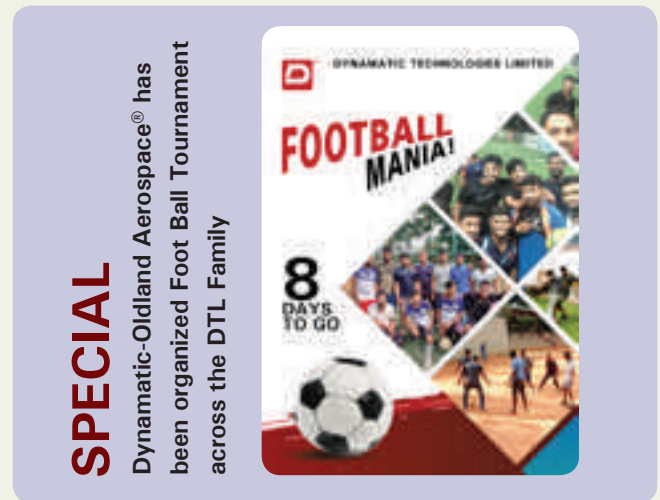
Over the years, Dynamatic Technologies Divisions and Subsidiaries have forged deep and lasting relationships with all their stakeholders, which have enabled them to grow continuously. These relationships are based on mutual trust and respect, and upon their collective capabilities in delivering complex technological solutions, at economically viable price levels.

We are geared towards providing innovative and creative solutions to our customers on a continuous basis. Every business process is built around the customer. We firmly believe that our success is merely a reflection of our ability to delight our customers.

We interact constantly with our customers, understand their needs and endeavor to satisfy them. We strive to satisfy the customers' stated and unstated needs, by understanding applications and anticipating future trends. We spend considerable time in the field, listening to farmers, mechanics, drivers, equipment handlers... And very often suggest improvements to our customer, before their customers do. Our technology and quality processes are therefore predictive in nature, anticipating change, rather than reacting to it.

1.2 EMPHASIS ON KNOWLEDGE ACQUISITION AND APPLICATION

Dynamatic Technologies has been adopting and following world-class business practices, at its modern manufacturing facilities located at Bangalore, Chennai, Nasik (India), Swindon, Bristol (U.K.) and Erla (Germany). All are eco-friendly and designed to eliminate waste. We constantly strive to deliver superior value to our customers by challenging ourselves and pushing the boundaries



of knowledge through imagination and diligence. This approach has led us to continuously innovate and develop highly engineered products, through investment in R&D, process improvements and elimination of operational inefficiencies. This has resulted in us building a successful business model for ourselves, capable of returning high yields to investors and improving the quality of life of all employees, as well as the society/community in which we exist and work. As Dynamatic Technologies globalises, these values will be extended across the world, and in turn, new learnings, best practices, processes and experiences will be absorbed into the existing organization.

1.3 HUMAN CAPITAL

Dynamatic Technologies is built upon a foundation of basic values, and its commitment to quality and equal opportunity. Your Company strives to attract the finest talent available and then provides a result-oriented environment based on meritocracy and egalitarianism.

At Dynamatic Technologies, we firmly believe that the key to sustained growth is not mere addition to physical capacities but is actually the ability to dramatically enhance and utilize human capabilities.

1.4 SOCIETAL LINKAGES

We are proud of our civilisational heritage, and the values of our ancient land; the values of trust and integrity. The need to contribute to society, and care for our environment. The value of enduring relationships.

At the same time, as we globalize, we travel with an open mind, learning from and contributing to every society we are part of.

2. DIMENSIONS OF SUSTAINABILITY

2.1. SUSTAINABILITY POLICY

We at Dynamic Technologies are driven by the fundamental objective of enhancing the value of the Company to all stakeholders, such as shareholders, customers, suppliers, financiers, employees and to the society at large. We firmly believe that sustained growth can only be fostered by developing a work ethic founded upon the core values of integrity, transparency, professionalism, empowerment and accountability. We endeavor to uphold and nurture these core values in all facets of operations. Being a responsible corporate citizen, we understand that sustained growth can only come about when equal attention is paid to all elements of the Triad of Sustainability, namely Economic Growth, Environment Friendliness and Social Equity. We believe that such growth can only be achieved through a firm commitment to these elements over the long term, and are prepared to take actions commensurate to this goal.

2.2 THE TRIAD OF SUSTAINABILITY

At Dynamic Technologies, the path to sustainability has the following elements: Economic Growth, Environment-Friendliness and Social Equity.

2.2.a. ECONOMIC GROWTH

- Value Engineering: reduction of raw material consumption by optimizing product design.
- Maximize our efforts in developing new products and cost effective applications through continuous innovation.
- Development of complete hydraulic solutions for mechanized agriculture, earth moving, material handling, machine tools, defense and precision parts for aerospace applications.
- Secure market leadership, technological competence and brand equity as a global leader.
- Maximization of productivity and maintenance of cost leadership.
- Continue to enhance the value of the Company to the shareholders.

2.2 b. ENVIRONMENT- FRIENDLINESS

- Treatment of wastage water and using it for gardening as a process of water conservation.
- Rainwater harvesting.

- All business processes are designed to ensure that no wastage is transmitted to our environment.
- Energy consumption in each plant is monitored, optimized and minimized.
- Design and Redesign products that are safe, energy saving and environment friendly.
- Design all our processes with efficiency and energy conservation in mind.
- Wind farm to harness renewable source of energy.

2.2.c. SOCIAL EQUITY

- Not allowing any form of discrimination in employment or promotion.
- Imparting training and development programs to facilitate multi-tasking and multi-skilling.
- Practicing safety norms and help protection. Standing as a model by winning safety awards.
- Emissions: the air quality in our plants is continuously monitored for suspended particulate matter, and is kept well within safe limits.
- Foster a culture of empowerment.
- Elevation of workers into management cadre.
- Promote the usage of six sigma practices amongst all employees.
- Practice open dialogue with employees, customers, government agencies, trade associations and with communities all around our facilities.
- Undertake disaster relief programs in times of need (earthquake, floods, Tsunami, etc.).

Dynamic-Oldland Aerospace® Employee Engagement through diversity in food. Potluck at DOA



- Interactive sessions with local community.
- Increase employment of Women.
- Increase employment of individuals coming from disadvantaged communities.

ETHICS

Code of Business Conduct for employees across the Dynamic Group and Code of Conduct for Board Members & Senior Management Personnel have been formulated. These are formal articulations of our approach and position on multiple dimensions of business ethics and integrity.

Code of Business Conduct for employees provides policy shelter on a wide range of issues of ethics, labour and human rights – prevention of fraudulent and corrupt practices, freedom of association, elimination of child and forced labour, advertisement and media policy, avoidance of conflict of interest, prevention of sexual harassment and unyielding integrity at all times.

CORPORATE GOVERNANCE

We believe that sound corporate governance is vital to enhance the trust reposed in us by our stakeholders. Accordingly, we consistently strive to ensure that we attain our goals with integrity.

The Board of Directors exercises its fiduciary responsibilities in the widest sense of the term. Our disclosures always seek to attain the best practices in corporate governance. We also endeavour to enhance long-term shareholder value and respect minority rights in all our business decisions.

Over the years, our Board has strived to achieve compliance with the corporate governance requirements, both mandatory as well as voluntary, to help fulfil our responsibility towards the stakeholders. The detailed Corporate Governance Report forms part of this Annual Report.

CORPORATE SOCIAL Responsibility



New training curriculum on CNC operator Cum Programmer – Milling and Turning has been developed and established for in-house training purpose and the same curriculum is now being used for training the students at our adopted ITI. This curriculum meets the international standards. All the trainers have undergone Train-The-Trainer Programs program.

GREEN INITIATIVE IN CORPORATE GOVERNANCE

Ministry of Corporate Affairs (MCA) vide its circulars dated April 21, 2011 and April 29, 2011, has taken a 'Green Initiative in the Corporate Governance', thereby allowing companies to serve documents to its shareholders through electronic mode.

Environment conservation and sustainable development are continuously on your Company's radar and therefore your Company supports MCA in this initiative.

Accordingly, the Company advised its shareholders to register their email IDs with the Company / Registrar & Share Transfer Agent to enable sending documents such as notices of general meeting (s), annual reports and other communications to the shareholders through e-mail. In a phased manner, sending hard copies of communications will be discontinued. All such documents shall be available on the Company's website www.dynamics.com and shall also be kept open for inspection at the Registered Office of the Company during office hours.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DYNAMATIC TECHNOLOGIES LIMITED

Opinion

We have audited the accompanying consolidated financial statements of Dynamatic Technologies Limited ("the Parent"/ "the Holding Company") and its subsidiaries, (the Parent/ Holding Company and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31 March 2020, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements / financial information of the subsidiaries referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2020, and their consolidated profits, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our

responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraphs (a) and (b) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of Matter

We draw attention to Note 1A(iv)(h) in the consolidated financial Statement, which describes that the eventual outcome of impact of the global health pandemic referred therein, may be different from those estimated as on the date of approval of these consolidated financial statements. Our report is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
<p>Note 1B(ii), 2iii(a) and 5 to the consolidated financial statements.</p> <p>In the consolidated financial statements of the Group, the gross carrying value of goodwill is INR 9,719 lakhs as at 31 March 2020.</p> <p>The management of the Group assess the impairment of goodwill annually for each cash generating unit (CGU).</p> <p>Determination of carrying value of the goodwill allocated to the CGU is a key audit matter as the amounts are significant to the consolidated financial statements and the determination of recoverable value and/ or impairment assessment involves significant management estimates and judgement.</p> <p>The key estimates and judgements used in the model for impairment assessment include future cash flows of the CGUs, the discount rate and the long-term growth rates used.</p> <p>The management has used the services of an expert in determining the recoverable value of goodwill and consequential impairments, if any.</p>	<p>Principal audit procedures performed:</p> <ol style="list-style-type: none"> 1. We assessed the Management's process for impairment assessment of goodwill allocated to CGU. 2. Evaluated the design of the management's internal control around the impairment assessment process and tested its operating effectiveness. 3. Evaluated the competence, capabilities and objectivity of the management's expert. 4. Understood the key assumptions considered in the management's estimates of future cash flows of the respective CGU. 5. Involving our valuation specialists, we evaluated the short-term and long-term growth rates considered in the estimates of future cash flows and the discount rate used in the calculations. 6. Compared the historical cash flows (including for current year) against past projections of the management for the same periods and gained understanding of the rationale for the changes. 7. Performed sensitivity analysis on the key assumptions within the forecast cash flows and focused our attention on those assumptions we considered most sensitive to the changes; such as –revenue growth during the forecast period, the terminal growth rate and the discount rate applied to the future cash flows. We ascertained the extent to which a change in these assumptions, both individually or in aggregate, would result in impairment, and considered the likelihood of such events occurring. 8. We assessed the adequacy of the disclosures made in the consolidated financial statements for the year ended 31 March 2020.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's report including Annexures to Board's report, Corporate Governance and Corporate Sustainability report, but does not include the standalone financial statements, consolidated financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries is traced from their financial statements audited by the other auditors.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of

the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- (a) We did not audit the financial statements of eight subsidiaries, whose financial statements reflect total assets of Rs. 83,922 lakhs as at 31 March 2020, total revenues of Rs. 67,833 lakhs and net cash inflows amounting to Rs.923 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been

furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

- (b) Due to COVID-19 related lockdown we and the other auditors of foreign subsidiaries, referred to in paragraph (a) of the Other Matters section above, were not able to participate in the physical verification of inventory that was carried out by the management subsequent to the year end. Consequently, we and such other auditors have performed alternate procedures to audit the existence of inventory as per the guidance provided in SA 501 "Audit Evidence – Specific Considerations for Selected Items" and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on these consolidated financial statements.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements subsidiaries referred to in the Other Matters section above we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flow and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors of the Parent Company as on 31 March, 2020 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting and the

operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent company and subsidiary companies, incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

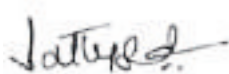
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
- ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent Company and its subsidiary companies incorporated in India.

for **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No. 117366W/W-100018



SATHYA P KOUSHIK
Partner

(Membership No. 206920)

UDIN- 20206920AAAAFP5270

Bengaluru,
July 03, 2020

SPK/JKS/DSS/2020

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2020, we have audited the internal financial controls over financial reporting of Dynamatic Technologies Limited (hereinafter referred to as "the Holding Company"/ "Parent") and its subsidiaries, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the parent and its subsidiary companies, which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating

effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent and its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Consolidated financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent and its subsidiary

companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

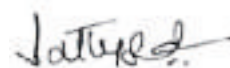
Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 2 subsidiary companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

for **Deloitte Haskins & Sells LLP**

Chartered Accountants

Firm's Registration No. 117366W/W-100018



SATHYA P KOUSHIK

Partner

(Membership No. 206920)

UDIN- 20206920AAAAFP5270

Bengaluru,
July 03, 2020

SPK/JKS/DSS/2020

CONSOLIDATED BALANCE SHEET

All amounts are in INR lakhs unless otherwise stated

	Note	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
a) Property plant and equipment	3	58,863	52,594
b) Other Intangible assets	4	2,339	2,541
c) Goodwill	5	9,719	9,252
d) Capital work in progress		301	556
e) Right-of-use assets	40	11,723	-
f) Financial assets			
(i) Investments	6	34	34
(ii) Loans	7	1,014	1,154
(iii) Other financial assets	8	-	18
g) Income tax asset (net)	9	996	632
h) Other non-current assets	10	125	448
Total non - current assets		85,114	67,229
Current assets			
a) Inventories	11	26,496	28,080
b) Financial assets			
(i) Trade receivables	12	23,594	22,938
(ii) Cash and cash equivalents	13	5,598	3,710
(iii) Bank balances other than cash and cash equivalents above	14	2,699	3,077
(iv) Loans	15	992	413
c) Other current assets	16	4,586	5,463
Total current assets		63,965	63,681
Assets classified as held for sale	54	-	7,574
Total Assets		1,49,079	1,38,484
EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	17	634	634
b) Other equity	18	36,679	31,855
Total equity		37,313	32,489
Liabilities			
Non-current liabilities			
a) Financial liabilities			
(i) Borrowings	19	35,776	39,580
(ii) Lease Liabilities	40	8,921	-
b) Provisions	20	2,390	2,002
c) Deferred tax liabilities (net)	21	976	3,450
d) Other non-current liabilities	22	99	98
Total non-current liabilities		48,162	45,130

Current liabilities

a) Financial liabilities

(i) Borrowings	23	21,995	21,604
(ii) Trade Payables	24		
(a) total outstanding dues of micro enterprises and small enterprises		1,811	814
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		25,650	26,859
(iii) Other financial liabilities	25	7,616	8,251
(iv) Lease liabilities	40	4,612	-
b) Provisions	26	973	1,156
c) Current tax liabilities (net)	27	315	423
d) Other current liabilities	28	632	1,677
Total current liabilities		63,604	60,784

Liabilities directly associated with assets classified as held for sale 54 - 81

Total liabilities		1,11,766	1,05,995
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Total equity and liabilities		1,49,079	1,38,484
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See accompanying notes to the consolidated financial statements

In terms of our report attached

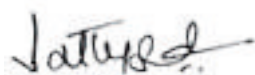
for **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

for and on behalf of the Board of Directors of

Dynamatic Technologies Limited



SATHYA P KOUSHIK

Partner

Membership No. 206920



UDAYANT MALHOUTRA

CEO & Managing Director

DIN : 00053714



P S RAMESH

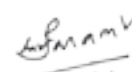
ED - Group Technical Services & HR

DIN : 05205364



CHALAPATHI P

Chief Financial Officer



SHIVARAM V

Head - Legal, Compliance
& Company Secretary

Bengaluru

Date: 3 July 2020

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

All amounts are in INR lakhs unless otherwise stated

	Note	For the year ended 31 March 2020	For the year ended 31 March 2019
Continuing operations			
Income			
Revenue from operations	29	1,32,121	1,50,030
Other income	30	1,304	724
Total income		1,33,425	1,50,754
Expenses			
Cost of materials and components consumed	31	62,959	77,411
Change in inventory of finished goods and work-in-progress	32	918	(670)
Employee benefit expense	33	25,027	25,388
Finance costs	34	8,298	7,950
Depreciation and amortisation expenses	35	9,017	4,925
Other expenses	36	24,231	30,377
Total expenses		1,30,450	1,45,381
Profit from continuing operation before tax		2,975	5,373
Current tax	51	(81)	1,209
Deferred tax	51	(2,450)	1,048
Income tax expense		(2,531)	2,257
Profit from continuing operation		5,506	3,116
Discontinued operations			
Loss for the year from discontinued operations	54	(1,600)	(460)
Tax credit of discontinued operations	51	-	(91)
Loss after tax from discontinued operations		(1,600)	(369)
Profit for the year		3,906	2,747
Other Comprehensive Income			
<i>Items that will not to be reclassified subsequently to profit or loss</i>			
Remeasurement of defined benefit plans	44	(100)	24
Income tax relating to items that will not be reclassified to profit or loss		24	(9)
<i>Items that will be reclassified to profit or loss</i>			
Exchange differences in translating financial statements of foreign operations		997	(721)
Other comprehensive income for the year, net of income tax		921	(706)
Total comprehensive income for the year		4,827	2,041

Earning per equity share (of INR 10 each) (for continued operation)

Basic and diluted (in INR)	49	86.85	49.15
Earning per equity share (of INR 10 each) (for discontinuing operation)			
Basic and diluted (in INR)	49	(25.24)	(5.82)
Earning per equity share (of INR 10 each) (for discontinuing & continued operation)			
Basic and diluted (in INR)	49	61.61	43.33

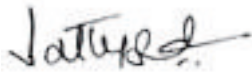
Number of shares used in computing earnings per share **63,41,443** **63,41,443**

See accompanying notes to the consolidated financial statements

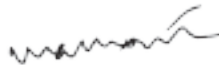
In terms of our report attached

for **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

for and on behalf of the Board of Directors of
Dynamatic Technologies Limited



SATHYA P KOUSHIK
Partner
Membership No. 206920



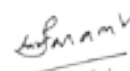
UDAYANT MALHOUTRA
CEO & Managing Director
DIN : 00053714



P S RAMESH
ED – Group Technical Services & HR
DIN : 05205364



CHALAPATHI P
Chief Financial Officer



SHIVARAM V
Head - Legal, Compliance
& Company Secretary

Bengaluru

Date: 3 July 2020

CONSOLIDATED STATEMENT OF CASH FLOWS

All amounts are in INR lakhs unless otherwise stated

	For the year ended 31 March 2020	For the year ended 31 March 2019
Cash flow from operating activities		
Profit before tax		
Continuing operations	2,975	5,373
Discontinued operations	(1,600)	(460)
	1,375	4,913
Adjustments:		
Interest income	(251)	(257)
Loss on sale of property, plant and equipment (net)	10	122
Depreciation and amortisation expense	9,991	5,045
Finance costs	8,246	7,904
Loss on disposal of fixed asset attributable to discontinued operations	-	188
Unwinding of discount on dismantling liability	52	46
Bad debts written off	92	2,477
Loss allowance on financial assets (net)	164	(2,225)
Rent amortization due to discounting of deposits	-	74
Unrealised foreign exchange differences	-	(116)
Operating cash flow before working capital changes	19,679	18,171
Changes in operating assets and liabilities		
Changes in inventories	1,793	16
Changes in trade receivables	(213)	(5,183)
Changes in loans	(420)	63
Changes in other assets	1,318	883
Changes in trade payables	(293)	1,687
Changes in other financial liabilities	(1,279)	(621)
Changes in provisions	205	73
Changes in other current liabilities	(1,044)	(173)
Cash generated from operations	19,746	14,916
Income taxes paid, net of refund	(415)	(2,538)
Net cash generated from operating activities (A)	19,331	12,378
Cash flows from investing activities		
Acquisition of property, plant and equipment and intangibles	(5,805)	(3,071)
Proceeds from sale of property, plant and equipment	-	148
Proceeds from sale of property, plant and equipment pertaining to discontinued operations	-	3,806
Investment in shares	-	(1)
Proceed from sale of investment in shares	-	27
Bank deposits (having original maturity of more than three months) (net)	378	(807)
Interest received from bank deposits	251	193
Net cash used in investing activities (B)	(5,176)	295

Cash flows from financing activities

Proceeds from long term borrowings	-	265
Repayment of long term borrowings	(5,546)	(4,720)
Proceeds from short term borrowings (net)	391	(513)
Intercorporate deposits taken/ (repaid)	-	170
Interest paid	(7,112)	(7,869)
Dividend paid	-	(160)
Net cash (used in) by financing activities (C)	(12,267)	(12,827)
Net decrease in cash and cash equivalents (A + B + C)	1,888	(154)
Cash and cash equivalents at the beginning of the year	3,710	3,988
Effect of exchange rate changes on cash and cash equivalent	-	(124)
Cash and cash equivalents at the end of the year	5,598	3,710

Components of cash and cash equivalents (Refer Note 13)

Cash and cash equivalents

Cash on hand	19	21
Balances with banks		
- in current accounts	5,579	3,689
Cash and cash equivalents in consolidated balance sheet	5,598	3,710

See accompanying notes to the consolidated financial statements

In terms of our report attached

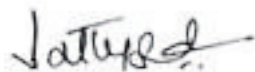
for **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

for and on behalf of the Board of Directors of

Dynamatic Technologies Limited



SATHYA P KOUSHIK

Partner

Membership No. 206920



UDAYANT MALHOUTRA

CEO & Managing Director

DIN : 00053714



P S RAMESH

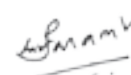
ED – Group Technical Services & HR

DIN : 05205364



CHALAPATHI P

Chief Financial Officer



SHIVARAM V

Head - Legal, Compliance
& Company Secretary

Bengaluru

Date: 3 July 2020

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

All amounts are in INR lakhs unless otherwise stated

(A) Equity share capital

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Opening balance	634	634
Changes in equity share capital	-	-
Closing balance	634	634

(B) Other equity

Particulars	Reserves and surplus					Other items of other comprehensive income			Total equity attributable to equity holders of the Company
	Capital Reserve	Capital Redemption reserve	Securities premium	Reserve on amalgamation	General reserve	Retained Earnings	Remeasurement of the net defined benefit liability/asset	Foreign currency translation reserve	
Balance as at 1 April 2018	15	240	12,072	154	3,010	15,002	-	257	30,750
Profit for the year	-	-	-	-	-	2,747	-	-	2,747
Depreciation on fair valuation of fixed assets	-	-	-	-	-	(783)	-	-	(783)
Exchange difference on translation of foreign operations	-	-	-	-	-	-	-	(721)	(721)
Other comprehensive income for the year	-	-	-	-	-	-	15	-	15
Transfer to retained earnings	-	-	-	-	-	15	(15)	-	-
Dividends (including dividend distribution tax)	-	-	-	-	-	(153)	-	-	(153)
Balance as at 31 March 2019	15	240	12,072	154	3,010	16,828	-	(464)	31,855
Balance as at 1 April 2019	15	240	12,072	154	3,010	16,828	-	(464)	31,855
Profit for the year	-	-	-	-	-	3,903	-	-	3,903
Exchange difference on translation of foreign operations	-	-	-	-	-	-	-	997	997
Other comprehensive income for the year	-	-	-	-	-	-	(76)	-	(76)
Transfer to retained earnings	-	-	-	-	-	(76)	76	-	-
Balance as at 31 March 2020	15	240	12,072	154	3,010	20,655	-	533	36,679

See accompanying notes to the consolidated financial statements

for Deloitte Haskins & Sells LLP

Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



SATHYA P KOUSHIK

Partner
Membership No. 206920

Bengaluru
Date: 3 July 2020

for and on behalf of the Board of Directors of **Dynamatic Technologies Limited**



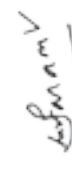
P S RAMESH

ED – Group Technical Services & HR
DIN : 05205364



CHALAPATHI P

Chief Financial Officer
Pan No : AMXPP4042L



SHIVARAM V

Head Legal, Compliance & Company Secretary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

SIGNIFICANT ACCOUNTING POLICIES

1 Reporting entity

Dynamatic Technologies Limited ("the Company") together with its subsidiaries (including step subsidiaries) collectively referred to as ("the Group") is incorporated and domiciled in India. The Company was incorporated in 1973 as Dynamatic Hydraulics Limited under provisions of the Companies Act, 1956. In 1992, the name of the Company was changed to Dynamatic Technologies Limited. The Group is in the business of manufacturing automotive components, hydraulics components, aerospace components and wind farm power generation. The Company is listed in India with National Stock Exchange and Bombay Stock Exchange.

1A Basis of preparation

(i) Statement of compliance

These Consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules 2015 notified under Section 133 of the Companies Act 2013 ('the Act') and other relevant provisions of the Act.

Accounting policies have been consistently applied except where a newly issued Indian Accounting Standard is initially adopted or a revision to an existing Indian Accounting Standard requires a change in the accounting policy hitherto in use.

ii Functional and presentation currency

These Consolidated financial statements are presented in Indian Rupees (INR), which is also the Group's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise mentioned.

iii Basis of Measurement

The Consolidated financial statements have been prepared on the historical cost convention and on an accrual basis, except for the following:

- (a) Defined benefit and other long-term employee benefits where plan asset is measured at fair value less present value of defined benefit obligations.
- (b) Certain financial assets and liabilities that are qualified to be measured at fair value;
- (c) Assets classified as held for sale are measured at the lower of carrying amount and fair value less cost to sell.

iv Use of estimate and Management judgements

The preparation of Consolidated financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the

reported amounts of assets, liabilities, income and expenses. Accounting estimates could change from period to period. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the consolidated financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2019 is included in the following notes:

a). Useful life of property, plant and equipment and intangible assets - Note 3 and 4:

The useful life of the assets are determined in accordance with Schedule II of the Companies Act, 2013. In cases, where the useful life is different from that or is not prescribed in Schedule II, it is based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance.

b). Income taxes- Note 53:

In assessing the reliability of deferred tax assets, the Management considers whether some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. The Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, the Management believes that the group will realize the benefits of those deductible differences. The amount of the deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

C). Provisions and contingencies- Note 22, 28 and 38 :

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore vary from the figure estimated at end of each reporting period.

d). Post-retirement benefit plans- Note 46 :

The obligation arising from the defined benefit plan is determined on the basis of actuarial assumptions which include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined with reference to market yields at each financial year end on the government bonds.

e). Impairment of financial assets- Note 6, 7, 8, 12, 15, 16 and 48 :

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. In addition the Group has taken into account estimates of possible effect from the pandemic relating to COVID -19.

f). Leases- Note 40:

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Group's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Group has concluded that no changes are required to lease period relating to the existing lease contracts.

g). Non-current assets held for sale- Note 54:
Assets held for sale are measured at the lower

of carrying amount or fair value less costs to sell. The determination of fair value less costs to sell includes use of management estimates and assumptions. The fair value of the assets held for sale has been estimated using valuation techniques (including income and market approach), which include unobservable inputs. Non-current assets and disposal group that ceases to be classified as "Held for Sale" shall be measured at the lower of carrying amount before the non-current asset and disposal group was classified as "Held for Sale" and its recoverable amount at the date of the subsequent decision not to sell. Recoverable amounts of assets reclassified from "Held for Sale" have been estimated using the Management's assumptions which consist of significant unobservable inputs.

h). Estimation of uncertainties relating to the global health pandemic from COVID-19

The rapid outbreak of the COVID-19 pandemic presents an alarming health crisis that the world is grappling with and its impacts are unfolding in real time. The COVID-19 outbreak has a significant effect on the economies of affected countries and international financial markets. Accordingly, the Group felt the need to evaluate the impacts of the outbreak on their accounting and financial reporting. Various accounting estimates, which depend on future forecasts, could be impacted by the outbreak. The Group have worked on the principle that a conservative approach is both prudent and desirable, given the uncertainty around the length and severity of the pandemic-induced global economic slump. In this context, the Group by using internal and external sources, performed a sensitivity analysis in order to arrive at the assumptions on the expected future performance in respect to carrying amounts of property, plant and equipment, goodwill, inventories, receivables and other assets and based on current estimates, expects the carrying amount of all assets to be recovered. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these consolidated financial statements.

V Measurement of fair values

Certain accounting policies and disclosures of the Group require the measurement of fair values, for both financial and non financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- note 47 : financial instruments.

1B Basis of consolidation

These consolidated financial statements include financial statements of the Company and all its subsidiaries as disclosed in Note 50. Subsidiaries are all entities over which the Group has control. The parent controls an entity when it is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date the Parent acquires control until the date the control ceases.

Inter-company transactions, balances and unrealised gains and losses on inter-company transactions between group companies are eliminated. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment losses from the Group perspective. Amounts reported in separate financial statements of subsidiaries are adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interest, if any. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interest even if this results in the non-controlling interest having a deficit balance.

Non-controlling interest are presented in the consolidated statement of financial position within equity, separately from the equity of the shareholders of the Group.

i Business combinations

Business combinations have been accounted for using the acquisition method under the provisions of Ind AS 103 - Business Combinations.

The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Group. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.

Business combinations between entities under common control is accounted for at carrying value.

Transaction costs that the Group incurred in connection with a business combination are expensed as incurred.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve, as the case maybe. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

If the initial accounting for a business combination is incomplete by the end of each reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

The Group applies the anticipated acquisition method where it has the right and the obligation to purchase any remaining non-controlling interest (so-called put/call arrangements). Under the anticipated acquisition method, the interests of the non-controlling shareholder are derecognised when the Group's liability relating to the purchase of its shares is recognised. The recognition of the financial liability

implies that the interests subject to the purchase are deemed to have been acquired already. Therefore, the corresponding interests are presented as already owned by the Group even though legally they are still non-controlling interest.

ii Goodwill

Goodwill is measured as the excess of the sum of the consideration transferred and the amount of any non-controlling interest in the acquiree, over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed. If the excess is a negative, a bargain purchase gain is recognised in capital reserve. Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

2 Significant accounting policies

i Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation (which includes capitalised borrowing costs, if any) and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable costs of bringing an asset to working condition for its intended use and estimated cost of dismantling and removing the item and restoring the site on which it is located. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials, direct labour and any other costs directly attributable to bringing the item to its intended working condition and estimated costs of dismantling, removing and restoring the site on which it is located, wherever applicable.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the consolidated statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the consolidated statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Borrowing cost directly attributable to acquisition of

property, plant and equipment which take substantial period of time to get ready for its intended use are capitalized to the extent they relate to the period till such assets are ready to be put to use.

Depreciation methods, estimated useful lives and residual value

Depreciation is provided on a Straight Line Method ('SLM') over estimated useful life of the property, plant and equipment less their estimated residual value by the Management. Depreciation for assets purchased / sold during the year is proportionately charged. The Group's range of estimated useful lives of property, plant and equipment are as follows:

Category of assets	Useful life estimated by Management
Leasehold land	Over the period of lease
Buildings	30 years
Plant and machinery*	10 years, 13 years and 21 years for 3 shifts, 2 shifts and 1 shift respectively
Measuring instruments*	10 years, 13 years and 21 years for 3 shifts, 2 shifts and 1 shift respectively
Electrical installations*	10 years, 13 years and 21 years for 3 shifts, 2 shifts and 1 shift respectively
Data processing equipment	4 years
Office equipment	5 years
Furniture and fixtures	5-10 years
Tools, dies and moulds	9 years
Vehicles*	10 years
Motor boat*	20 years
Assets taken on lease:	
- Leasehold improvements	Period of lease or useful life of assets whichever is lower
- Plant and machinery	Period of lease or useful life of assets whichever is lower

Freehold land is not depreciated.

* The Management believes that the useful lives as given above best represent the period over which Management expects to use these assets based on an internal assessment and technical evaluation where necessary. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

The assets residual value and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in consolidated statement of profit and loss within other gains / losses.

Derecognition of property, plant and equipment

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss. Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains / losses.

Advance paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date classified as capital advances under other non current assets and the cost of the assets not put to use before such date are disclosed under Capital work in progress.

ii Other Intangible assets

Acquired intangible assets

Intangible assets that are acquired by the Group are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortization and any accumulated impairment loss.

Internally generated intangible assets

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognized in the consolidated statement of profit and loss as incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset; how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the

expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in the statement of profit and loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Subsequent measurement

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including on internally generated software is recognized in the consolidated statement of profit and loss as and when incurred.

Amortisation

The Group amortizes intangible assets with a finite useful life using the straight-line method.

The estimated useful lives of intangibles are as follows:

Category of asset	Useful life
Application software	4 years
Prototype development	10 years

The assets residual value and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

iii Impairment

(a) Goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Group’s cash generating units (CGU) or groups of CGU’s expected to benefit from the synergies arising from the business combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the CGU. Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU. An impairment loss on goodwill is recognised in the consolidated statement of profit and loss and

is not reversed in the subsequent period.

(b) Financial assets

The Group recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as an impairment gain or loss in the consolidated statement of profit and loss.

(c) Non-financial assets

Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the consolidated statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount.

The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

iv Leases

The Group as a lessee (Refer Note 40):

The Group's lease asset classes primarily consist of leases for land, buildings and plant and machinery. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether : (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through

the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Group changes its assessment of whether it will exercise an extension or a termination option.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Short-term leases and leases of low-value assets
The Group has elected not to recognise right-of-use assets and lease liabilities for leases of lowvalue assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Group as a lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the ROU asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

v Inventories

Inventories are valued at the lower of cost and net realisable value. Cost of inventories comprises purchase price, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In determining the cost, weighted average cost is used. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs to sell. The comparison of cost and net realizable value is made on an item-by-item basis. Inventories are stated net of write down or allowances on account of obsolescence, damage or slow moving items. The method of determination of cost is as follows:

- Raw materials and components – on a weighted average basis
- Stores and spares – on a weighted average basis
- Work-in-progress – includes costs of conversion
- Finished goods – includes costs of conversion
- Goods in transit – at purchase cost

The net realizable value of work-in-progress is determined with reference to the net realizable value of related finished goods. Raw materials and other supplies held for use in production of inventories are not written down below cost except in cases where material prices have declined, and it is estimated that the cost of the finished products will exceed their net realizable value. Fixed production overheads are allocated on the basis of normal capacity of production facilities. The provision for inventory obsolescence is assessed periodically and is provided as considered necessary.

vi Revenue recognition

Revenue is recognised upon transfer of control of promised goods or services to customer in an amount that reflects the consideration the Company expects to receive in exchange for those goods or services.

The group derives its revenue from sale of products.

The Group recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the group expects to be entitled in exchange for those goods or services.

Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as goods and services tax, etc. For certain contracts that permits the customer to return an item, revenue is recognised to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of

each reporting period.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. Unearned revenue (“contract liability”) is recognised when there are billings in excess of revenue.

Use of significant judgements in revenue recognition:

- The Group’s contracts with customers could include promise to transfer multiple goods and services to a customer. The group assesses the goods/services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such goods, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Export benefits are recognized in the consolidated statement of profit and loss when the right to receive credit as per the terms of the entitlement is established in respect of exports made.

Service income is recognized when an unconditional right to receive such income is established and on the performance of services.

vii Other income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in the consolidated statement of profit and loss.

Dividend income is recognized in the statement of profit and loss when the right to receive payment is established, which is generally when the shareholders approve the dividend.

viii Financial instruments

A. Financial assets

1) Recognition and initial measurement

Trade receivables and debt securities are initially recognized when they are originated. All other financial assets and liabilities are initially recognized when the Group becomes a party

to contractual provisions of the instrument. A financial asset or liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction cost that are directly attributable to its acquisition or issue.

2) Classification and subsequent measurement

Financial assets

On initial recognition, a financial instrument is classified and measured at

- amortised cost
- fair value through other comprehensive income (FVOCI)
- debt instruments;
- fair value through other comprehensive income (FVOCI)
- equity investments; or
- fair value through profit and loss (FVTPL)

Financial assets are not classified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial assets give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

A debt investment is measured at FVTOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flow and selling financial assets; and
- the contractual terms of the financial assets give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI- equity investment). This election is made on an investment-to-investment basis.

All financial assets not classified as amortised cost or FVOCI as described above are measured

at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL, if doing so eliminates or significantly reduces an accounting mistake that would otherwise arise.

Financial assets: Subsequent measurement and gains and losses

Financial assets, at FVTPL:

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income are recognized in the consolidated statement of profit and loss.

Financial assets at amortised cost:

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in the consolidated statement of profit and loss. Any gain or loss on derecognition is recognized in the consolidated statement of profit and loss.

Debt investments at FVTOCI:

These assets are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognized in the consolidated statement of profit and loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to the consolidated statement of profit and loss.

Equity investments at FVTOCI:

These assets are subsequently measured at fair value. Dividends are recognized as income in the consolidated statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are not reclassified to the consolidated statement of profit and loss.

3) Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss. The Group follows 'simplified approach' for recognition of impairment loss on trade receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognizes

impairment loss allowance based on lifetime ECLs at each reporting date, right from initial recognition. For recognition of impairment loss on financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

4) Derecognition of financial assets

A financial asset is derecognized only when:

- the Group has transferred the rights to receive cash flows from financial asset or
- retains the contractual rights to receive the cash flows from financial asset but assumed a contractual obligation to pay the cash flows to one or more recipients.

Where the Group has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where the Group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

B. Financial liability

1) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or amortised cost. All financial liabilities are recognized initially at fair value and, in case of loans and borrowings and payables, net of directly attributable transaction costs.

2) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified

as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separate embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to consolidated statement of profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the consolidated statement of profit and loss. The Group has not designated any financial liability as at fair value through profit or loss.

Amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate ("EIR") method. Gains and losses are recognized in the consolidated statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the consolidated statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified party fails to make a payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of profit and loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

ix Employee benefits

Defined benefit plans

The Group's gratuity plan is a defined benefit plan. The present value of gratuity obligation under such defined benefit plans is determined based on actuarial valuations carried out by an independent actuary using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

Actuarial gains or losses are recognized in other comprehensive income. Further, the profit or loss does not include an expected return on plan assets. Instead net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on plan assets above or below the discount rate is recognized as part of remeasurement of net defined liability or asset through other comprehensive income.

Remeasurements comprising actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to profit or loss in subsequent periods.

The Group's gratuity scheme is administered through Life Insurance Corporation of India and the provision for the same is determined on the basis of actuarial valuation carried out by an independent actuary. Provision is made for the shortfall, if any, between the amounts required to be contributed to meet the accrued liability for gratuity as determined by actuarial valuation and the available corpus

of the funds.

Short term employee benefits

All employee benefits falling due wholly within twelve months of rendering the services are classified as short-term employee benefits, which include benefits like salaries, wages, short-term compensated absences and performance incentives and are recognised as expenses in the period in which the employee renders the related service.

Short term employee benefits are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid e.g. short term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee and the amount of obligation can be estimated reliably.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognized immediately in the consolidated statement of profit and loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Compensated absences

The employees of the Group are entitled to compensated absence. The employees can carry-forward a portion of the unutilized accumulating compensated absence and utilize it in future periods. The Group records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The obligation is measured on the basis of an independent actuarial valuation using the Projected Unit method as at the reporting date.

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Group makes specified monthly contributions towards employee Provident Fund to Government administered Provident Fund Scheme which is a defined contribution plan. The Group's contribution is recognized as an expense in the consolidated statement of profit and loss during the period in which the employee renders the related service.

Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes cost of restructuring. If the benefits are not expected to be settled wholly within 12 months of reporting date, then they are discounted.

x Foreign currency transactions and balances

Foreign currency are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign currency denominated monetary assets and liabilities are translated into relevant functional currency

at exchange rates in effect at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in the consolidated statement of profit and loss.

Non-monetary assets and non-monetary liabilities denominated in foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss and are generally recognized in the statement of profit and loss, except exchange differences arising from the translation of the following items which are recognized in OCI:

- equity investments at fair value through OCI (FVOCI)
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

The assets and liabilities of foreign subsidiaries including goodwill are translated into INR, the functional currency of the Group, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction. The gains or losses resulting from such translation are included in currency translation reserves under other components of equity. When a subsidiary is disposed off, in full, the relevant amount is transferred to net profit in the consolidated statement of profit and loss. However, when a change in the parent's ownership does not result in loss of control of a subsidiary, such changes are recorded through equity.

xi Taxes

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the consolidated statement of profit and loss except to the extent it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income.

Current income tax for current and prior periods is recognized at the amount expected to be paid or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except for the cases mentioned below:

Deferred income tax assets and liabilities are measured

using tax rates and tax laws that have been enacted or substantively by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or substantive enactment date.

Deferred tax is not recognized for:

- temporary differences arising on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits or loss at the time of the transaction;
- temporary investments related to investment in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary difference arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of history of recent losses, the Group recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profits will be available against which such deferred tax can be realized. Deferred tax assets, unrecognized or recognised, are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realized.

The Group offsets, the current tax assets and liabilities (on a year on year basis) and deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

xii Provisions (other than employee benefits)

(a) General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, the expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of

time is recognised as a finance cost.

(b) Onerous contract

Provision for onerous contracts. i.e. contracts where the expected unavoidable cost of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.

xiii Contingent liability

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

xiv Cash and cash equivalents

Cash and cash equivalent includes cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

xv Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before taxes for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

xvi Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to the owners of the Group for the year by the weighted average number of equity shares outstanding during reporting period.

The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Dilutive potential equity shares are deemed converted as of the beginning of the reporting date, unless they have been issued at a later date. In computing diluted earnings per share, only potential equity shares that is dilutive and which either reduces earnings per share or increase loss per share are included.

xvii Segment reporting

Based on the "management approach" as defined in Ind AS 108, Operating Segments, the Chief Operating Decision Maker evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments.

Accordingly, information has been presented along these business segments viz. Hydraulics, Aerospace, Automotive and Metallurgy and Others.

xviii Warranties

Warranty costs are estimated by the Management on the basis of technical evaluation and past experience. Provision is made for estimated liability in respect of warranty costs in the period of sale of goods.

xix Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to revenue, it is recognised in the consolidated statement of profit and loss on a systematic basis over the periods to which they relate. When the grant relates to an asset, it is treated as deferred income and recognised in the statement of profit and loss on a systematic basis over the useful life of the asset.

xx Discontinued operations and assets held for sale:

Discontinued operations:

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from those of the rest of the Group's business and which represents a separate major line of business or geographical area of operations and

- is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations or
- is a subsidiary acquired exclusively with a view to re-sale

Classification as a discontinued operation occurs upon disposal or when the operations meets the criteria to be classified as held for sale, if earlier. When a operation is classified as a discontinued operation, the comparative statement of profit and loss is re-presented as if the operations had been discontinued from the start of the comparative period.

Assets held for sale:

Non-current assets and disposal group are classified as "Held for Sale" if their carrying amount is intended to be recovered principally through sale rather than through continuing use. The condition for classification of "Held for Sale" is met when the non-current asset or the disposal group is available for immediate sale and the same is highly probable of being completed within one year from the date of classification as "Held for Sale". Non-current assets and disposal group held for sale are measured at the lower of carrying amount and fair value less cost to sell. Non-current assets and disposal group that ceases to be classified as "Held for Sale" shall be measured at the lower of carrying amount before the non-current asset and disposal group was classified as "Held for Sale" adjusted for any depreciation/ amortization and its recoverable amount at the date when the disposal group no longer meets the "Held for sale" criteria.

3 Property, plant and equipment

All amounts are in INR lakhs unless otherwise stated in the notes to consolidated financial statement

Particulars	Owned										Leased		Total	
	Freehold land	Buildings	Plant and Machinery	Measuring Instruments	Electrical Installations	Data Processing Equipment	Office Equipment	Furniture and Fixtures	Tools, Dies and Moulds	Vehicles	Motor Boat	Leasehold improvements		Land (Note i)
Gross carrying amount:														
Balance as at 1 April 2018	8,940	17,425	26,263	1,204	2,326	2,005	2,616	964	5,719	365	402	785	14,654	83,668
Additions	-	269	1,107	51	36	224	141	78	339	65	-	61	-	2,371
Translation adjustment	(27)	(453)	(998)	-	-	(18)	(136)	(23)	(39)	(5)	-	(4)	-	(1,703)
Deletion/adjustments (Refer note ii below)	(7)	(945)	(1,277)	(316)	(680)	(645)	(154)	(231)	(921)	(55)	-	-	(543)	(5,774)
Classified as held for sale (Refer Note 54)	(5,562)	(94)	(2,657)	(7)	-	(6)	-	(1)	(773)	-	-	-	-	(9,100)
Balance as at 31 March 2019	3,344	16,202	22,438	932	1,682	1,560	2,467	787	4,325	370	402	842	14,111	69,462
Balance as at 1 April 2019	3,344	16,202	22,438	932	1,682	1,560	2,467	787	4,325	370	402	842	14,111	69,462
Additions	-	320	2,637	73	23	151	102	27	519	23	-	77	-	3,952
Translation adjustment	49	952	2,011	-	-	32	254	67	79	10	-	8	-	3,462
Deletion/adjustments	-	-	(309)	-	-	-	(9)	-	-	(19)	-	-	-	(337)
Reclassification from discontinued to continued operation (Refer note 54)	5,562	-	-	-	-	-	-	-	-	-	-	-	-	5,562
Balance as at 31 March 2020	8,955	17,474	26,777	1,005	1,705	1,743	2,814	881	4,923	384	402	927	14,111	82,101
Accumulated depreciation:														
Balance as at 1 April 2018	-	1,246	7,101	306	519	1,242	1,026	710	3,692	241	141	390	32	16,646
Depreciation for the year	-	668	3,296	55	146	226	333	99	509	62	20	86	17	5,517
Translation adjustment	-	(187)	(861)	-	-	(10)	(78)	(14)	(26)	(3)	-	-	-	(1,179)
Depreciation on deletion (Refer note ii below)	-	(140)	(138)	(203)	(51)	(574)	(126)	(212)	(44)	(42)	-	-	(5)	(1,535)
Classified as held for sale (Refer Note 54)	-	(26)	(2,028)	(6)	-	-	-	(1)	(520)	-	-	-	-	(2,581)
Balance as at 31 March 2019	-	1,561	7,370	152	614	884	1,155	582	3,611	258	161	476	44	16,868
Balance as at 1 April 2019	-	1,561	7,370	152	614	884	1,155	582	3,611	258	161	476	44	16,868
Depreciation for the year (Refer note iii below)	-	591	2,436	57	143	279	254	98	470	26	21	65	17	4,457
Translation adjustment	-	359	1,603	-	-	23	155	28	51	6	-	2	-	2,227
Depreciation on deletion	-	-	(291)	-	-	-	(9)	-	-	(14)	-	-	-	(314)
Balance as at 31 March 2020	-	2,511	11,118	209	757	1,186	1,555	708	4,132	276	182	543	61	23,238
Balance as at 31 March 2020	8,955	14,963	15,659	796	948	557	1,259	173	791	108	220	384	14,050	58,863
Balance as at 31 March 2019	3,344	14,641	15,068	780	1,068	676	1,312	205	714	112	241	366	14,067	52,594

Note:

i). Includes INR 12,705 allotted by Kamataka Industrial Areas Development Board (KIADB) for a period of 10 years. As per the lease agreement, KIADB shall sell the land to the Company at any time during the tenure of the lease or on the expiry of the lease period at an additional consideration, if any to be decided at the time of entering into sale agreement. Accordingly, no depreciation has been charged on land taken on lease from KIADB. The Management believes that the condition require to be fulfilled to obtain the ownership of this land is administrative in nature.

- (ii) Deletion include disposal of assets relating to discontinued operations during the previous year ended 31 March 2019 referred to in note 54 (For the year ended 31 March 2020: INR Nil).

Particulars	Gross Block as at 31 March 2019	Accumulated Depreciation as at 31 March 2019	Net carrying amount as at 31 March 2019
Property, plant and equipment of disposal group	4,448	516	3,932
Property, plant and equipment of assets held for sale	9,100	2,581	6,519
Total discontinued operations	13,548	3,097	10,451

- (iii) Break up of depreciation is as follows:

Depreciation for the year is reflected as follows:	For the year ended 31 March 2020	For the year ended 31 March 2019
Depreciation and amortisation as per statement of profit and loss	4,744	4,925
Depreciation and amortisation of discontinued operations	-	120
Fair value depreciation	-	783
Total	4,744	5,828
Depreciation on tangible assets as per Property, plant and equipment (refer note 3)	4,457	5,517
Amortisation of intangible assets (Refer Note 4)	287	311
Total	4,744	5,828

- (iv) Break up of depreciation of continued and discontinued operations is as follows:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Continuing Operations	4,457	5,401
Discontinued operations	-	116
Total	4,457	5,517

4 Intangible assets

Particulars	Owned intangible asset		Total
	Application Software	Prototype development	
Gross carrying amount:			
Balance as at 1 April 2018	1,300	2,747	4,047
Additions	246	-	246
Translation adjustment	(22)	(51)	(73)
Deletion	-	(140)	(140)
Classified as held for sale (Refer Note 54)	(67)	-	(67)
Balance as at 31 March 2019	1,457	2,556	4,013
Balance as at 1 April 2019	1,457	2,556	4,013
Additions	68	71	139
Translation adjustment	19	47	66
Balance as at 31 March 2020	1,544	2,674	4,218
Accumulated amortization:			
Balance as at 1 April 2018	1,083	229	1,312
Amortisation for the year	141	170	311
Translation adjustment	(15)	(3)	(18)
Amortisation on deletion	-	(78)	(78)
Classified as held for sale (Refer Note 54)	(55)	-	(55)
Balance as at 31 March 2019	1,154	318	1,472

Balance as at 1 April 2019	1,154	318	1,472
Amortisation for the year	130	157	287
Translation adjustment	71	49	120
Balance as at 31 March 2020	1,355	524	1,879

Net carrying amount:

Balance as at 31 March 2020	189	2,150	2,339
Balance as at 31 March 2019	303	2,238	2,541

Note:

- (i) Deletion include disposal of assets relating to discontinued operations during the previous year ended 31 March 2019 referred to in note 54 (For the year ended 31 March 2020: INR Nil).

Particulars	Gross block as at 31 March 2019	Accumulated depreciation as at 31 March 2019	Net carrying value as at 31 March 2019
Intangible assets of disposal group	140	78	62
Intangible assets of assets held for sale	67	55	12
Total discontinued operations	207	133	74

- (ii) Break up of amortisation is as follows:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Continuing Operations	287	307
Discontinued operations	-	4
Total	287	311

5 Goodwill

Particulars	As at 31 March 2020	As at 31 March 2019
Carrying value at the beginning of the year	9,252	9,513
Translation differences	467	(261)
Carrying value at the end of the year	9,719	9,252

Goodwill represents the excess of purchase consideration over net assets value of acquired subsidiaries on the date of such acquisition. Such goodwill is tested for impairment annually or more frequently, if there are any indicators for impairment.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the cash generating unit (CGU) or groups of CGU's, which benefit from the synergies of the acquisition. The chief operating decision maker reviews the goodwill for any impairment at the operating segment level, which is represented through groups of CGU's.

The goodwill on acquisition of entities has been allocated to operating segments as follows:

Entity acquired	Allocated operating segment
Dynamatic Limited, UK	Hydraulics and Aerospace
JKM Erla Holdings GmbH, Germany (consolidated)	Automotive and Metallurgy

The carrying value of goodwill, net of translation differences, as on 31 March 2020 and 31 March 2019 are as follows:

Entity acquired	Allocated operating segment	As at 31 March 2020	As at 31 March 2019
Dynamatic Limited, UK	Hydraulics and Aerospace	5,055	4,889
JKM Erla Holdings GmbH, Germany	Automotive and Metallurgy	4,664	4,363
Total Carrying value at the end of the year		9,719	9,252

The recoverable amount of a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. For the purpose of impairment test, recoverable amount of the CGU's has been determined based on value in use which is based on specific calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period and the range of each assumption mentioned below:

Particulars	As at 31 March 2020	As at 31 March 2019
Discount rate*	13%-14.5%	12%-13%
Terminal growth rate **	2%	2%
Operating margins	(0.02)% - 13.9%	4%-10%

*These discount rate(s) are based on the Weighted Average Cost of Capital (WACC) of the Company. These estimates are likely to differ from future actual results of operations and cash flows.

** The cash flow projections include specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate has been determined based on management's estimates of the long-term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make.

As at 31 March 2020, the estimated recoverable amount of each of the CGU's exceeded its carrying amount, hence impairment is not triggered. The carrying amount of the CGU was computed by allocating the net assets to operating segments for the purpose of impairment testing.

6. Non-current investments

Particulars	As at 31 March 2020	As at 31 March 2019
Unquoted		
Investments carried at fair value through profit and loss		
Investments in equity instruments		
332,000 (31 March 2019 : 332,000) equity shares of face value of INR 10 each fully paid of Kamachi Industries Limited	33	33
100 (31 March 2019: 100) equity shares of face value of INR 655 each fully paid up of TCP Limited	1	1
	34	34
Aggregate value of unquoted investments	34	34
Aggregate amount of impairment in value of investments	-	-

7. Non-current Loans

Particulars	As at 31 March 2020	As at 31 March 2019
<i>Unsecured, considered good</i>		
Security deposits	1,014	1,154
	1,014	1,154

8. Other non-current financial assets

Particulars	As at 31 March 2020	As at 31 March 2019
<i>Unsecured, considered good</i>		
Bank deposits (due to mature after 12 months from the reporting date)	-	18
	-	18

9. Income tax assets (net)

Particulars	As at 31 March 2020	As at 31 March 2019
Advance income tax and tax deducted at source, net of provision	996	632
	996	632

10. Other non-current assets

Particulars	As at 31 March 2020	As at 31 March 2019
<i>Unsecured, considered good</i>		
Prepaid expenses	-	300
Capital advances	125	148
	125	448

11. Inventories (Valued at lower of cost and net realizable value)

Particulars	As at 31 March 2020	As at 31 March 2019
Raw materials and components#	8,760	10,139
Work-in-progress	13,887	15,061
Finished goods	2,692	2,108
Stores and spares	1,157	772
	26,496	28,080

including goods in transit as on 31 March 2020: INR 123 lakhs (31 March 2019: INR 126 lakhs).

12. Trade receivables

Particulars	As at 31 March 2020	As at 31 March 2019
Trade receivable		
Unsecured considered good	25,050	24,214
Less: Allowance for doubtful debts	(1,456)	(1,276)
Net trade receivables	23,594	22,938

All trade receivables are 'current'.

The Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in note 46.

13. Cash and cash equivalents

Particulars	As at 31 March 2020	As at 31 March 2019
Cash on hand	19	21
Balance with banks		
- in current accounts	5,579	3,689
	5,598	3,710

Cash and cash equivalents as defined in Ind AS 7 "Statements of Cash Flows"

14. Bank balances other than cash and cash equivalents above

Particulars	As at 31 March 2020	As at 31 March 2019
In deposit accounts-held as margin money (due to mature within 12 months from the reporting date)*	2,696	3,074
Unpaid dividend	3	3
	2,699	3,077

*Balances in margin money deposits represents deposits made for non-fund based limits with banks, which are available for use to settle a liability for not more than 12 months from the balance sheet date.

15. Current Loans

Particulars	As at 31 March 2020	As at 31 March 2019
<i>Unsecured, considered good</i>		
Security deposit	838	343
Loans to employees	154	70
	992	413

16. Other current assets

Particulars	As at 31 March 2020	As at 31 March 2019
<i>Unsecured, considered good</i>		
Advance for supply of goods	1,469	418
Prepaid expenses	1,029	1,291
Balances with government authorities	2,088	3,754
	4,586	5,463

17. Equity share capital

Particulars	As at 31 March 2020	As at 31 March 2019
Authorised		
Equity shares		
20,000,000 equity shares (31 March 2019: 20,000,000 equity shares) of par value of INR 10 each	2,000	2,000
Preference shares		
500,000 redeemable cumulative preference shares (31 March 2019: 500,000 shares) of par value of INR 100 each	500	500
	2,500	2,500
Issued, subscribed and fully paid up		
Equity shares		
6,341,443 equity shares (31 March 2019: 6,341,443 equity shares) of par value of INR 10 each	634	634
	634	634

Reconciliation of shares outstanding at the beginning and at the end of the reporting year

Particulars	31 March 2020		31 March 2019	
	Number of shares	INR in lakhs	Number of shares	INR in lakhs
Shares outstanding at the beginning of the year	63,41,443	634	63,41,443	634
Shares outstanding at the end of the year	63,41,443	634	63,41,443	634

Rights, preferences and restrictions attached to equity shares:

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity share capital of the Company.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining asset of the Company after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

The Company has not allotted any fully paid equity shares by way of bonus shares nor has bought back any class of equity shares during the period of five years immediately preceding the balance sheet date nor has issued shares for consideration other than cash.

Details of shareholders holding more than 5% of equity shares in the Company

Particulars	31 March 2020		31 March 2019	
	Number	% of total share in the class	Number	% of total share in the class
Equity shares of Rs.10 each fully paid-up held by				
-Udayant Malhoutra	6,20,179	9.78%	6,20,179	9.78%
-JKM Holdings Private Limited	9,12,538	14.39%	9,12,538	14.39%
-Udayant Malhoutra and Company Private Limited	6,42,011	10.12%	6,42,011	10.12%
-JKM Offshore India Private Limited	4,42,071	6.97%	4,42,071	6.97%
-Samena Special Situations Mauritius	5,55,754	8.76%	5,55,754	8.76%
-Wavell Investments Private Limited	4,48,281	7.07%	4,48,281	7.07%
-HDFC Trustee Company Limited	5,69,650	8.98%	5,69,650	8.98%

18. Other equity*

Particulars	As at 31 March 2020	As at 31 March 2019
Capital reserves	15	15
Capital redemption reserve	240	240
Securities premium	12,072	12,072
Reserve on amalgamation	154	154
General reserve	3,010	3,010
Retained earnings	20,655	16,828
Foreign currency translation reserve	533	(464)
	36,679	31,855

* For detailed movement of reserves refer consolidated statement of changes in equity

18(i) Capital reserve :

Capital reserve was created on account of Subsidy received during the year ended 31 March 2005 and is not freely available for dividend distribution.

18(ii) Capital Redemption Reserve :

During the year ended 31 March 2005, an amount of INR 240 lakhs was transferred to capital redemption reserve upon redemption of preference share, in accordance with the Companies Act, 1956. It is not freely available for dividend distribution.

18(iii) Securities Premium :

Securities premium reserve is used to record the premium received on issue of shares by the Company. The reserve can be utilised in accordance with provisions of the Act.

18(iv) Reserve on amalgamation :

Reserve on amalgamation was created pursuant to the scheme of amalgamation of JKM Daerim Automotive Limited (JDAL) during the year ended 31 March 2008. It is not freely available for dividend distribution.

18(v) General Reserve :

General Reserve is used from time to time to transfer profits from retained earnings for appropriation purpose.

18(vi) Retained Earnings :

The cumulative gain or loss arising from the operations which is retained by the Company is recognised and accumulated under the heading of retained earnings. At the end of the year, the profit after tax is transferred from the statement of profit and loss to the retained earnings account.

The following dividend was declared and paid during the previous financial year:

Particulars	31 March 2020	31 March 2019
INR 2/- per equity share to equity shareholders*	-	127
Dividend distribution tax on dividend to equity shareholders	-	26
Total	-	153

*During the previous year the Board in their meeting held on 10 August 2018 declared interim dividend of INR 2 per shares.

18(vii) Foreign currency translation reserve :

This reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations to functional currency.

19. Non-current borrowings

Particulars	As at 31 March 2020	As at 31 March 2019
<i>Secured</i>		
Term loans		
- from banks [refer footnote (i)]	30,793	35,427
- Financial institutions [refer footnote (ii)]	7,592	8,513
Finance lease obligation [refer footnote (iii)]	370	376
Total Borrowings	38,755	44,316
Less: Current Maturities of long term borrowings from banks	(2,013)	(4,140)
Less: Current Maturities of long term borrowings from financial institutions	(721)	(422)
Less: Current Maturities of finance lease obligations	(245)	(174)
Net non-current borrowings	35,776	39,580

Information about the Company's exposure to interest rate, currency and liquidity risk are disclosed in note 46.

(i) From banks (Including current maturities of the non-current borrowings shown under other current liabilities)

Details of repayment terms, interest and maturity	Nature of security
Term loan from bank aggregating to INR 24,870 lakhs (31 March 2019: INR 28,084 lakhs) repayable in 32 quarterly instalments. First instalment starting from 15 October 2018. The rate of interest ranging from 10.40% to 11.50% per annum.	First pari passu charge on the entire movable and immovable fixed assets of the Company, present and future. Second pari passu charge on the entire current assets of the Company. Pledge of the shares of subsidiaries and personal guarantee issued by the promoter.
Term loan from bank aggregating to INR 5,373 lakhs (31 March 2019 : INR 5,996 lakhs) repayable in 19 quarterly instalments. The rate of interest is EURIBOR plus 3.5% per annum.	Secured by movable and immovable fixed assets of Eisenwerk Erla Holding GmbH, Germany subsidiary.
Term loan aggregating INR 264 lakhs (31 March 2019 : INR 996 lakhs) is repayable in 4 quarterly instalments @ 13.60% per annum.	Secured, by way of first charge on present and future fixed assets, including leasehold land, and second charge on current assets. Corporate guarantee given by Dynamatic Technologies Limited, JKM Erla Automotive Limited and personal guarantee given by promoter.
Term loan from bank aggregating INR 286 lakhs (31 March 2019 : INR 351 lakhs) repayable in 36 monthly instalments with rate of interest LIBOR plus 2.5% per annum.	Secured by way of charge over assets of Yew Tree Investments Limited and by way of corporate guarantee given by Yew Tree Investments Limited.

(ii) From financial institutions (Including current maturities of the long term borrowings shown under other current liabilities)

Details of repayment terms, interest and maturity	Nature of security
Term Loan from financial institutions aggregating to INR 7,120 lakhs (31 March 2019: INR 7,752 lakhs) repayable in 32 quarterly instalments first instalment starting from 15 October 2018 with interest rate of 11.55% per annum.	First pari passu charge on movable and immovable fixed assets of the Company, present and future. Second pari passu charge on all current assets of the Company. Pledge of the shares of subsidiaries and personal guarantee issued by the promoter.
Term Loan from financial institutions aggregating to INR 472 lakhs (31 March 2019: INR 761 lakhs) repayable in 36 monthly instalments with interest rate of 10.50% per annum.	Secured by way of exclusive charge on fixed assets purchased out of the proceeds of the loan.

(iii) Leasing Finance / HP from banks aggregating INR 370 lakhs (31 March 2019: INR 376 lakhs) repayable in maximum 66 monthly instalments. The Leasing facility is secured by way of exclusive charge on assets financed by them and partly by corporate guarantee.

20. Non-current provisions

Particulars	As at 31 March 2020	As at 31 March 2019
Provision for employee benefits		
Provision for gratuity (Refer Note 44)	1,581	1,332
Provision for compensated absences	378	291
Other provisions		
Provision for decommissioning costs (Refer Note 41(b))	431	379
	2,390	2,002

21. Deferred tax liabilities (net)*

Particulars	As at 31 March 2020	As at 31 March 2019
Deferred tax liabilities		
Property, plant and equipment and intangible assets	2,100	4,656
Leases	9	-
Total deferred tax liabilities (A)	2,109	4,656
Deferred tax assets		
Provision for gratuity and compensated absences	615	665
Provision for loss allowance	181	326
Provision for warranty	32	68
Others	305	147
Total deferred tax assets (B)	1,133	1,206
Net deferred tax liability (A - B)	976	3,450

* Refer Note 51

22. Other non-current liabilities

Particulars	As at 31 March 2020	As at 31 March 2019
Deferred government grant	62	62
Others	37	36
	99	98

23. Current borrowings

Particulars	As at 31 March 2020	As at 31 March 2019
<i>Secured Loans</i>		
Loans from banks repayable on demand		
Cash credit and working capital demand loans*	20,033	18,253
	20,033	18,253

Unsecured Loans

From banks

- Bill discounting facility from banks # 1,962 3,181

From Others

- Inter Corporate Deposits (Refer Note 48)\$ - 170

1,962 3,351

21,995 21,604

* Cash credit and working capital demand loans from banks carry interest ranging between 9.75% - 12.60% per annum., computed on a monthly basis on the actual amount utilized, and are repayable on demand. These are secured by pari passu charge by way of hypothecation of stock and book debts of the Group and second pari passu charge on the movable (other than those exclusively charged) and immovable fixed assets of the Group.

The Group has taken receivable bill discounting facility from banks which carry interest rate of 12% per annum and is payable within 90 days from the date of bill discounted.

\$ Deposit from Wavell Investments Private Limited aggregating 31 March 2020 INR Nil (31 March 2019: INR 170). The rate of deposit is 15% per annum and same is repayable within a year.

Information about the Group's exposure to interest rate, currency and liquidity risk are disclosed in Note 46.

24. Trade payables

Particulars	As at 31 March 2020	As at 31 March 2019
Dues of micro and small and medium enterprises (Refer Note 43)	1,811	814
Dues to creditors other than micro and small enterprises	25,650	26,859
	27,461	27,673

All trade payables are current.

The Company's exposure to currency and liquidity risk are disclosed in note 46.

25. Other current financial liabilities

Particulars	As at 31 March 2020	As at 31 March 2019
Current maturities of long-term borrowings (Refer Note 19)	2,979	4,736
Accrued expenses	4,304	3,070
Capital creditors	72	346
Security deposits	64	64
Retention money	26	27
Interest accrued but not due on borrowings	168	5
Unpaid dividend	3	3
	7,616	8,251

The Company's exposure to currency and liquidity risk are disclosed in note 46.

26. Current provisions

Particulars	As at 31 March 2020	As at 31 March 2019
Provision for employee benefits:		
Provision for gratuity (Refer Note 44)	324	291
Provision for compensated absences	65	54
Other provisions		
Provision for warranties (Refer Note 41(a))	354	499
Others (Refer Note 41(c))	230	312
	973	1,156

27. Current tax liabilities (net)

Particulars	As at 31 March 2020	As at 31 March 2019
Provision for income tax, net of advance tax and tax deducted at source	315	423
	315	423

28. Other current liabilities

Particulars	As at 31 March 2020	As at 31 March 2019
Advance received from customers	70	1,167
Statutory liabilities	562	510
	632	1,677

29. Revenue from operations

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
(A) Sale of products		
Revenue from sale of products (Refer Note 53)	1,30,281	1,47,885
Total revenue from sale of products (A)	1,30,281	1,47,885
(B) Other operating revenue		
Export incentives	1,148	981
Scrap sales	692	1,164
Total other operating revenue (B)	1,840	2,145
Total revenue from operations (A + B)	1,32,121	1,50,030

30. Other income

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest income on financial assets carried at amortised cost	251	257
Foreign exchange gain (net)	853	314
Miscellaneous income	200	153
	1,304	724

31. Cost of materials and components consumed

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Inventory of materials and components at the beginning of the year	10,139	9,662
Add: Purchases	61,580	77,888
Less: Inventory of materials and components at the end of the year	8,760	10,139
	62,959	77,411

32. Changes in inventory of finished goods and work-in-progress

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Opening stock		
- Finished goods	2,108	2,018
- Work-in-progress	15,061	14,918
	17,169	16,936
Closing stock		
- Finished goods	2,692	2,108
- Work-in-progress	13,887	15,061
	16,579	17,169
Add: Foreign currency translation adjustments	328	(437)
	918	(670)

33. Employee benefits expense

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries, wages and bonus	21,417	21,750
Contribution to provident fund and other funds	979	732
Gratuity expense (Refer Note 44)	250	191
Expenses related to compensated absence	89	40
Staff welfare expenses	2,292	2,675
	25,027	25,388

34. Finance costs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest expense on financial liabilities at amortised cost	7,228	7,736
Interest expense on lease liabilities (Refer Note 40)	966	-
Unwinding of discount on dismantling cost	52	46
Interest on delayed payment of taxes	-	147
Other borrowing cost	52	21
	8,298	7,950

35. Depreciation and amortisation expense

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Depreciation on property, plant and equipment (Refer Note 3)	4,457	4,618
Depreciation of Right-of-use assets (Refer Note 40)	4,273	-
Amortization of intangible assets (Refer Note 4)	287	307
	9,017	4,925

36. Other expense

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Consumption of stores, loose tools and spare parts	2,486	2,695
Subcontractor charges	5,156	5,375
Power and fuel	5,983	6,841
Rent	352	4,507
Repairs and maintenance:		
- buildings	283	291
- plant and machinery	1,800	2,198
- others	759	942
Legal and professional fees	1,319	1,551
Payments to Auditors (Refer Note 39)	83	140
Rates and taxes	308	292
Foreign exchange loss (net)	193	185
Allowances for doubtful receivable (net)	164	(2,362)
Bad debts written off	92	2,477
Freight outward	1,229	1,353
Travelling and conveyance	872	729
Insurance	658	629
Sales promotion and advertisement	34	248
Loss on sale of fixed assets (net)	10	62
Warranty and replacement expenses	21	12
Security charges	338	221
Packing expenses	568	550
Directors sitting fees	26	36
Printing and stationery	219	180
Communication	134	136
Membership and subscriptions	267	75
Bank charges	318	170
Corporate social responsibility expenses	122	9
Miscellaneous	437	835
	24,231	30,377

37. Contingent Liabilities

Particulars	As at 31 March 2020	As at 31 March 2019
Claims against the group not acknowledged as debts #		
Income tax	952	873
Indirect tax	344	488

Outflow, if any, arising out of the said claim including interest, if any, would depend on the outcome of the decision of the Appellate Authority and the Group's right for future appeal before the judiciary.

38. Capital and Other commitments

Particulars	As at 31 March 2020	As at 31 March 2019
Capital Commitment		
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	277	322

There are no other material commitments.

39. Payment to auditors (excluding goods and service tax) included in legal and professional fees

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Statutory audit fees	47	79
Limited reviews	30	39
Other services	3	12
Out of pocket expenses	3	10
Total	83	140

40. Leases

Transition

Effective April 1, 2019, the Group adopted Ind AS 116, Leases and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Consequently, the Group recorded the lease liability at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of initial application and the ROU asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of INR 14,835 and a lease liability of INR 14,022. The implementation of Ind AS 116 resulted in lower profit before tax by INR 536 on account of higher interest cost and depreciation offset by reversal in rental expenses. Ind AS 116 has resulted in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The following is the summary of practical expedients elected on initial application :

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
2. Applied the exemption not to recognize ROU assets and liabilities for leases with less than 12 months of lease term on the date of initial application
3. Excluded the initial direct costs from the measurement of the ROU asset at the date of initial application.
4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 12%

i. Following are the change in the carrying value of right to use of assets for the year ended 31 March 2020:

Particulars	Category of ROU assets			Total
	Plant & Machinery	Building	Vehicles	
Reclassified on adaptation of Ind AS 116	9,368	5,412	55	14,835
Addition/Adjustment	907	186	68	1,161
Deletion	-	-	-	-
Amortisation	3,838	380	55	4,273
Balance as at 31 March 2020	6,437	5,218	68	11,723

ii. The following is the break up of current & non-current liabilities as at 31 March 2020:

Particulars	As at 31 March 2020
Non- Current	8,921
Current	4,612
	13,533

iii The following is the movement of lease liabilities during the year ended 31 March 2020:

Particulars	For the year ended 31 March 2020
Balance at the beginning of the year	16,151
Addition	518
Finance cost during the year	966
Lease payment/adjustment during the year	4,102
	13,533

iv The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2020 on an undiscounted basis:

Particulars	As at 31 March 2020
Payable within 1 year	4,888
Payable between 1-5 years	9,573
Payable later than 5 years	480
Total	14,941

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expense recorded for short-term leases was INR 352 for the year ended 31 March 2020.

41. The disclosure requirement as per Ind AS 37 with respect to the movement of provisions is as follows:

a. Provision for warranties

Particulars	As at 31 March 2020	As at 31 March 2019
Opening balance	499	545
Provisions recognized	166	413
Provisions utilized / reversed during the period*	(311)	(459)
Closing balance	354	499

* includes foreign currency translation adjustments

b. Provision for asset decommissioning

Particulars	As at 31 March 2020	As at 31 March 2019
Opening balance	379	333
Unwinding of discount	52	46
Closing balance	431	379

(c) Other provision

Particulars	As at 31 March 2020	As at 31 March 2019
Opening balance	312	167
Provisions recognized	-	265
Provisions utilized / reversed during the period	(82)	(120)
Closing balance	230	312

42. Segment reporting

The Chief Executive Officer and the Managing Director of the Group has been identified as the Chief Operating Decision Maker ("CODM") as defined by Ind AS 108, Operating Segments. The CODM evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by the products portfolio and segment information has been presented accordingly.

Operating segment

The Group's business is concentrated in manufacturing of hydraulic products, automotive & aerospace components . And accordingly, primary segment information is presented based on the following :

Reportable segment

• Hydraulics	Engaged in the activity of manufacturing hydraulic pumps, hand pumps, lift assemblies, valves and power packs.
•Automotive and Metallurgy (Continuing & Discontinued operation)	Engaged in the activity of manufacturing case front, intake manifolds and exhaust manifold and Wind farm division which is into generation of power through wind energy.
• Aerospace	Engaged in the activity of manufacturing airframe structures and precision aerospace components.
• Others	Comprising Corporate division and Homeland division which offers cutting edge security products and technologies.

Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole. The Group has a corporate centre, which provides various accounting and administrative support functions. Segment information for this activity has been aggregated under "Unallocated". Revenue identifiable to business segments have been disclosed under the respective business segment. Segment costs include employee benefit expenses, cost of material consumed, depreciation and other operating expenses that can be allocated on a reasonable basis to respective segments. Assets and liabilities in relation to segments are categorized based on items that are individually identifiable to that segment. Certain assets and liabilities are not specifically allocable to individual segments as these are used interchangeably. The Group therefore believes that it is not practicable to provide segment disclosures relating to such assets and liabilities and accordingly, these are separately disclosed as 'unallocated'.

A. Operating segment information for the year ended 31 March 2020 and March 2019 is as follows:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Segment revenue		
a) Hydraulics	29,500	36,310
b) Aerospace	49,760	46,885
c) Automotive and Metallurgy	52,613	66,833
d) Others	248	2
Revenue from operations (continuing operations)	1,32,121	1,50,030
e) From discontinued operations (Refer Note 54)	2,192	7,853
Total revenue from operations (continuing and discontinued operations)	1,34,313	1,57,883
Segment results (profit/ (loss) before finance costs, other income and tax from each segment)		
a) Hydraulics	818	3,278
b) Aerospace	11,195	10,255
c) Automotive and Metallurgy	(528)	889
d) Others	(1,516)	(1,823)
Total (continuing operations)	9,969	12,599
e) From discontinued operations (Refer Note 54)	(1,600)	(460)
Total (continuing and discontinued operations)	8,369	12,139
Unallocable		
- Finance costs	(8,298)	(7,950)
- Other income	1,304	724
Profit before tax (continuing and discontinued operations)	1,375	4,913

Particulars	As at 31 March 2020	As at 31 March 2019
Segment assets		
a) Hydraulics	28,823	26,064
b) Aerospace	60,478	51,847
c) Automotive and Metallurgy	40,655	41,572
d) Others	9,692	3,990
e) Unallocated	9,431	7,437
Segment assets from continuing operations	1,49,079	1,30,910
f) Relating to discontinued operation (Refer Note 54)	-	7,574
Segment assets (continuing and discontinued operations)	1,49,079	1,38,484
Segment liabilities		
a) Hydraulics	15,380	10,209
b) Aerospace	16,440	6,244
c) Automotive and Metallurgy	15,756	16,693
d) Others	1,308	1,630
e) Unallocated	62,882	71,138
Segment liabilities from continuing operations	1,11,766	1,05,914
f) Relating to discontinued operation (Refer Note 54)	-	81
Segment liabilities (continuing and discontinued operations)	1,11,766	1,05,995

Information about reportable segments for the period from 1 April 2019 to 31 March 2020 is as follows:

Particulars	Hydraulics	Aerospace	Automotive and Metallurgy (Continuing)	Discontinued operations	Others	Unallocated	Total
Depreciation and amortisation expense	1,468	4,057	3,408	974	84	-	9,991
Capital expenditure	382	3,090	466	-	153	-	4,091

Information about reportable segments for the period from 1 April 2018 to 31 March 2019 is as follows:

Particulars	Hydraulics	Aerospace	Automotive and Metallurgy (Continuing)	Discontinued operations	Others	Unallocated	Total
Depreciation and amortisation expense	997	1,761	2,082	120	85	-	5,045
Capital expenditure	533	1,099	556	106	62	-	2,356

B. Geographic information:

The geographical information analyses the Group's revenue and non-current assets by the Group's country of domicile(i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographical location of the customer and segment assets which have been based on the geographical location of the assets.

Particulars	Revenue from Operations For the year ended		Non current assets* As at	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
India #	35,200	48,764	36,000	34,973
Outside India				
Europe (other than UK)	47,382	63,447	18,935	22,742
United Kingdom	23,169	21,734	19,308	7,676
United States	18,704	18,899	-	-
Canada	8,319	3,506	-	-
Rest of the world	1,539	1,983	-	-
Total	1,34,313	1,58,333	74,243	65,391

*Non-current assets excludes financial assets.

Includes revenue from discontinued operations of INR 2,192 lakhs (31 March 2019: INR 7,853 lakhs)

C. Major customer

Revenue from transactions with the external customer amounting to 10% or more of the Company's revenues is as follows:

Particulars	31 March 2020	31 March 2019
Customer 1	13,993	12,408

43 Dues to micro, small and medium enterprises

Total outstanding dues of micro, small and medium enterprises, which are outstanding for more than the stipulated period and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter refer to as "the MSMED Act") are given below:

Particulars	31 March 2020	31 March 2019
(a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;		
Principal	1,811	784
Interest	51	30
(b) the amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year, and	51	30
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	51	30
Total	1,862	814

44. Assets and liabilities relating to employee benefits

Particulars	As at 31 March 2020	As at 31 March 2019
Net defined benefit liability, gratuity plan*	1,903	1,636
Liability for compensated absences	443	348
Total employee benefit liability	2,346	1,984
Current	389	345
Non-current	1,959	1,639
	2,348	1,984

* Includes provision for discontinued operations amounting to INR 11 lakhs (31 March 2019: 13 lakhs).

The Group operates the following post-employment defined benefit plan

Defined benefit plan

The Group operates post-employment defined benefit plan that provide gratuity, governed by the Payment of Gratuity Act, 1972. Employee's who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service or part thereof in excess of six months. The gratuity plan is a funded plan. The Group does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

These defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

A. Funding

The Group expects to pay INR 140 in contributions to its defined benefit plans in financial year 2020-21.

B. Reconciliation of net defined benefit liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability/ assets and its components:

i. Reconciliation of present value of defined benefit obligation		
Particulars	As at 31 March 2020	As at 31 March 2019
Obligation at the beginning of the year	1,749	1,803
Interest cost	135	142
Current service cost	124	124
Liability transferred on account of discontinued operations (Refer Note 54)	-	(234)
Benefits paid	(29)	(55)
Actuarial (Gains)/Losses on Obligations recognised in Other Comprehensive Income (OCI)		
- Changes in financial assumptions	124	24
- Experience adjustments	(32)	(55)
Obligation at the end of the year	2,071	1,749
ii. Reconciliation of present value of plan assets		
Particulars	As at 31 March 2020	As at 31 March 2019
Plan assets at the beginning of the year, at fair value	113	122
Interest income on plan assets	9	10
Contributions	80	144
Asset transferred on account of discontinued operations (Refer Note 54)	-	(101)
Benefits paid	(27)	(55)
Return on plan assets, excluding interest income recognised in OCI	(7)	(7)
Plan assets at the end of the year, at fair value	168	113
Net defined benefit liability	1,903	1,636

C. i. Expense recognized in Statement of profit and loss

Particulars	For the year ended	
	31 March 2020	31 March 2019
Current service cost	124	124
Interest cost	135	142
Interest income	(9)	(10)
Net gratuity cost	250	256

ii. Remeasurement recognized in other comprehensive income

Particulars	For the year ended	
	31 March 2020	31 March 2019
Actuarial (gain)/ loss on defined benefit obligation	92	(31)
Return on plan assets, excluding interest income	8	7
Total (gain)/ loss recognised in other comprehensive income	100	(24)

D. Plan assets

Particulars	As at 31 March 2020	As at 31 March 2019
Insurance fund	166	113
	166	113

E. Defined benefit obligation

i. Actuarial assumptions

Particulars	For the year ended	
	31 March 2020	31 March 2019
Rate of return on planned assets	6.83%	7.69%
Discounting rate	6.83%	7.69%
Future salary growth	6.00%	6.00%
Attrition rate	5.00%	5.00%
Weighted average duration of defined benefit obligation (in years)	9	9-10
Retirement age	58-60	58-60

Notes:

(a) The discount rate is based on the prevailing market yield on Government Securities as at the balance sheet date for the estimated term of obligations.

(b) The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the Group's policy for plan asset management.

(c) The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

(ii) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant would have affected defined benefit obligation by amounts shown below:

Particulars	As at 31 March 2020	As at 31 March 2019
Projected Benefit Obligation on Current Assumptions (Gross)	2,069	1,749
Impact of change in discount rate by +1%	(142)	(118)
Impact of change in discount rate by -1%	163	136
Impact of change in salary rate by +1%	157	133
Impact of change in salary rate by -1%	(140)	(118)
Impact of change in employee turnover rate by +1%	9	18
Impact of change in employee turnover rate by -1%	(11)	(20)

Defined contribution plan

The Group's contribution to Provident Fund aggregating to INR 979 lakhs (31 March 2019: INR 776 lakhs) has been recognised in the Statement of Profit and Loss under the head employee benefit expense. The above includes contribution to provident fund of INR 3 lakhs (31 March 2019: INR 44 lakhs) pertaining to discontinued operations.

45. Financial instruments - fair value and risk management

Accounting classification and fair value

The following table shows the carrying amount and fair value of financial assets and financial liabilities including their level in fair value hierarchy:

Fair value hierarchy

The section explains the judgment and estimates made in determining the fair values of the financial instruments that are:

- recognized and measured at fair value
- measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the Indian Accounting Standard.

Particulars	Carrying amount	Fair value			Total
	31 March 2020	Level 1	Level 2	Level 3	
Financial assets not measured at fair value					
Loans (current and non - current)	2,006	-	-	-	-
Trade receivables, net of loss allowance	23,594	-	-	-	-
Cash and cash equivalents	5,598	-	-	-	-
Bank balances other than cash and cash equivalents	2,699	-	-	-	-
Other financial assets (current and non - current)	-	-	-	-	-
Financial assets measured at fair value					
Investments in equity shares	34	-	-	34	34
Total financial assets	33,931	-	-	34	34
Financial liabilities not measured at fair value					
Borrowings (current and non - current)	60,750	-	-	-	-
Lease Liabilities (current and non - current)	13,533	-	-	-	-
Trade payables	27,461	-	-	-	-
Other financial liabilities (current and non - current)*	4,637	-	-	-	-
Total financial liabilities	1,06,381	-	-	-	-

Particulars	Carrying amount	Fair value			
	31 March 2019	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value					
Loans (current and non - current)	1,567	-	-	-	-
Trade receivables, net of loss allowance	22,938	-	-	-	-
Cash and cash equivalents	3,710	-	-	-	-
Bank balances other than cash and cash equivalents	3,077	-	-	-	-
Other financial assets (current and non - current)	18	-	-	-	-
Financial assets measured at fair value					
Investments in equity shares	34	-	-	34	34
Total financial assets	31,344	-	-	34	34
Financial liabilities not measured at fair value					
Borrowings (current and non - current)	65,920	-	-	-	-
Trade payables	27,673	-	-	-	-
Other financial liabilities (current and non - current)*	3,515	-	-	-	-
Total financial liabilities	97,108	-	-	-	-

* Current maturities of long term borrowings aggregating INR 2,979 lakhs and INR 4,736 lakhs as at 31 March 2020 and 31 March 2019 respectively, form part of borrowings.

Fair value hierarchy

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes investment in equity, preference securities, mutual funds and debentures that have quoted price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for investment in equity shares included in level 3.

Fair valuation method

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values.

A. Financial Assets:

- i Fair value of all these financial assets are measured at balance sheet date value, as most of them are settled within a short period and so their fair value are assumed to be almost equal to the balance sheet date value.

B. Financial Liabilities:

- i **Borrowings:** It includes loans taken from banks and financial institution, cash credit and bill discounting facilities. Borrowings are classified and subsequently measured in the financial statements at amortized cost. Considering that the interest rate on the loans is reset on a monthly / quarterly basis, the carrying amount of the loan would be a reasonable approximation of its fair value.
- ii **Trade payables and other liabilities:** Fair values of trade and other liabilities are measured at balance sheet value, as most of them are settled within a short period and so their fair values are assumed to be almost equal to the balance sheet values.

46. Financial risk management

The Group's activities expose it to financial risks: credit risk, liquidity risk and market risk.

Risk management framework

The Board of Directors of the Holding Company have overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee of the Holding Company oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by internal auditor. Internal Audit function includes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

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i) Credit risk

Credit risk is the risk of financial loss to the Group, if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and loans given. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivables. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Group assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors. The carrying amount of financial asset represents the maximum credit exposure.

Trade and other receivables

The maximum exposure to credit risk at the reporting date is primarily from trade receivables. However, the management also considers the factors that may influence the credit risk of its customer base. Customers of the Group are spread across diverse industries and geographical areas. The Group limits its exposure to credit risk from trade receivables by establishing a maximum credit period and takes appropriate measures to mitigate the risk of financial loss from defaults. Recurring credit evaluation of credit worthiness is performed based on the financial condition of respective customers.

Expected credit loss assessment for trade receivables as at 31 March 2020 and 31 March 2019 are as follows:

The Group establishes an allowance for credit loss that represents its estimate of expected losses in respect of trade and other receivables based on past and the recent collection trend. The maximum exposure to credit risk as at reporting date is primarily from trade receivables as at 31 March 2020 amounting to INR 23,594 (31 March 2019: INR 22,938). The movement in allowance for credit loss in respect of trade and other receivables during the year was as follows.

Particulars	As at 31 March 2020	As at 31 March 2019
Balance as at the beginning of the year	1,276	3,501
Amounts written off	16	(2,477)
Net measurement of loss allowance	164	252
Balance as at the end of the year	1,456	1,276

ii) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligation as they become due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Management monitors rolling forecast of the Group's liquidity position and cash and bank balances on the basis of expected cash flows. This is generally carried out by the Management in accordance with practice and limits set by the

Group. In addition, the Group's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

A) Financing arrangement

The Group maintains the following line of credit:

- (a) Terms loans taken from bank aggregating to INR 30,793 (31 March 2019: INR 35,427) out of which, INR 24,870 (31 March 2019: INR 28,084) is repayable in 32 quarterly instalments first instalment starting from 15 October 2018 with interest rate ranging from 10.85% to 11.00% per annum, INR 5,373 (31 March 2019: INR 5,996) is repayable in 19 quarterly instalments at EURIBOR plus 3.50% per annum, INR 264 (31 March 2019: INR 996) is repayable in 4 quarterly instalment at interest rate of 13.60% per annum and INR 286 (31 March 2019: INR 351) is repayable in 36 monthly instalments at LIBOR plus 2.50% per annum. Term Loan from financial institutions aggregating to INR 7,592 (31 March 2019: INR 8,513) out of which INR 7,120 (31 March 2019: INR 7,752) is repayable in 32 quarterly instalments first instalment starting from 15 October 2018 with interest rate of 11.55% per annum., INR 472 (31 March 2019: INR 761) repayable in 36 monthly instalments with interest rate of 10.50% per annum. These are secured by first pari passu charge on the entire movable and immovable fixed assets of the Group, present and future (other than those exclusively charged). Second pari passu charge on the entire current assets of the Group, present and future.
- (b) Leasing finance from banks aggregating INR 370 (31 March 2019: INR 376) repayable in maximum 66 monthly instalments secured by way of exclusive charge on fixed assets and partly by way of corporate guarantee.
- (c) Cash credit and working capital demand loans from banks carry interest ranging between 9.75% - 12.60% per annum., computed on a monthly basis on the actual amount utilized, and are repayable on demand. These are secured by pari passu charge by way of hypothecation of stock and book debts of the Group and second pari passu charge on the movable (other than those exclusively charged) and immovable fixed assets of the Group.
- (d) The Group has availed revolving packing credit facility in foreign currency, which carry interest ranging between LIBOR+3.50% per annum for 120 days.
- (e) The Group has taken receivable bill discounting facility from banks which carry interest rate of 12% per annum and is payable within 90 days from the date of bill discounted.

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2020 and 31 March 2019. The amounts are gross and undiscounted contractual cash flow and includes contractual interest payment and exclude netting arrangements:

As at 31 March 2020

Particulars	Contractual cash flows				
	Carrying amount	Total	0-1 years	1-5 years	5 years and above
Borrowings*	60,750	71,023	27,424	37,960	5,638
Trade payables	27,461	27,461	27,461	-	-
Other financial liabilities (current and non - current)	4,637	4,637	4,637	-	-

As at 31 March 2019

Particulars	Contractual cash flows				
	Carrying amount	Total	0-1 years	1-5 years	5 years and above
Borrowings*	65,920	86,724	33,068	36,995	16,661
Trade payables	27,673	27,673	27,673	-	-
Other financial liabilities (current and non - current)	1,387	3,515	3,515	-	-

* Including current maturities of long term borrowings.

As disclosed in note 19 and 23, the Group has secured bank loan that contains loan covenants. A future breach of covenant may require the Company to repay the loan earlier than indicated in the above table. Except for these financial liabilities, it is not expected that cash flows included in maturity analysis could occur significantly earlier.

iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

A) Currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currency of the Group companies. The functional currency of the Holding Company is primarily INR. The currencies in which these transactions are primarily denominated are USD, GBP etc.

Management monitors the movement in foreign currency and the Group's exposure in each of the foreign currency. Based on the analysis and study of movement in foreign currency, the Group decides to exchange its foreign currency

Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk as reported to management is as follows:

Particulars	Currency	As at 31 March 2020		As at 31 March 2019	
		Amount in foreign currency in lakhs	Amount in INR lakhs	Amount in foreign currency in lakhs	Amount in INR lakhs
Trade receivables	USD	134	10,138	141	9,764
	EURO	1	108	1	76
	GBP	16	1,497	15	1,383
Current borrowings	GBP	16	1,497	21	1,936
	USD	5	342	-	-
	EURO	15	1,229	7	555
Other current financial liabilities	USD	-	-	5	431
	GBP	-	-	-	22
Other current financial assets	USD	14	1,041	14	943
Trade payables	USD	48	3,582	37	2,528
	EURO	5	403	7	553
	GBP	2	162	1	57
	CAD	1	41	-	16

The following significant exchange rates have been applied

Currency	Year end spot rate	
	31 March 2020	31 March 2019
USD/INR	75.42	69.17
EURO/INR	83.09	77.70
GBP/INR	93.55	90.48
CAD/INR	53.56	51.91

Sensitivity analysis

A reasonably possible strengthening/ (weakening) of the USD, EURO ,GBP and CAD against INR at 31 March 2020 and 31 March 2019 would have affected the measurement of financial instruments denominated in foreign currency and affected equity and profit and loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

Particulars	Profit and loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2020				
USD (3% movement)	215	(215)	161	(161)
EURO (3% movement)	(47)	47	(35)	35
GBP (3% movement)	(6)	6	(4)	4
31 March 2019				
USD (6% movement)	469	(469)	305	(305)
EURO (4% movement)	(40)	40	(26)	26
GBP (2% movement)	(13)	13	(8)	8

B) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

(a) Interest rate risk exposure

The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	As at	
	31 March 2020	31 March 2019
Financial Assets - Fixed rate instruments		
Bank Deposits	2,699	3,728
Total	2,699	3,728
Financial Liabilities		
Variable rate borrowings (including current maturities of long term borrowings)	57,816	62,974
Fixed rate borrowings (including current maturities of long term borrowings)	2,934	2,946
Total borrowings	60,750	65,920

(b) Sensitivity

Particulars	Profit and loss		Equity, net of tax	
	1% increase	1% decrease	1% increase	1% decrease
31 March 2020				
Variable rate borrowings	(578)	578	(433)	433
31 March 2019				
Variable rate borrowings	(630)	630	(410)	410

47 Capital management

The Group's policy is to maintain a stable and strong capital base structure with a focus on total equity so as to maintain investor, creditor and market confidence and to sustain future development and growth of the business. The Group monitors the return on capital as well as the level of dividends on its equity shares. The Group's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value and safeguard its ability to continue as a going concern.

The Group monitors capital using a ratio of 'adjusted net debt' to 'equity'. For the purpose of Group's capital management, adjusted net debt is defined as aggregate on Non-current borrowing, current borrowing and current maturities of long-term borrowings less cash and cash equivalents and total equity includes issued capital and all other equity reserves

The Group's adjusted net debt equity ratio were as follows:

Particulars	As at	
	31 March 2020	31 March 2019
Borrowings (current and non-current)	60,750	65,920
Less: Cash and cash equivalents	(5,598)	(3,710)
Adjusted net debt	55,152	62,210
Total equity	37,313	32,489
Net debt to equity ratio	1.48	1.91

48 Related party disclosures

(i) Name of related parties and description of relationship:

Name of the related party	Description of relationship
JKM Holdings Private Limited	Entities over which key executive management personnel or relatives of such personnel are able to exercise significant influence and have transactions during the year.
Wavell Investments Private Limited	

Key executive management personnel	Designation
Udayant Malhoutra	Chief Executive Officer and Managing Director
P S Ramesh	Executive Director and Chief Operating Officer, Aerospace, India upto 14 November 2018, Executive Director, Group Technical Services and Human Resource effective 15 November 2018
Arvind Mishra	Executive Director and Global Chief Operating Officer - Hydraulics & Head - Homeland Security
Chalapathi P.	Chief Financial Officer
Naveen Chandra P	Company Secretary (upto 15 November 2018)
Shivaram V	Company Secretary (appointed with effect from 25 March 2019)

(ii) List of subsidiaries (including step subsidiaries)

Name of the entity	Subsidiary/ Step Subsidiary	Country of domicile	Holding as at	
			31 March 2020	31 March 2019
JKM Erla Automotive Limited ("JEAL")	Subsidiary	India	99.99%	99.99%
JKM Research Farm Limited ("JRFL")	Subsidiary	India	99.99%	99.99%
JKM Global Pte Limited ("JGPL")	Subsidiary	Singapore	100%	100%
JKM Ferrotech Limited ("JFTL")	Step Subsidiary	India	99.99%	99.99%
Dynamic Limited ("DLUK")	Step Subsidiary	United Kingdom	100%	100%
Yew Tree Investments Limited ("YTIL")	Step Subsidiary	United Kingdom	100%	100%
Dynamic US, LLC ("DUS")	Step Subsidiary	United States of America	100%	100%
JKM Erla Holdings GmbH ("JEHG")	Step Subsidiary	Germany	100%	100%
Eisenwerk Erla GmbH ("EEG")	Step Subsidiary	Germany	100%	100%
JKM Automotive Limited ("JAL")	Step Subsidiary	India	100%	100%

(iii) Related party transactions during the year

Particulars	Related Parties	For the year ended	
		31 March 2020	31 March 2019
Purchase of raw materials	Wavell Investments Private Limited	740	349
Rent expense	JKM Holdings Private Limited	4	4
Intercorporate deposits taken/ (repaid)	Wavell Investments Private Limited	(170)	170
Trade advances given	Wavell Investments Private Limited	402	-

(iv) Balance receivable from and payable to related parties as at the balance sheet date:

Particulars	Related Parties	As at 31 March 2020	As at 31 March 2019
Intercorporate deposit taken	Wavell Investments Private Limited	-	170
Other current asset	Wavell Investments Private Limited	567	-
Trade payables	Wavell Investments Private Limited	204	65

(v) Compensation of key managerial personnel*

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Udayant Malhoutra	79	84
P.S. Ramesh	90	76
Arvind Mishra	90	76
Chalapathi P.	70	48
Naveen Chandra	-	20
Shivaram V	31	3
	360	307

*Managerial remuneration does not include cost of employee benefits such as gratuity and compensated absences since, provision for these are based on an actuarial valuation carried out for the Group as a whole.

Terms and conditions

All transactions with these related parties are priced at arm's length basis and resulting outstanding balances are to be settled in cash within six months to one year of reporting date. None of the balances are secured.

49 Earnings per share

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Net profit for the year attributable to equity shareholders		
From continuing operations	5,506	3,116
From discontinued operations	(1,600)	(369)
Total profit for the year	3,906	2,747

Reconciliation of basic and diluted shares used in computing earnings per share:

Particulars	As at 31 March 2020	As at 31 March 2019
Number of equity shares outstanding at the beginning of the year	63,41,443	63,41,443
Add: Weighted average number for equity shares issued during the year	-	-
Weighted average number of equity shares outstanding during the year	63,41,443	63,41,443

Earnings per share

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Basic and Diluted earnings per share		
From continuing operations	86.85	49.15
From discontinued operations	(25.24)	(5.82)
Total basic and diluted earnings per share	61.61	43.33

50 Transfer pricing

The Group has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under Sections 92-92F of the Income-tax Act. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Group is in the process of updating the documentation for the international transactions entered into with the associated enterprise during the financial year and expects such records to be in existence latest by the end of the stipulated timeline, as required by law. The Management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expenses and that of provision for taxation.

51 Income tax

A Amount recognized in statement of profit and loss

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Current income tax:		
Current income tax charge- continuing operations	(81)	1,209
Current income tax charge- discontinued operations	-	(91)
	(81)	1,209
Deferred tax:		
Attributable to-		
Origination and reversal of temporary differences- continuing operations	(2,450)	1,048
Origination and reversal of temporary differences- discontinued operations	-	-
	(2,450)	1,048
Income tax expense reported in the statement of profit and loss	(2,531)	2,257

B Income tax recognized in other comprehensive income

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Net gain / (loss) on re-measurement of defined benefit liability / (assets)	(100)	24
Income tax expense/ (credit) to OCI	(24)	9

C Reconciliation of effective tax rate

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Accounting profit before income tax	1,375	4,913
Tax using the Holding Company's domestic tax rate 25.17% (31 March 2019: 34.944%)	346	1,717
Effect of deferred tax on fair value impact of investment in subsidiaries	(1,845)	-
Current year losses on which deferred tax was not recognised	1,850	415
Effect on deferred tax balances due to change in income tax rate / differential tax rate on capital gains	26	1
Impact of non - deductible expenses for tax purposes	(2,908)	33
Income tax expense	(2,531)	2,166

51 Income tax (Continued)

D Deferred tax

Deferred tax relates to the following:

Particulars	As at 31 March 2019	Recognized in profit or loss	Recognized in OCI	As at 31 March 2020
Deferred tax assets / (liabilities)				
Property, plant and equipment and intangible assets	(4,656)	2,556	-	(2,100)
Leases	-	(9)	-	(9)
Provision for loss allowance	326	(145)	-	181
Provision for gratuity and compensated absences	665	(74)	24	615
Provision for warranty	68	(36)	-	32
Others	147	158	-	305
Deferred tax assets / (liabilities)	(3,450)	2,450	24	(976)

Particulars	As at 1 April 2018	Recognized in profit or loss	Recognized in OCI	As at 31 March 2019
Deferred tax assets / (liabilities)				
Property, plant and equipment and intangible assets	(4,465)	(191)	-	(4,656)
Provision for loss allowance	1,063	(737)	-	326
Provision for gratuity and compensated absences	675	(1)	(9)	665
Provision for warranty	15	53	-	68
Others	201	(172)	118	147
Deferred tax assets / (liabilities)	(2,511)	(1,048)	109	(3,450)

*movement includes foreign currency translation adjustment

E Unrecognized deferred tax assets

Deferred tax assets have not been recognised in respect of the following items for one of the subsidiary, as it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom.

	31 March 2020	31 March 2019
Carry forward of business losses	23,757	11,529
Carry forward of unabsorbed depreciation	11,314	10,285
Total brought forward losses	35,071	21,814
Potential tax benefit @ 25.17% (31 March 2019: 34.944%)*	8,827	5,672
Deferred tax on losses created to the extent of deferred tax liabilities in the books of the subsidiary	746	625
Unrecognised deferred tax asset	8,081	5,047

*The business losses expire in 2021-28. The deductible temporary differences do not expire under current tax legislation.

52. Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements
31 March 2020

Name of the Subsidiary	Consolidated net assets		Consolidated profit or loss		Consolidated OCI		Consolidated total Comprehensive income	
	Percentage	Amount in Lakhs	Percentage	Amount in Lakhs	Percentage	Amount in Lakhs	Percentage	Amount in Lakhs
Dynamic Technologies Limited Standalone	125%	45,784	(532)%	(20,774)	(8)%	(74)	(432)%	(20,848)
Foreign Subsidiaries								
Dynamic Limited UK*	46%	16,698	(16)%	(633)	-	-	(13)%	(633)
Eisenwerk Erla GmbH #	56%	20,650	2%	67	-	-	1%	67
JKM Global Pte Limited, Singapore	13%	4,607	(1)%	(48)	-	-	(1)%	(48)
Indian Subsidiaries								
JKM Erla Automotive Limited	35%	12,832	(292)%	(11,407)	-	-	(236)%	(11,407)
JKM Ferrotech Limited	(4)%	(1,294)	(47)%	(1,850)	-	(2)	(38)%	(1,852)
JKM Research Farm Limited	7%	2,550	1%	37	-	-	1%	37
JKM Automotive Limited	-	-	-	-	-	-	-	-
Consolidated adjustments	(178)%	(65,148)	986%	38,514	108%	997	819%	39,511
Total	100%	36,679	100%	3,906	100%	921	100%	4,827

31 March 2019

Name of the Subsidiary	Consolidated net assets		Consolidated profit or loss		Consolidated OCI		Consolidated total Comprehensive income	
	Percentage	Amount in Lakhs	Percentage	Amount in Lakhs	Percentage	Amount in Lakhs	Percentage	Amount in Lakhs
Dynamic Technologies Limited Standalone	159%	51,680	118%	3,230	(2)%	15	159%	3,245
Foreign Subsidiaries								
Dynamic Limited UK*	52%	16,870	19%	529	-	-	26%	529
Eisenwerk Erla GmbH #	60%	19,629	18%	500	-	-	24%	500
JKM Global Pte Limited, Singapore	14%	4,689	(1)%	(24)	-	-	(1)%	(24)
Indian Subsidiaries								
JKM Erla Automotive Limited	73%	23,839	-	(6)	-	-	0%	(6)
JKM Ferrotech Limited	2%	562	(56)%	(1,518)	-	-	(74)%	(1,518)
JKM Research Farm Limited	8%	2,514	1%	26	-	-	1%	26
JKM Automotive Limited	-	-	-	-	-	-	0%	-
Consolidated adjustments	(268)%	(87,294)	1%	10	102%	(721)	(35)%	(711)
Total	100%	32,489	100%	2,747	100%	(706)	100%	2,041

* includes results of Yew Tree Investments Limited, UK and Dynamic US LLC

includes results of JKM Erla Holdings GmbH, Germany

53 Revenue from contracts with customers

A. Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers for the year ended 31 March 2020 and 31 March 2019 by market or type of customers, timing of revenue recognition, contract-type and geography.

The Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

For the year ended 31 March 2020

Particulars	Hydraulics	Aerospace	Automotive & Metallurgy (Continued)	Others	Total	Discontinued operation	Grand Total
Market or type of customer							
Government	178	883	-	-	1,061	-	1,061
Non-government	29,322	48,877	52,613	248	1,31,060	2,192	1,33,252
Total revenue from contract with customers#	29,500	49,760	52,613	248	1,32,121	2,192	1,34,313
Timing of revenue recognition*							
Goods or services transferred at point in time	29,500	49,760	52,613	248	1,32,121	2,192	1,34,313
Total revenue from contract with customers#	29,500	49,760	52,613	248	1,32,121	2,192	1,34,313

For the year ended 31 March 2019

Particulars	Hydraulics	Aerospace	Automotive & Metallurgy (Continued)	Others	Total	Discontinued operation	Grand Total
Market or type of customer							
Government	334	1,186	-	-	1,520	-	1,520
Non-government	35,976	45,699	66,833	2	1,48,510	7,853	1,56,363
Total revenue from contract with customers#	36,310	46,885	66,833	2	1,50,030	7,853	1,57,883
Timing of revenue recognition*							
Goods or services transferred at point in time	36,310	46,885	66,833	2	1,50,030	7,853	1,57,883
Total revenue from contract with customers#	36,310	46,885	66,833	2	1,50,030	7,853	1,57,883

Represents revenue from sale of products included in revenue from operations.

* The Group does not have any revenue from sale of goods and services where the performance obligation is satisfied over time.

Refer to geographic information section under Note 42 - Segment Reporting for more details on the analysis of segment revenue.

Particulars	31 March 2020	31 March 2019
Revenue as per Contract	1,32,473	1,55,858
Adjustments:		
Discount	-	615
Revenue from contract with customers	1,32,473	1,55,243
Export incentive	1,148	1,016
Scrap sales	692	1,373
Liabilities no longer required written back	-	251
Revenue from reportable segment (Refer Note 42)	1,34,313	1,57,883

B. Contract balances

The Group does not have any contract balances.

C. Remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognised as the end of the reporting period and an explanation as to when the Group expects to recognise these amount in revenue. Unsatisfied or partially satisfied performance obligations are subject to variability due to several factors such as termination changes in contract scope, re-validation of estimates and economic factors.

Applying the practical expedient as given in Ind AS 115, the Group has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognised corresponds directly with the value to the customer of the Group's performance completed to date, typically those contracts where invoicing is on time and material, unit price basis.

54 Discontinued operations and assets held for sale

During the year ended 31 March 2018, the Board of Directors of the Company vide its meeting dated 28 February 2018, had approved the divestment of 'Automotive and Aluminium Castings' ('discontinued business'). The discontinued businesses included the Aluminium business, the Iron business and the Windfarm business. Subsequently, the Company had obtained the Shareholders' approval (a substantive approval) vide postal ballot dated 15 May 2018 and accordingly 'Automotive and Aluminium Castings' was classified as discontinued operation from the quarter ended 30 June 2018. During the year ended 31 March 2019, the Company had entered into a business transfer agreement to sell certain assets of the Aluminium business. The transaction was consummated on 17 January 2019.

Based on the current management's strategy and in accordance with Ind AS 105 'Non-current Assets Held for Sale and Discontinued Operations', the Group has classified the windfarm land from assets held for sale to Property, Plant and Equipment as at 31 March 2020. Prior to this, the said asset was presented as Assets held for sale.

The Group is actively seeking a buyer for its Iron business. As at 31 March 2020, the group has recognised an impairment loss of INR 974 on the assets of iron business and windfarm business (other than land) classified as held for sale.

(i) Net results from discontinued operations were as follows:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Loss on disposal of aluminium business (discontinued operations)		
Gross sale consideration (A)	-	4,302
Book value of fixed assets sold (B)	-	3,994
Net book value of other assets (net of liabilities) sold (C)	-	302
Expenses pertaining to disposal of the business (D)*	-	194
Loss on disposal of aluminium business (discontinued operations) (E) = (A-B-C-D)	-	(188)
Results from discontinued operations before tax (F)	(1,600)	(272)
Total loss from discontinued operations before tax (G) = (E + F)	(1,600)	(460)

(ii) Carrying value of assets and liabilities classified as held for sale:

Particulars	As at 31 March 2020	As at 31 March 2019
Assets classified as held for sale		
Property plant & equipment and intangible assets	-	6,531
Current assets	-	1,043
Assets of disposal group held for sale	-	7,574
Liabilities directly associated with assets classified as held for sale		
Current Liabilities	-	81
Liabilities of disposal group held for sale	-	81

(iii) Results of assets classified as discontinued operations

The results of discontinued operations included in the profit for the year are set out below.

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue	2,192	7,853
Expenses	(3,792)	(8,313)
Loss before tax	(1,600)	(460)
Income tax credit	-	(91)
Loss from discontinued operations after tax	(1,600)*	(369)

* Includes loss of INR 974 on reduction of fairvalue of Property, plant and equipment

(iv) Cash flows from/ (used in) discontinued operations

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Net cash used in operating activities	(626)	(2,715)
Net cash from investing activities	-	(12)
Net cash from financing activities	-	-
Net cash flow for the year	(626)	(2,727)

55. Reconciliation of liabilities from financing activities (Refer Consolidated Statement of cash flows)

Particulars	1 April 2019	Cash flows	Non Cash Changes		31 March 2020
			Interest Expense	Foreign exchange movement	
Non- Current Borrowings					
Secured					
- Term loan from banks*	35,427	(4,634)	-	-	30,793
- Term loan from financial institutions*	8,513	(921)	-	-	7,592
- Finance lease obligation *	376	(6)	-	-	370
Current Borrowings					
Secured					
- Cash credit and working capital demand loans	18,253	1,719	-	61	20,033
Unsecured					
- Bill discounting facility from banks	3,181	(1,219)	-	-	1,962
- Intercompany deposits	170	(170)	-	-	-
Interest accrued but not due on borrowings	5	(8,031)	8,194	-	168
Dividend paid out of unclaimed dividend	1	(1)	-	-	-
Dividend declared and paid during the year	2	(2)	-	-	-
Total liabilities from financing activities	65,928	(13,265)	8,194	61	60,918

Particulars	1 April 2018	Cash flows	Non Cash Changes		31 March 2019
			Interest Expense	Foreign exchange movement	
Non- Current Borrowings					
Secured					
- Term loan from banks*	39,608	(4,027)	30	(184)	35,427
- Term loan from financial institutions*	8,977	(464)	-	-	8,513
- Finance lease obligation *	340	36	-	-	376
Current Borrowings					
Secured					
- Cash credit and working capital demand loans	20,874	(2,642)	-	21	18,253
Unsecured					
- Bill discounting facility from banks	1,218	2,129	-	(166)	3,181
- Intercompany deposits	-	170	-	-	170
Interest accrued but not due on borrowings	-	(7,869)	7,874	-	5
Dividend paid out of unclaimed dividend	8	(7)	-	-	1
Dividend declared and paid during the year	-	(153)	-	-	2
Total liabilities from financing activities	71,025	(12,827)	7,904	(329)	65,928

* includes current maturities of long term borrowings

56. The consolidated financial statements were approved for issue by the board of directors on 3 July 2020.

for and on behalf of the Board of Directors of
Dynamatic Technologies Limited



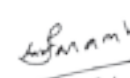
UDAYANT MALHOUTRA
CEO & Managing Director
DIN : 00053714



P S RAMESH
ED – Group Technical Services & HR
DIN : 05205364



CHALAPATHI P
Chief Financial Officer



SHIVARAM V
Head - Legal, Compliance
& Company Secretary

Bengaluru

Date: 3 July 2020

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DYNAMATIC TECHNOLOGIES LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Dynamatic Technologies Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's

Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Emphasis of Matter

We draw attention to Note 2d(viii) in the standalone financial statements, which describes that the eventual outcome of impact of the global health pandemic referred therein, may be different from those estimated as on the date of approval of these standalone financial statements. Our report is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
<p>Impairment</p> <p>Impairment of investments in subsidiaries</p> <p>Refer Note 2(m), 4 and 35 to the standalone financial statements of the Company.</p> <p>In the standalone financial statements of the Company, the gross carrying value of investments in subsidiaries is INR 53,910 lakhs against which a cumulative impairment provision of INR 20,541 lakhs as at 31 March 2020.</p> <p>Determination of carrying value of investments in subsidiaries is a key audit matter as the amounts are significant to the standalone financial statements and the determination of recoverable value and/ or impairment assessment involves significant management estimates and judgement.</p> <p>The key estimates and judgements used in the model for impairment assessment include future cash flows of the respective subsidiaries, the discount rate and the long-term growth rates used.</p> <p>The management has used the services of an expert in determining the recoverable value of investments in subsidiaries and consequential impairments, if any.</p>	<p>Principal audit procedures performed:</p> <ol style="list-style-type: none"> 1. We assessed the Management's process for identifying the impairment indicators and impairment assessment of investments in subsidiaries. 2. Evaluated the design of the management's internal control around the impairment assessment process and tested its operating effectiveness. 3. Evaluated the competence, capabilities and objectivity of the management's expert. 4. Understood the key assumptions considered in the management's estimates of future cash flows of the respective subsidiaries. 5. Involving our valuation specialists, we evaluated the short-term and long-term growth rates considered in the estimates of future cash flows and the discount rate used in the calculations. 6. Compared the historical cash flows (including for current year) against past projections of the management for the same periods and gained understanding of the rationale for the changes. 7. Performed sensitivity analysis on the key assumptions within the forecast cash flows and focused our attention on those assumptions we considered most sensitive to the changes; such as –revenue growth during the forecast period, the terminal growth rate and the discount rate applied to the future cash flows. We ascertained the extent to which a change in these assumptions, both individually or in aggregate, would result in impairment, and considered the likelihood of such events occurring. 8. We assessed the adequacy of the disclosures made in the standalone financial statements for the year ended 31 March 2020.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's report including Annexures to Board's report, Corporate Governance and Corporate Sustainability report, but does not include the standalone financial statements, consolidated financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or

in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

Due to COVID-19 related lockdown, we were not able to physically observe the physical verification of inventory that was carried out by the management subsequent to the year end. Consequently, we performed alternate procedures to audit the existence of Inventory as per the guidance provided in SA 501 "Audit Evidence — Specific Considerations for Selected Items" and have obtained sufficient audit evidence to issue our unmodified opinion on these Standalone Financial Results. Our opinion on the standalone financial statements is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March, 2020 taken on record by the Board of Directors, none of the

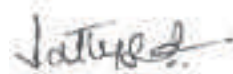
directors is disqualified as on 31 March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
 - ii. The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

for **Deloitte Haskins & Sells LLP**

Chartered Accountants

Firm's Registration No. 117366W/W-100018



SATHYA P KOUSHIK

Partner

(Membership No. 206920)

UDIN- 20206920AAAAFP5270

Bengaluru,
July 03, 2020

SPK/JKS/DSS/2020

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Dynamatic Technologies Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of

internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

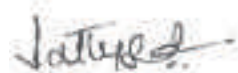
In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over

Financial Reporting issued by the Institute of Chartered Accountants of India.

for **Deloitte Haskins & Sells LLP**

Chartered Accountants

Firm's Registration No. 117366W/W-100018



SATHYA P KOUSHIK

Partner

(Membership No. 206920)

UDIN- 20206920AAAAFP5270

Bengaluru,
July 03, 2020

SPK/JKS/DSS/2020

**ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S
REPORT**

**(Referred to in paragraph 2 under 'Report on Other
Legal and Regulatory Requirements' section of our
report of even date)**

- (i)
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and the records examined by us and based on the examination of the title deeds and approved building plan provided to us, we report that, the title deeds, comprising all the immovable properties of buildings and freehold land, are held in the name of the Company as at the balance sheet date. Immovable properties of land and buildings whose title deeds have been pledged as security for loans are held in the name of the Company based on the pledge documents. In respect of immovable
- properties of building constructed on leased land, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- (ii) As explained to us, the inventories, except stock lying with third parties, were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification. For stocks lying with third parties at the year-end, written confirmations have been obtained by the Management.
 - (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
 - (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
 - (v) According to the information and explanations given to us, the Company has not accepted any deposits during the year. Hence, reporting under clause (v) of the Order is not applicable to the Company.
 - (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
 - (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, Customs Duty, Cess and other material statutory dues applicable to it to the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Goods and Services tax, Sales Tax, Customs Duty, Service Tax and Excise Duty which have not been deposited as on March 31, 2020 on account of disputes are given below:

Name of the Statute	Nature of the Dues	Forum where dispute is pending	Period to which the amount relates	Amount (Rs. in lakhs)
Income Tax Act, 1961	Income Tax	The Commissioner of Income Tax (Appeals)	AY 2017-18	32
Customs Act, 1962	Customs Duty	The Commissioner of Customs (Exports)	FY 2007-08	7
Finance Act, 1994	Customs Duty	The Commissioner of Customs (Appeals)	FY 2013-14	16
Finance Act, 1994	Service Tax	The Commissioner of Central Excise (Appeals)	October 2009 – March 2011	1
The Central Excise Act, 1944	Excise Duty	The Customs Excise and Service Tax Appellate Tribunal (Appeals)	FY 2010-11 and FY 2011-12	3
The Central Excise Act, 1944	Excise Duty	The Customs Excise and Service Tax Appellate Tribunal (Appeals)	FY 2012-13 and FY 2013-14	57
The Central Excise Act, 1944	Excise Duty	The Commissioner of Central Excise (Appeals)	FY 2001-02	0.3
Central Goods and Services Tax Act, 2017	Excise Duty	The Commissioner of Central Excise (Appeals)	FY 2009-10	1
The Central Sales Tax Act, 1956	Goods and Services Tax	The Commissioner of Central Excise (Appeals)	FY 2017-18	259

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to banks and financial institutions. The Company has not taken any loans or borrowings from government and has not issued any debentures.

(ix) In our opinion and according to the information and explanations given to us, money raised by way of the term loans have been applied by the Company during the year for the purposes for which they were raised. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Act for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

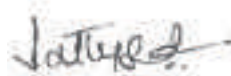
(xiv) During the year the Company has not made any preferential allotment or private placement of shares

or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its subsidiaries or persons connected with them and hence provisions of section 192 of the Act are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

for **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No. 117366W/W-100018



SATHYA P KOUSHIK
Partner

(Membership No. 206920)

UDIN- 20206920AAAAFP5270

Bengaluru,
July 03, 2020

SPK/JKS/DSS/2020

STANDALONE BALANCE SHEET

All amounts are in INR lakhs unless otherwise stated

	Note	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
a) Property, plant and equipment	3	28,223	23,526
b) Intangible assets	3	108	34
c) Capital work in progress		182	214
d) Right-of-use assets	39	5,044	-
e) Financial assets			
(i) Investments	4	33,369	53,510
(ii) Loans	5	565	752
(iii) Other financial assets	6	-	18
f) Income tax assets (net)	7	970	606
g) Other non-current assets	8	9	1,758
Total non-current assets		68,470	80,418
Current assets			
a) Inventories	9	11,446	10,937
b) Financial assets			
(i) Trade receivables	10	16,370	15,635
(ii) Cash and cash equivalents	11	1,247	287
(iii) Bank balances other than cash and cash equivalents above	12	2,648	3,029
(iv) Loans	13	698	406
(v) Other financial assets	14	1,389	1,323
c) Other current assets	15	3,463	7,172
Total current assets		37,261	38,789
d) Assets classified as held for sale	53	-	7,574
Total Assets		1,05,731	1,26,781
EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	16	634	634
b) Other equity	17	30,202	51,046
Total equity		30,836	51,680
Liabilities			
Non-current liabilities			
a) Financial liabilities			
(i) Borrowings	18	30,756	34,392
(ii) Lease liabilities	39	3,055	-
(iii) Other financial liabilities	19	4	11

b) Provisions	20	2,333	1,964
c) Deferred tax liabilities (net)	21	4,067	6,548
Total non-current liabilities		40,215	42,915
Current liabilities			
a) Financial liabilities			
(i) Borrowings	22	16,513	15,689
(ii) Trade Payables	23		
(a) total outstanding dues of micro enterprises and small enterprises		1,508	577
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		10,990	11,615
(iii) Lease liabilities	39	1,978	-
(iv) Other financial liabilities	24	2,961	3,672
b) Provisions	25	362	322
c) Other current liabilities	26	368	230
Total current liabilities		34,680	32,105
Liabilities directly associated with assets classified as held for sale	53	-	81
Total Liabilities		74,895	75,101
Total Equity and Liabilities		1,05,731	1,26,781

See accompanying notes to the standalone financial statements

In terms of our report attached


for **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

for and on behalf of the Board of Directors of

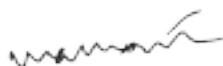
Dynamatic Technologies Limited



SATHYA P KOUSHIK

Partner

Membership No. 206920



UDAYANT MALHOUTRA

CEO & Managing Director

DIN : 00053714



P S RAMESH

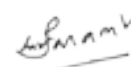
ED – Group Technical Services & HR

DIN : 05205364



CHALAPATHI P

Chief Financial Officer



SHIVARAM V

Head - Legal, Compliance
& Company Secretary

Bengaluru

Date: 3 July 2020

STANDALONE STATEMENT OF PROFIT AND LOSS

All amounts are in INR lakhs unless otherwise stated

	Note	For the year ended 31 March 2020	For the year ended 31 March 2019
Continuing operations			
Revenue from operations	27	56,963	59,215
Other income	28	1,636	892
Total Income		58,599	60,107
Expenses			
Cost of materials and components consumed	29	25,200	27,064
Change in inventory of finished goods and work-in-progress	30	(706)	742
Employee benefits expense	31	8,379	7,247
Finance costs	32	7,026	6,832
Depreciation and amortisation expense	33	3,389	1,865
Other expenses	34	9,834	10,821
Total expenses		53,122	54,571
Profit from continuing operations before tax & exceptional item		5,477	5,536
Exceptional items	35	27,108	-
Profit from continuing operations before tax		(21,631)	5,536
Current tax	51	-	1,294
Deferred tax	51	(2,457)	643
Income tax expense		(2,457)	1,937
Profit from continuing operations		(19,174)	3,599
Discontinued operations			
Loss for the year from discontinued operations	53	(1,600)	(460)
Tax credit of discontinued operations	53	-	(91)
Loss after tax from discontinued operations		(1,600)	(369)
(Loss)/Profit for the year		(20,774)	3,230
Other Comprehensive Income			
<i>Items that will not to be reclassified subsequently to profit and loss</i>			
Remeasurement of defined benefit plans		(94)	24
Income tax relating to items that will not be reclassified to profit or loss		24	(9)
Other comprehensive income for the year, net of income tax		(70)	15
Total comprehensive income for the year		(20,844)	3,245

Earning per equity share (of INR 10 each) (for continuing operations)

Basic and diluted (in INR)	48	(302.43)	56.77
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Earning per equity share (of INR 10 each) (for discontinued operations)

Basic and diluted (in INR)	48	(25.24)	(5.82)
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Earning per equity share (of INR 10 each) (for discontinued & continuing operations)

Basic and diluted (in INR)	48	(327.66)	50.95
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Number of shares used in computing earnings per share		63,41,443	63,41,443
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See accompanying notes to the standalone financial statements

In terms of our report attached

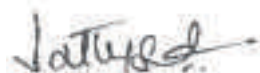
for **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

for and on behalf of the Board of Directors of

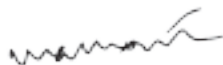
Dynamatic Technologies Limited



SATHYA P KOUSHIK

Partner

Membership No. 206920



UDAYANT MALHOUTRA

CEO & Managing Director

DIN : 00053714



P S RAMESH

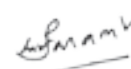
ED – Group Technical Services & HR

DIN : 05205364



CHALAPATHI P

Chief Financial Officer



SHIVARAM V

Head - Legal, Compliance
& Company Secretary

Bengaluru

Date: 3 July 2020

STANDALONE STATEMENT OF CASH FLOWS

All amounts are in INR lakhs unless otherwise stated

	For the year ended 31 March 2020	For the year ended 31 March 2019
Cash flow from operating activities		
Profit/(loss) before tax		
Continuing operations	(21,631)	5,536
Discontinuing operations	(1,600)	(460)
	(23,231)	5,076
Adjustments:		
Interest income	(246)	(235)
Interest on loans/advance given to related parties	(443)	(300)
Financial guarantee obligation income	(18)	(34)
Provision for impairment of investment in subsidiaries	20,541	-
Written off trade advances and interest receivable from subsidiary	6,567	-
Depreciation and amortisation expense	4,363	1,985
Finance costs	6,974	6,786
Unwinding of discount on dismantling liability	52	46
Loss on sale of property, plant and equipment, net	3	115
Loss on disposal of fixed asset attributable to discontinued operations	-	188
Rent amortization due to discounting of deposits	-	74
Loss allowance on financial assets, net	142	(2,233)
Bad debts written off, net	92	2,477
Unrealised foreign exchange differences	(454)	(83)
Operating cash flow before working capital changes	14,342	13,862
Changes in operating assets and liabilities		
Changes in inventories	(300)	919
Changes in trade receivables	437	(2,164)
Changes in loans	(86)	(30)
Changes in other financial assets	109	506
Changes in other assets	(662)	(1,066)
Changes in trade payables	(7)	(27)
Changes in other financial liabilities	(2,508)	(790)
Changes in provisions	409	(46)
Changes in other current liabilities	138	(303)
Cash generated from operations	11,872	10,861
Income taxes paid, net of refund	(388)	(2,189)
Net cash generated from operating activities (A)	11,484	8,672
Cash flows from investing activities		
Expenditure on property, plant and equipment and intangibles	(1,224)	(1,601)
Proceeds from sale of property, plant and equipment	-	79
Proceeds from sale of property, plant and equipment pertaining to discontinued operations	-	3,806
Investment in subsidiaries	(400)	-

Bank deposits (having original maturity of more than three months), net	381	(819)
Interest received on loan to related parties	-	374
Interest received from bank deposits	246	169
Net cash from/(used) in investing activities (B)	(997)	2,008
Cash flows from financing activities		
Proceeds from long term borrowings	-	63
Repayment of long term borrowings	(4,135)	(1,118)
Proceeds from short term borrowings, net	763	(2,791)
Interest paid	(6,155)	(6,751)
Dividend paid	-	(160)
Net cash used in financing activities (C)	(9,527)	(10,757)
Net increase/(decrease) in cash and cash equivalents (A + B +C)	960	(77)
Cash and cash equivalents at the beginning of the year	287	364
Cash and cash equivalents at the end of the year	1,247	287
Components of cash and cash equivalents (Refer note 11)		
Cash and cash equivalents		
Cash on hand	6	8
Balance with banks		
- in current accounts	1,241	279
Cash and cash equivalents in standalone balance sheet	1,247	287

See accompanying notes to the standalone financial statements

In terms of our report attached

for **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

for and on behalf of the Board of Directors of


Dynamatic Technologies Limited



SATHYA P KOUSHIK

Partner

Membership No. 206920



UDAYANT MALHOUTRA

CEO & Managing Director

DIN : 00053714



P S RAMESH

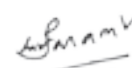
ED – Group Technical Services & HR

DIN : 05205364



CHALAPATHI P

Chief Financial Officer



SHIVARAM V

Head - Legal, Compliance
& Company Secretary

Bengaluru

Date: 3 July 2020

STANDALONE STATEMENT OF CHANGES IN EQUITY

(A) Equity Share Capital

Particulars	As at 31 March 2020	As at 31 March 2019
Opening balance	634	634
Changes in equity share capital	-	-
Closing balance	634	634

(B) Other Equity

Particulars	Reserves and surplus						Other items of other comprehensive income Remeasurement of the net defined benefit liability/ asset	Total equity attributable to equity holders of the Company
	Capital Reserve	Capital Redemption reserve	Securities premium	Reserve on amalgamation	General reserve	Retained Earnings		
Balance as at 01 April 2018	15	240	17,410	154	3,138	26,997	-	47,954
Profit for the year	-	-	-	-	-	3,230	-	3,230
Other comprehensive income for the year	-	-	-	-	-	-	15	15
Transfer to retained earnings	-	-	-	-	-	15	(15)	-
Dividends (including dividend distribution tax)	-	-	-	-	-	(153)	-	(153)
Balance as at 31 March 2019	15	240	17,410	154	3,138	30,089	-	51,046
Balance as at 01 April 2019	15	240	17,410	154	3,138	30,089	-	51,046
Profit for the year	-	-	-	-	-	(20,774)	-	(20,774)
Other comprehensive income for the year	-	-	-	-	-	-	(70)	(70)
Transfer to retained earnings	-	-	-	-	-	(70)	70	-
Balance as at 31 March 2020	15	240	17,410	154	3,138	9,245	-	30,202

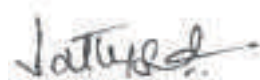
See accompanying notes to the standalone financial statements

In terms of our report attached

for **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)



SATHYA P KOUSHIK

Partner

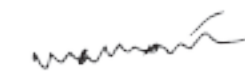
Membership No. 206920

Bengaluru

Date: 3 July 2020

for and on behalf of the Board of Directors of

Dynamatic Technologies Limited



UDAYANT MALHOUTRA

CEO & Managing Director

DIN : 00053714



CHALAPATHI P

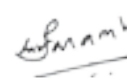
Chief Financial Officer



P S RAMESH

ED – Group Technical Services & HR

DIN : 05205364



SHIVARAM V

Head - Legal, Compliance
& Company Secretary

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1 (i) Reporting entity

Dynamic Technologies Limited ("the Company") was incorporated in 1973 as Dynamic Hydraulics Limited under provisions of the Companies Act, 1956. In 1992, the name of the Company was changed to Dynamic Technologies Limited. The Company is in the business of manufacturing highly engineered products for the Aerospace, Automotive and Hydraulic industries. The Company is listed in India with National Stock Exchange and Bombay Stock Exchange.

2 Significant accounting policies

a Statement of compliance

These Standalone annual financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act 2013 ('the Act') read with Companies (Indian Accounting Standard) Rules (as amended from time to time) and other relevant provisions of the Act.

Accounting policies have been consistently applied except where a newly issued Indian Accounting Standard is initially adopted or a revision to an existing Indian Accounting Standard requires a change in the accounting policy hitherto in use (Refer Note 2i).

b Functional and presentation currency

These Standalone financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise mentioned.

c Basis of Preparation

The Standalone financial statements have been prepared on the historical cost convention and on an accrual basis of accounting, except for the following assets and liabilities which have been accounted as follows:

- (i) Defined benefit and other long-term employee benefits where plan asset is measured at fair value less present value of defined benefit obligations.
- (ii) Certain financial assets and liabilities that are qualified to be measured at fair value;
- (iii) Assets classified as held for sale are measured at the lower of carrying amount and fair value less cost to sell.

d Use of estimate, assumption and judgements

The preparation of Standalone financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent liabilities and assets on the date of the Standalone financial statements and the reported amount of revenue and expenses for the year. Accounting estimates could change from

period to period. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the standalone financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the standalone financial statements

Assumptions and estimation uncertainties

The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these standalone financial statements have been disclosed in the following notes:

i) Useful life of property, plant and equipment and intangible assets - Note 3:

The useful life of the assets are determined in accordance with Schedule II of the Companies Act, 2013. In cases, where the useful life is different from that or is not prescribed in Schedule II, it is based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance.

ii) Income taxes- Note 51:

In assessing the realisability of deferred tax assets, the Management considers whether some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. The Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, the Management believes that the Company will realize the benefits of those deductible differences. The amount of the deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

iii) Provisions and contingencies- Note 20, 25 and 36 :

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on

past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore vary from the figure estimated at end of each reporting period.

iv) Post-retirement benefit plans- Note 43 :

The obligation arising from the defined benefit plan is determined on the basis of actuarial assumptions which include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined with reference to market yields at each financial year end on the government bonds.

v) Impairment of financial assets- Note 4, 5, 6, 10, 13, 14 and 44 :

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. In addition the Company has taken into account estimates of possible effect from the pandemic relating to COVID -19.

vi) Leases- Note 39:

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Company has concluded that no changes are required to lease period relating to the existing lease contracts.

vii) Non-current assets held for sale- Note 53:

Assets held for sale are measured at the lower of carrying amount or fair value less costs to sell. The determination of fair value less costs to sell includes use of management estimates and assumptions. The fair value of the assets held for sale has been estimated using valuation techniques (including income and market approach), which include unobservable inputs. Non-current assets and disposal group that ceases to be classified as "Held for Sale" shall be measured at the lower of carrying amount before

the non-current asset and disposal group was classified as "Held for Sale" and its recoverable amount at the date of the subsequent decision not to sell. Recoverable amounts of assets reclassified from "Held for Sale" have been estimated using the Management's assumptions which consist of significant unobservable inputs.

viii) Estimation of uncertainties relating to the global health pandemic from COVID-19

The rapid outbreak of the COVID-19 pandemic presents an alarming health crisis that the world is grappling with and its impacts are unfolding in real time. The COVID-19 outbreak has a significant effect on the economies of affected countries and international financial markets. Accordingly, the company felt the need to evaluate the impacts of the outbreak on their accounting and financial reporting. Various accounting estimates, which depend on future forecasts, could be impacted by the outbreak. The Company have worked on the principle that a conservative approach is both prudent and desirable, given the uncertainty around the length and severity of the pandemic-induced global economic slump. In this context, the company by using internal and external sources, performed a sensitivity analysis in order to arrive at the assumptions on the expected future performance in respect to carrying amounts of property, plant and equipment, investments, inventories, receivables and other assets and based on current estimates, has recognized an impairment loss in respect to investment in foreign subsidiaries during the year ending 31 March 2020 (Refer Note 4 and 35) and further expects the carrying amount of all assets to be recovered. The same has been included in the standalone financial statements under 'Exceptional items'. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these standalone financial statements.

e Measurement of fair values

Certain accounting policies and disclosures of the Company requires use of valuation techniques in measuring the fair value of some of the company's financial assets and liabilities where active market quotes are not available. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date. the measurement of fair values, for both financial and non financial assets and liabilities.

The Company has an established control framework

with respect to the measurement of fair values. The valuation team regularly reviews significant unobservable inputs and valuation adjustments.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 43: financial instruments.:

f Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation (which includes capitalised borrowing costs, if any) and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable costs of bringing an asset to working condition for its intended use and estimated cost of dismantling and removing the item and restoring the site on which it is located. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials, direct labour and any other costs directly attributable to bringing the item to its intended working condition and estimated costs of dismantling, removing and restoring the site on which it is located, wherever applicable.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial

statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Borrowing cost directly attributable to acquisition of property, plant and equipment which take substantial period of time to get ready for its intended use are capitalized to the extent they relate to the period till such assets are ready to be put to use.

Depreciation methods, estimated useful lives and residual value

Depreciation is provided on a Straight Line Method ('SLM') over estimated useful life of the property, plant and equipment less their estimated residual value as defined by the Management. Depreciation for assets purchased / sold during the year is proportionately charged.

The range of estimated useful lives of items of property, plant and equipment are as follows:

Category of assets	Useful life estimated by Management
Leasehold land	Over the period of lease
Buildings	30 years
Plant and machinery*	10 years, 13 years and 21 years for 3 shifts, 2 shifts and 1 shift respectively
Measuring instruments*	10 years, 13 years and 21 years for 3 shifts, 2 shifts and 1 shift respectively
Electrical installations*	10 years, 13 years and 21 years for 3 shifts, 2 shifts and 1 shift respectively
Data processing equipment	4 years
Office equipment	5 years
Furniture and fixtures	5-10 years
Tools, dies and moulds	9 years
Vehicles*	10 years
Motor boat*	20 years
Assets taken on lease:	
- leasehold improvements	Period of lease or useful life of assets whichever is lower

Freehold land is not depreciated.

* The Management believes that the useful lives as given above best represent the period over which management expects to use these assets based on an internal assessment and technical evaluation where necessary. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

The assets residual value and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Derecognition of property, plant and equipment

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss. Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains / losses.

Advance paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date classified as capital advances under other non current assets and the cost of the assets not put to use before such date are disclosed under Capital work in progress.

g Intangible assets

Acquired intangible assets

Intangible assets that are acquired by the Company, which have finite useful lives, are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortization and any accumulated impairment loss.

Internally generated intangible assets

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognized in statement of profit and loss as incurred.

An internally -generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in the statement of profit and loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Subsequent measurement

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including on internally generated software is recognized in profit and loss as and when incurred.

Amortisation

The Company amortizes intangible assets with a finite useful life using the straight-line method over the estimated useful lives.

The estimated useful lives of intangibles are as follows:

Category of asset	Useful life
Application Software	4 years
Prototype development	10 years

The assets residual value and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

h Impairment

i) Financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from initial recognition. For recognition of impairment loss on financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if

credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

ii) Non-financial assets

Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount.

The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

i Leases

The Company as a lessee (Refer Note 39) : The Company's lease asset classes primarily consist of leases for land, buildings and plant and machinery. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether : (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value

leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Short-term leases and leases of low-value assets The Company has elected not to recognise right-of-use assets and lease liabilities for leases of lowvalue assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

j Inventories

Inventories are valued at the lower of cost and net realisable value. Cost of inventories comprises purchase price, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In determining the cost, weighted average cost is used. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs to sell. The comparison of cost and net

realizable value is made on an item-by-item basis. Inventories are stated net of write down or allowances on account of obsolescence, damage or slow moving items.

The method of determination of cost is as follows:

- Raw materials and components – on a weighted average basis
- Stores and spares – on a weighted average basis
- Work-in-progress – includes costs of conversion
- Finished goods – includes costs of conversion
- Goods in transit – at purchase cost

The net realizable value of work-in-progress is determined with reference to the net realizable value of related finished goods. Raw materials and other supplies held for use in production of inventories are not written down below cost except in cases where material prices have declined, and it is estimated that the cost of the finished products will exceed their net realizable value. Fixed production overheads are allocated on the basis of normal capacity of production facilities. The provision for inventory obsolescence is assessed periodically and is provided as considered necessary.

k Revenue recognition

Revenue is recognised upon transfer of control of promised goods or services to customer in an amount that reflects the consideration the Company expects to receive in exchange for those goods or services.

The Company derives its revenue from sale of products.

The Company recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as goods and services tax, etc. For certain contracts that permits the customer to return an item, revenue is recognised to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

Export benefits are recognized in the statement of profit and loss account when the right to receive credit as per the terms of the entitlement is established in respect of exports made.

Service income including management fees is measured based on transaction price and is recognized when an unconditional right to receive such income is established and on the performance of services.

Contract assets are recognised when there

is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. Unearned revenue (“contract liability”) is recognised when there are billings in excess of revenue.

Use of significant judgements in revenue recognition:

- The Company’s contracts with customers could include promise to transfer multiple goods and services to a customer. The Company assesses the goods/services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such goods, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

l Other income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in the statement of profit and loss.

Dividend income is recognised when the Company’s right to receive the payment is established, which is generally when shareholders approve the dividend.

m Investments in subsidiaries

Investment in equity shares in subsidiaries is carried at deemed cost less impairments if any in the financial statements.

n Financial Instruments

A. Financial assets

1) Recognition and initial measurement

Trade receivables and debt securities are initially recognized when they are originated. All other financial assets and liabilities are initially recognized when the Company becomes a party to contractual provisions of the instrument.

A financial asset or liability is initially measured at fair value plus transaction cost that are directly attributable to its acquisition or issue.

2) Classification and subsequent measurement

Financial assets

On initial recognition, a financial instrument is classified and measured at

- amortised cost
- fair value through other comprehensive income (FVOCI) - debt instruments;
- fair value through other comprehensive income (FVOCI) - equity investments; or
- fair value through profit and loss (FVTPL)

Financial assets are not classified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial assets give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

A debt investment is measured at FVTOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flow and selling financial assets; and
- the contractual terms of the financial assets give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI- equity investment). This election is made on an investment-to-investment basis

All financial assets not classified as amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL, if doing so eliminates or significantly reduces an accounting mistake that would otherwise arise.

Financial assets: Subsequent measurement and gains and losses

Financial assets, at FVTPL:

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income are recognized in profit or loss.

Financial assets at amortised cost:

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Debt investments at FVTOCI:

These assets are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVTOCI:

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are not reclassified to profit or loss.

3) Derecognition of financial assets A financial asset is derecognized only when:

- the Company has transferred the rights to receive cash flows from financial asset or
- retains the contractual rights to receive the cash flows from financial asset but assumed a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

B. Financial liability

1) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or amortised cost. All financial liabilities are recognized initially at fair value and, in case of loans and borrowings and payables, net of directly attributable transaction costs.

2) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separate embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit or loss.

Amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate ("EIR") method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified party fails to make a payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to

the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

o Employee benefits

Defined benefit plans

The Company's gratuity plan is a defined benefit plan. The present value of gratuity obligation under such defined benefit plans is determined based on actuarial valuations carried out by an independent actuary using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

Actuarial gains or losses are recognized in other comprehensive income. Further, the profit or loss does not include an expected return on plan assets. Instead net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on plan assets above or below the discount rate is recognized as part of remeasurement of net defined liability or asset through other comprehensive income.

Remeasurements comprising actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to profit or loss in subsequent periods.

The Company's gratuity scheme is administered through Life Insurance Corporation of India and the provision for the same is determined on the basis of actuarial valuation carried out by an independent actuary. Provision is made for the shortfall, if any, between the amounts required to be contributed to meet the accrued liability for gratuity as determined by actuarial valuation and the available corpus of the funds.

Short term employee benefits

All employee benefits falling due wholly within twelve months of rendering the services are classified as short-term employee benefits, which include benefits like salaries, wages, short-term compensated absences and performance incentives and are recognised as expenses in the period in which the employee renders the related service.

Short term employee benefits are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid e.g. short term performance incentive, if the Company has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee and the amount of obligation can be estimated reliably.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Compensated absences

The employees of the Company are entitled to compensated absence. The employees can carry-forward a portion of the unutilized accumulating compensated absence and utilize it in future periods. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The obligation is measured on the basis of an independent actuarial valuation using the Projected Unit method as at the reporting date. Actuarial gains / losses are immediately taken to the Standalone statement of profit and loss and Other comprehensive income.

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee Provident Fund to Government administered Provident Fund Scheme which is a defined contribution plan. The Company's contribution is recognized as an expense in the

statement of profit and loss during the period in which the employee renders the related service

Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognizes cost of restructuring. If the benefits are not expected to be settled wholly within 12 months of reporting date, then they are discounted.

p Foreign currency transactions and balances

Foreign currency are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign currency denominated monetary assets and liabilities are translated into relevant functional currency at exchange rates in effect at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in profit or loss.

Non-monetary assets and non-monetary liabilities denominated in foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss and are recognized in profit and loss, except exchange differences arising from the translation of the following items which are recognized in OCI:

- equity investments at fair value through OCI (FVOCI)
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

q Taxes

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the statement of profit and loss except to the extent it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income.

Current income tax for current and prior periods is recognized at the amount expected to be paid or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except for the cases mentioned below:

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or substantive enactment date.”

Deferred tax is not recognized for:

- temporary differences arising on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits or loss at the time of the transaction;
- temporary investments related to investment in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of reversal of the temporary differences and it is probable that they will not reverse in the forcible future; and
- taxable temporary difference arising on the initial recognition of goodwill

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of history of recent losses, the Company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profits will be available against which such deferred tax can be realized. Deferred tax assets, unrecognized or recognised, are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realized.

Deferred tax assets include Minimum Alternative Tax ('MAT') paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably, and it is probable that the future economic benefit associated with the asset will be realized.

The Company offsets, the current tax assets and liabilities (on a year on year basis) and deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

r Discontinued operations and assets held for sale:

Discontinued operations:

A discontinued operation is a component of the Company's business, the operations and cash flows of which can be clearly distinguished from those of the rest of the Company's business and which

represents a separate major line of business or geographical area of operations and

- is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations or
- is a subsidiary acquired exclusively with a view to re-sale

Classification as a discontinued operation occurs upon disposal or when the operations meets the criteria to be classified as held for sale, if earlier. When a operation is classified as a discontinued operation, the comparative statement of profit and loss is re-presented as if the operations had been discontinued from the start of the comparative period.

Assets held for sale:

Non-current assets and disposal group are classified as "Held for Sale" if their carrying amount is intended to be recovered principally through sale rather than through continuing use. The condition for classification of "Held for Sale" is met when the non-current asset or the disposal group is available for immediate sale and the same is highly probable of being completed within one year from the date of classification as "Held for Sale". Non-current assets and disposal group held for sale are measured at the lower of carrying amount and fair value less cost to sell. Non-current assets and disposal group that ceases to be classified as "Held for Sale" shall be measured at the lower of carrying amount before the non-current asset and disposal group was classified as "Held for Sale" adjusted for any depreciation/ amortization and its recoverable amount at the date when the disposal group no longer meets the "Held for sale" criteria.

s Provisions (other than employee benefits)

(i) General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(ii) Onerous contract

Provision for onerous contracts. i.e. contracts where the expected unavoidable cost of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow

of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.

t Contingent Liability

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation arising from the past events that may probably not require an outflow of resources. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

U Cash and cash equivalents

Cash and cash equivalent includes cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

V Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before taxes for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

W Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to the owners of the Company for the year by the weighted average number of equity shares outstanding during reporting period.

The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Dilutive potential equity shares are deemed converted as of the beginning of the reporting date, unless they have been issued at a later date. In computing diluted earnings per share, only potential equity shares that is dilutive and which either reduces earnings per share or increase loss per share are included.

X Segment reporting

Based on the "management approach" as defined in Ind AS 108, Operating Segments, the Chief Operating Decision Maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented along these business segments viz. Hydraulics, Aerospace, Automotive and Metallurgy (Discontinued operations) and Others.

Y Warranties

Warranty costs are estimated by the Management on the basis of technical evaluation and past experience. Provision is made for estimated liability in respect of warranty costs in the period of sale of goods.

Z Cash dividend to equity holders of the Company

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised, and the distribution is no longer at the discretion of the Company. Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

aa Exceptional items

An item of income or expense which by its size, type, nature or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and the same is disclosed in the notes to accounts.

3. Property, plant and equipment and intangible assets **All amounts are in INR lakhs unless otherwise stated in the notes to standalone financial statement**

3.1 Property, plant and equipment

Particulars	Owned										Leased		Total	
	Freehold Land	Buildings	Plant and Machinery	Measuring Instruments	Electrical Installations	Data Processing Equipment	Office Equipment	Furniture and Fixtures	Tools, Dies and Moulds	Vehicles	Motor Boat	Leasehold Improvements		Land (Refer Note (i) below)
Gross carrying amount:														
Balance as at 1 April 2018	5,562	2,885	10,961	1,204	1,039	1,185	487	374	3,443	237	402	683	13,248	41,710
Additions	-	93	450	51	33	108	15	23	294	-	-	36	-	1,103
Deletion (Refer Note ii below)	-	(945)	(1,277)	(316)	(680)	(621)	(149)	(231)	(881)	(51)	-	-	(543)	(5,694)
Classified as held for sale (Refer Note 53)	(5,562)	(94)	(2,657)	(7)	-	(6)	-	(1)	(773)	-	-	-	-	(9,100)
Balance as at 31 March 2019	-	1,939	7,477	932	392	666	353	165	2,083	186	402	719	12,705	28,019
Balance as at 1 April 2019	-	1,939	7,477	932	392	666	353	165	2,083	186	402	719	12,705	28,019
Additions	-	147	217	73	23	123	7	15	187	-	-	53	-	845
Deletion	-	-	(10)	-	-	-	-	-	-	(19)	-	-	-	(29)
Reclassification from discontinued to continued operation (Refer Note 53)	5,562	-	-	-	-	-	-	-	-	-	-	-	-	5,562
Balance as at 31 March 2020	5,562	2,086	7,684	1,005	415	789	360	180	2,270	167	402	772	12,705	34,397
Accumulated depreciation:														
Balance as at 1 April 2018	-	176	1,459	307	341	862	338	293	2,249	170	140	383	5	6,723
Depreciation for the year (Refer Note iii below)	-	93	1,153	55	31	135	28	11	279	41	20	74	-	1,919
Depreciation on deletion (Refer Note ii below)	-	(140)	(137)	(203)	(51)	(547)	(120)	(212)	(114)	(39)	-	-	(5)	(1,568)
Classified as held for sale (Refer Note 53)	-	(26)	(2,028)	(6)	-	-	-	(1)	(520)	-	-	-	-	(2,581)
Balance as at 31 March 2019	-	103	447	153	321	450	246	91	1,894	172	160	457	-	4,493
Balance as at 1 April 2019	-	103	447	153	321	450	246	91	1,894	172	160	457	-	4,494
Depreciation for the year (Refer Note iii below)	-	76	991	57	28	135	22	13	302	9	21	50	-	1,704
Depreciation on deletion	-	-	(10)	-	-	-	-	-	-	(14)	-	-	-	(24)
Balance as at 31 March 2020	-	179	1,428	210	349	585	268	104	2,196	167	181	507	-	6,174
Net carrying amount:														
As at 31 March 2020	5,562	1,907	6,256	795	66	204	92	76	74	-	221	265	12,705	28,223
As at 31 March 2019	-	1,836	7,030	779	71	216	107	74	190	14	242	262	12,705	23,526

Notes:

(i) Includes INR 12,705 allotted by Karnataka Industrial Areas Development Board (KIADB) for a period of 10 years. As per the lease agreement, KIADB shall sell the land to the Company at any time during the tenure of the lease or on the expiry of the lease period at an additional consideration, if any to be decided at the time of entering into sale agreement. Accordingly, no depreciation has been charged on land taken on lease from KIADB. The Management believes that the condition require to be fulfilled to obtain the ownership of this land is administrative in nature.

- (ii) Deletion include disposal of assets relating to discontinued operations during the previous year ended 31 March 2019 referred to in note 53 (For the year ended 31 March 2020: INR Nil).

Particulars	Gross block as at 31 March 2019	Accumulated depreciation as at 31 March 2019	Net carrying value as at 31 March 2019
Property, plant and equipment of disposal group	4,448	516	3,932
Property, plant and equipment classified as assets held for sale	9,100	2,581	6,519
Total discontinued operations	13,548	3,097	10,451

- (iii) Break up of depreciation of continued and discontinued operations is as follows:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Continuing Operations	1,704	1,803
Discontinued operations	-	116
Total	1,704	1,919

3.2 Intangible assets

Particulars	Application Software	Prototype development	Total
Gross carrying amount:			
Balance as at 1 April 2019	776	140	916
Additions	100	-	100
Deletion (Refer Note i below)	-	(140)	(140)
Classified as held for sale (Refer Note 53)	(67)	-	(67)
Balance as at 31 March 2020	809	-	809
Balance as at 1 April 2019	809	-	809
Additions	72	66	138
Deletion	-	-	-
Balance as at 31 March 2020	881	66	947
Accumulated amortisation:			
Balance as at 1 April 2018	764	78	842
Amortisation for the year	66	-	66
Depreciation on deletion (Refer Note ii below)	-	(78)	(78)
Classified as held for sale (Refer Note 53)	(55)	-	(55)
Balance as at 31 March 2019	775	-	775
Balance as at 1 April 2019	775	-	775
Amortisation for the year (Refer Note ii below)	43	21	64
Balance as at 31 March 2020	818	21	839
Net carrying amount:			
As at 31 March 2020	63	45	108
As at 31 March 2019	34	-	34

Notes:

- (i) Deletion include disposal of assets relating to discontinued operations during the previous year ended 31 March 2019 referred to in note 53 (For the year ended 31 March 2020: INR Nil).

Particulars	Gross block as at 31 March 2019	Accumulated depreciation as at 31 March 2019	Net carrying value as at 31 March 2019
Intangible assets of disposal group	140	78	62
Intangible assets of assets held for sale	67	55	12
Total discontinued operations	207	133	74

(ii) Break up of depreciation of continued and discontinued operations for the year and previous year is as follows:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Continuing Operations	64	62
Discontinued operations	-	4
Total	64	66

4 Non-current investments

Particulars	As at 31 March 2020	As at 31 March 2019
<i>Unquoted equity shares</i>		
Investment in subsidiaries carried at cost less provision for other than temporary diminution in value		
1) 4,999,930 equity shares (31 March 2019: 4,999,930 equity shares) of face value of INR 10 each fully paid up of JKM Research Farm Limited	2,448	2,448
2) 17,652,937 equity shares (31 March 2019: 17,652,937 equity shares) of face value of SGD 1 each fully paid of JKM Global Pte Limited, Singapore *#	20,005	20,005
Less: Provision for impairment (Refer Note 35)	1,900	-
	18,105	20,005
3) 106,154,994 equity shares (31 March 2019: 104,554,994 equity shares) of face value of INR 10 each fully paid of JKM Erla Automotive Limited	25,781	25,381
Less: Provision for impairment (Refer Note 35)	13,048	-
	12,733	25,381
4) 55,000,000 equity shares (31 March 2019: 55,000,000 equity shares) of face value of INR 10 each fully paid of JKM Ferrotech Limited*	5,676	5,676
Less: Provision for impairment (Refer Note 35)	5,593	-
	83	5,676
	33,369	53,510
Aggregate value of unquoted investments	53,910	53,510
Aggregate amount of impairment in value of investments	20,541	-
*Includes investment in form of financial guarantee provided to banks	800	800

Includes corporate guarantee amounting INR 191 (31 March 2019: INR 191) represents financial guarantee given to Dynamatic Limited, UK (wholly owned subsidiary of JKM Global Pte Limited).

5 Non-current Loans

Particulars	As at 31 March 2020	As at 31 March 2019
<i>Unsecured, considered good</i>		
Security deposits	565	752
	565	752

6 Other non-current financial assets

Particulars	As at 31 March 2020	As at 31 March 2019
<i>Unsecured, considered good</i>		
Bank deposits (due to mature after 12 months from the reporting date)	-	18
	-	18

7 Income tax assets (net)

Particulars	As at 31 March 2020	As at 31 March 2019
Advance income tax and tax deducted at source, net of provision	970	606
	970	606

8 Other non-current assets

Particulars	As at 31 March 2020	As at 31 March 2019
<i>Unsecured, considered good</i>		
Capital advances	9	148
Advances other than capital advance		
Trade advance to related parties (Refer Note 47)*	-	1,380
Other		
Prepaid Expenses	-	230
	9	1,758

*The Company has given trade advance to its wholly owned subsidiary JKM Ferrotech Limited on extended credit terms at an interest rate of 11% p.a. Refer Note 35.

9 Inventories (Valued at lower of cost and net realizable value)

Particulars	As at 31 March 2020	As at 31 March 2019
Raw materials and components#	4,472	4,741
Work-in-progress	5,287	5,370
Finished goods	1,016	227
Stores and spares	671	599
	11,446	10,937

#including goods in transit as on 31 March 2020: INR 123 lakhs (31 March 2019: INR 96 lakhs)

10 Trade receivables

Particulars	As at 31 March 2020	As at 31 March 2019
Trade receivable		
Unsecured considered good	17,346	16,473
Less: Allowance for doubtful debts	(976)	(838)
Net trade receivables	16,370	15,635

(i) All trade receivables are 'current'.

Of the above, trade receivables from related parties are as below:

Particulars	As at 31 March 2020	As at 31 March 2019
Trade receivables from related parties (Refer Note 47)	124	59
Net trade receivables	124	59

The Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in note 45.

11 Cash and cash equivalents

Particulars	As at 31 March 2020	As at 31 March 2019
Cash on hand	6	8
Balance with banks		
- in current accounts	1,241	279
	1,247	287

Cash and cash equivalents as defined in Ind AS 7 "Statements of Cash Flows"

12 Bank balances other than cash and cash equivalents above

Particulars	As at 31 March 2020	As at 31 March 2019
In deposit accounts-held as margin money (due to mature within 12 months from the reporting date)*	2,645	3,026
Unpaid dividend	3	3
	2,648	3,029

*Balances in margin money deposits represents deposits made for non-fund based limits with banks, which are available for use to settle a liability for not more than 12 months from the balance sheet date.

13 Current Loans

Particulars	As at 31 March 2020	As at 31 March 2019
<i>Unsecured, considered good</i>		
Security deposits	586	343
Loans to employees	112	63
	698	406

14 Other current financial assets

Particulars	As at 31 March 2020	As at 31 March 2019
<i>Unsecured, considered good</i>		
Interest receivable from related parties*	-	270
Management fee receivable from related parties (Refer Note 47)	1,389	1,053
	1,389	1,323

*The Company has made trade advance to it's wholly owned subsidiary JKM Ferrotech Limited on extended credit terms at an interest rate of 11% p.a. The interest receivable on said advance has been written off during the year (Refer Note 35).

15 Other current assets

Particulars	As at 31 March 2020	As at 31 March 2019
<i>Unsecured, considered good</i>		
Advances for supply of goods	1,284	316
Trade advance to related parties (Refer Note 47)*	-	3,199
Prepaid expenses	141	243
Balances with government authorities	2,038	3,414
	3,463	7,172

*The Company has made trade advance to it's wholly owned subsidiary JKM Ferrotech Limited on extended credit terms at an interest rate of 11% p.a. Refer Note 35

16 Equity share capital

Particulars	As at 31 March 2020	As at 31 March 2019
Authorised		
Equity shares		
20,000,000 equity shares (31 March 2019: 20,000,000 equity shares) of par value of INR 10 each	2,000	2,000
Preference shares		
500,000 redeemable cumulative preference shares (31 March 2019: 500,000 shares) of par value of INR 100 each	500	500
	2,500	2,500
Issued, subscribed and fully paid up		
Equity shares		
6,341,443 equity shares (31 March 2019 : 6,341,443 equity shares) of par value of INR 10 each	634	634
	634	634

Reconciliation of shares outstanding at the beginning and at the end of the reporting period

Particulars	31 March 2020		31 March 2019	
	Number of shares	Amount in Lakhs	Number of shares	Amount in Lakhs
At the commencement of the year	63,41,443	634	63,41,443	634
At the end of the year	63,41,443	634	63,41,443	634

Rights, preferences and restrictions attached to equity shares:

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining asset of the Company after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

The Company has not allotted any fully paid equity shares by way of bonus shares nor has bought back any class of equity shares during the period of five years immediately preceding the balance sheet date nor has issued shares for consideration other than cash.

Details of shareholders holding more than 5% of equity shares in the Company

Particulars	31 March 2020		31 March 2019	
	Number of shares	% of holding	Number of shares	% of holding
Equity shares of INR 10 each fully paid-up held by				
- Udayant Malhoutra	6,20,179	9.78%	6,20,179	9.78%
- JKM Holdings Private Limited	9,12,538	14.39%	9,12,538	14.39%
- Udayant Malhoutra and Company Private Limited	6,42,011	10.12%	6,42,011	10.12%
- JKM Offshore India Private Limited	4,42,071	6.97%	4,42,071	6.97%
- Samena Special Situations Mauritius	5,55,754	8.76%	5,55,754	8.76%
- Wavell Investments Private Limited	4,48,281	7.07%	4,48,281	7.07%
- HDFC Trustee Company Limited	5,69,650	8.98%	5,69,650	8.98%

17 Other equity*

Particulars	As at 31 March 2020	As at 31 March 2019
Capital reserves	15	15
Capital redemption reserve	240	240
Securities premium	17,410	17,410
Reserve on amalgamation	154	154
General reserve	3,138	3,138
Retained Earnings	9,245	30,089
Total other equity	30,202	51,046

* For detailed movement of reserves refer Standalone Statement of Changes in Equity.

(i) Capital reserve:

Capital reserve was created on account of subsidy received during the year ended 31 March 2005 and is not freely available for dividend distribution.

(ii) Capital redemption reserve:

During the year ended 31 March 2005, an amount of INR 240 was transferred to Capital redemption reserve upon redemption of preference share, in accordance with Section 69 of the Companies Act, 1956. It is not freely available for dividend distribution.

(iii) Securities premium:

Securities premium reserve is used to record the premium received on issue of shares by the Company. The reserve can be utilised in accordance with the provision of the Act.

(iv) Reserve on amalgamation:

Reserve on amalgamation was created pursuant to the scheme of amalgamation of JKM Daerim Automotive Limited (JDAL) during the year ended 31 March 2008. It is not freely available for dividend distribution.

(v) General reserve:

General reserve is used from time to time to transfer profits from retained earnings for appropriation purpose.

(vi) Retained earnings:

The cumulative gain or loss arising from the operations which is retained by the Company is recognised and accumulated under the heading of retained earnings. At the end of the year, the profit after tax is transferred from the statement of profit and loss to the retained earning.

The following dividend was declared and paid during previous year:

Particulars	31 March 2020	31 March 2019
INR 2/- per equity share to equity shareholders*	-	127
Dividend distribution tax on dividend to equity shareholders	-	26
Total	-	153

*During the previous year the Board in their meeting held on 10 August 2018 declared interim dividend of INR 2 per shares.

18 Non-current borrowings

Particulars	As at 31 March 2020	As at 31 March 2019
Secured loans		
Term loans		
- from banks [Refer footnote (i)]	24,870	28,084
- from financial institutions [Refer footnote (ii)]	7,592	8,513
Total borrowings	32,462	36,597
Less: Current maturities of long term borrowing	(1,706)	(2,205)
	30,756	34,392

Information about the Company's exposure to interest rate, currency and liquidity risk are disclosed in note 45.

(i) From banks (including current maturities of non - current borrowings shown under other current financial liabilities):

Details of repayment terms, interest and maturity	Nature of Security
Term loan from bank aggregating to INR 24,870 lakhs (31 March 2019: INR 28,084 lakhs) repayable in 32 quarterly instalments. First instalment starting from 15 October 2018 with interest rate ranging from 10.40% to 11.50% per annum.	First pari passu charge on the entire movable and immovable fixed assets of the Company, present and future. Second pari passu charge on the entire current assets of the Company. Pledge of the shares of subsidiaries and personal guarantee issued by the promoter.

(ii) From financial institutions (including current maturities of non - current borrowings shown under other current financial liabilities):

Details of repayment terms, interest and maturity	Nature of Security
Term Loan from financial institutions aggregating to INR 7,120 lakhs (31 March 2019: INR 7,752 lakhs) repayable in 32 quarterly instalments first instalment starting from 15 October 2018 with interest rate of 11.55% per annum.	First pari passu charge on movable and immovable fixed assets of the Company, present and future. Second pari passu charge on all current assets of the Company. Pledge of the shares of subsidiaries and personal guarantee issued by the promoter.
Term Loan from financial institutions aggregating to INR 472 lakhs (31 March 2019: INR 761 lakhs) repayable in 36 monthly instalments with interest rate of 10.50% per annum.	Secured by way of exclusive charge on fixed assets purchased out of the proceeds of the loan.

19 Other non-current financial liabilities

Particulars	As at 31 March 2020	As at 31 March 2019
Finance guarantee obligation	4	11
	4	11

20 Non-current provisions

Particulars	As at 31 March 2020	As at 31 March 2019
Provision for employee benefits		
Provision for gratuity (Refer Note 43)	1,553	1,315
Provision for compensated absences	349	270
Other provisions		
Provision for decommissioning costs (Refer Note 40(b))	431	379
	2,333	1,964

21 Deferred tax liabilities (net)*

Particulars	As at 31 March 2020	As at 31 March 2019
Deferred tax liabilities		
Property, plant and equipment's and intangible assets	2,079	2,723
Fair value impact on investment in subsidiaries (Refer Note 35)	3,137	4,991
Leases	3	-
Total deferred tax liabilities (A)	5,219	7,714
Deferred tax assets		
Provision for gratuity and compensated absences	565	665
Provision for loss allowance	246	293
Others	341	208
Total deferred tax assets (B)	1,152	1,166
Net deferred tax liability (A - B)	4,067	6,548

*Refer Note 51

22 Current borrowings

Particulars	As at 31 March 2020	As at 31 March 2019
<i>Secured Loans</i>		
Loans from banks repayable on demand		
- Cash credit and working capital demand loans*	16,234	14,652
	16,234	14,652
<i>Unsecured Loans</i>		
From banks		
- Bill discounting facility from banks@	279	1,037
	279	1,037
	16,513	15,689

* Cash credit and working capital demand loans from banks carry interest ranging between 10.00% - 12.60% per annum., computed on a monthly basis on the actual amount utilized, and are repayable on demand. These are secured by pari passu charge by way of hypothecation of stock and book debts of the Company and second pari passu charge on the movable (other than those exclusively charged) and immovable fixed assets of the Company.

@ The Company has availed bill discounting facility from banks which carry interest rate between 12.00 % per annum and is payable within 90 days from date of discounting of bills.

Information about the Company's exposure to interest rate, currency and liquidity risk are disclosed in note 45.

23 Trade payables

Particulars	As at 31 March 2020	As at 31 March 2019
Dues of micro, small and medium enterprises (Refer Note 42)	1,508	577
Dues to creditors other than micro and small enterprises	10,990	11,615
	12,498	12,192

All trade payables are current.

The Company's exposure to currency and liquidity risk are disclosed in note 45.

Related party balance are disclosed in note 47.

24 Other current financial liabilities

Particulars	As at 31 March 2020	As at 31 March 2019
Current maturities of long-term borrowings (Refer Note 18)	1,706	2,205
Capital creditors	5	237
Accrued expenses	1,011	1,140
Finance guarantee obligation	8	18
Security deposits	64	64
Unpaid dividend	3	3
Interest accrued but not due on borrowings	164	5
	2,961	3,672

The Company's exposure to currency and liquidity risk are disclosed in note 45.

25 Current provisions

Particulars	As at 31 March 2020	As at 31 March 2019
Provision for employee benefits:		
Provision for gratuity (Refer Note 43)	303	276
Provision for compensated absences	39	26
Others		
Provision for warranties (Refer Note 40 (a))	20	20
	362	322

26 Other current liabilities

Particulars	As at 31 March 2020	As at 31 March 2019
Advance from customers	69	76
Advance due to related parties (Refer Note 47)	130	-
Statutory liabilities	169	154
	368	230

27 Revenue from operations

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Sale of products		
Revenue from sale of products (Refer Note 52)	55,159	56,855
Total revenue from sale of products (A)	55,159	56,855
Other Operating revenue		
Management fees (Refer Note 47)*	272	832
Export Incentive	1,148	963
Scrap sales	384	565
Total other operating revenue (B)	1,804	2,360
Total revenue from operations (A + B)	56,963	59,215

* It represents the cost with an agreed mark-up for rendering executive management, finance accounting, human resources services and other miscellaneous services to its certain overseas subsidiaries.

28 Other income

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest income on financial assets carried at amortised cost	246	235
Interest on trade advance/ loan to related party (Refer Note 47)	443	300
Foreign exchange gain (net)	852	295
Guarantee income	18	34
Miscellaneous income	77	28
	1,636	892

29 Cost of materials and components consumed

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Inventory of materials and components at the beginning of the year	4,741	4,176
Add: Purchases	24,931	27,629
Less: Inventory of materials and components at the end of the year	4,472	4,741
	25,200	27,064

30 Changes in inventory of finished goods and work-in-progress

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Opening stock		
- Finished goods	227	666
- Work-in-progress	5,370	5,673
	5,597	6,339
Closing stock		
- Finished goods	1,016	227
- Work-in-progress	5,287	5,370
	6,303	5,597
	(706)	742

31 Employee benefits expense

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries, wages and bonus	6,915	6,073
Contribution to provident fund and other funds	559	379
Gratuity expense (Refer Note 43)	239	181
Expenses related to compensated absence	89	40
Staff welfare expenses	577	574
	8,379	7,247

32 Finance costs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest expense on financial liabilities at amortised cost	6,272	6,619
Interest expense on lease liabilities (Refer Note 39)	660	-
Unwinding of discount on dismantling liability	52	46
Other borrowing cost	42	20
Interest on delayed payment of taxes	-	147
	7,026	6,832

33 Depreciation and amortisation expense

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Depreciation on property, plant and equipment (Refer Note 3.1)	1,704	1,803
Depreciation of Right-of-use assets (Refer Note 39)	1,621	-
Amortisation of intangible assets (Refer Note 3.2)	64	62
	3,389	1,865

34 Other expenses

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Consumption of stores, loose tools and spare parts	1,647	1,428
Subcontractor charges	2,658	2,231
Power and fuel	798	841
Rent	177	1,820
Repairs and maintenance:		
- buildings	67	71
- plant and machinery	480	374
- others	484	458
Rates and taxes	131	103
Legal and professional fees	883	1,149
Payments to Auditors (Refer Note 38)	68	126
Travelling and conveyance expenses	596	404
Printing and stationery	80	82
Communication expenses	36	30
Allowances for doubtful receivables (net)	142	(2,366)

Bad debts written off	92	2,477
Insurance	173	137
Freight outward	226	195
Subscription and advertisement	184	241
Packing expenses	526	550
Loss on sale of fixed assets (net)	3	55
Security charges	194	158
Directors sitting fees	26	23
Bank charges	42	52
Corporate social responsibility expenses (Refer Note 54)	24	9
Miscellaneous	97	173
	9,834	10,821

35 Exceptional item

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Provision for impairment of the investment of JKM Ferrotech Limited ('JFTL')	5,593	-
Provision for impairment of the investment of JKM Erla Automotive Limited ('JEAL')	13,048	-
Provision for impairment of the investment of JKM Global Pte. Limited ('JGPL')	1,900	-
Write off of trade advances and interest receivable	6,567	-
	27,108	-

"On 11 February 2020, the board of JKM Ferrotech Limited ('JFTL'), a subsidiary of the Company, has approved a Scheme of capital reduction, subject to regulatory approvals. The said scheme has been filed with the National Company Law Tribunal ('NCLT') in March 2020.

The Company undertook an impairment assessment in respect of its direct and indirect investments in JFTL and has recognised an impairment loss of INR 12,621 [of which INR 5,593 was recorded in respect of investment in JFTL and INR 7,028 was recorded in respect of investment in JEAL (which has invested in JFTL)] and written off trade advances given to JFTL of INR 6,567 during the year.

The Company also undertook impairment assessment of its other investments in subsidiaries as at 31 March 2020 and has recognised an impairment loss of INR 1,900 and INR 6,020 in respect of its investment in JKM Global Pte Limited, Singapore ('JGPL') and JKM Erla Automotive Limited, India ('JEAL') respectively, in the year ended 31 March 2020. Refer Note 2d(viii)

The consequential reversal of deferred tax liability of INR 1,845 for the year ended 31 March 2020 was recognised as credit under deferred tax expense (on the impairment loss in respect of investment in JGPL and JEAL) (Refer Note 51(d)).

36 Contingent Liabilities

Particulars	As at 31 March 2020	As at 31 March 2019
Corporate guarantee given as security for loans taken by related parties*	1,200	2,295
Claims against the Company not acknowledged as debts #		
Income tax	32	116
Indirect tax	344	488

Outflow, if any, arising out of the said claim including interest, if any, would depend on the outcome of the decision of the Appellate Authority and the Company's right for future appeal before the judiciary.

*** Corporate guarantee**

The Company has given guarantee to banks for loans given to related parties to make good of any default made its related parties in payment to banks on the loan availed by those related parties.

Movement of Corporate guarantee given to lender for the loan facilities availed by related parties during the year is as follows:

Related parties	As at 31 March 2019	Given during the financial year	Settled /expired during the financial year	As at 31 March 2020
Dynamatic Limited, UK	938	-	(227)	711
JKM Ferrotech Limited, India	1,357	-	(868)	489
Total	2,295	-	(1,095)	1,200

Movement of Corporate guarantee given to lender for the loan facilities availed by related parties during the previous year is as follows:

Related parties	As at 1 April 2018	Given during the financial year	Settled /expired during the financial year	As at 31 March 2019
Dynamatic Limited, UK	1,282	-	(344)	938
JKM Ferrotech Limited, India	2,399	-	(1,042)	1,357
Total	3,681	-	(1,386)	2,295

37 Capital commitments

Particulars	As at 31 March 2020	As at 31 March 2019
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	213	188

There are no other material commitments.

38 Payment to auditors (excluding goods and service tax) included in legal and professional fees

Particulars	As at 31 March 2020	As at 31 March 2019
Statutory audit fees	33	65
Limited reviews	30	39
Other services	2	12
Out of pocket expenses	3	10
Total	68	126

39 Leases

Transition

Effective April 1, 2019, the Group adopted Ind AS 116, Leases and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Consequently, the Group recorded the lease liability at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of initial application and the ROU asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of INR 6,078 and a lease liability of INR 5,772. The implementation of Ind AS 116 resulted in lower profit before tax by INR 326 on account of higher interest cost and depreciation offset by reversal in rental expenses. Ind AS 116 has resulted in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments. The following is the summary of practical expedients elected on initial application :

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
2. Applied the exemption not to recognize ROU assets and liabilities for leases with less than 12 months of lease term on the date of initial application
3. Excluded the initial direct costs from the measurement of the ROU asset at the date of initial application.
4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 12%

(i) **Following are the change in the carrying value of right to use of assets for the year ended 31 March 2020:**

Particulars	Category of ROU assets		
	Plant & Machinery	Land and building	Total
Reclassified on adaptation of Ind AS 116	3,146	2,932	6,078
Addition	401	186	587
Amortisation	1,582	39	1,621
Balance as at 31 March 2020	1,965	3,079	5,044

(ii) **The following is the break up of current & non-current lease liabilities as at 31 March 2020:**

Particulars	As at 31 March 2020
Non- Current	3,055
Current	1,978
	5,033

(iii) **The following is the movement of lease liabilities during the year ended 31 March 2020:**

Particulars	For the year ended 31 March 2019
Balance at the beginning of the year	5,772
Addition	453
Finance cost during the year	660
Lease payment during the year	1,852
	5,033

- (iv) The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2020 on an undiscounted basis:

Particulars	As at 31 March 2020
Payable within 1 year	1,978
Payable between 1-5 years	4,111
Payable later than 5 years	-
Total	6,089

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expense recorded for short-term leases was INR 177 for the year ended 31 March 2020.

40 The disclosure requirement as per Ind AS 37 with respect to the movement of provisions is as follows:

(a) Provision for warranties

Particulars	As at 31 March 2020	As at 31 March 2019
Opening balance	20	43
Provisions recognized	-	-
Reversals/ utilizations	-	(23)
Closing balance	20	20

(b) Provision for asset decommissioning

Particulars	As at 31 March 2020	As at 31 March 2019
Opening balance	379	333
Unwinding of discount	52	46
Closing balance	431	379

41 Segment reporting

The Chief Executive Officer and Managing Director of the Company has been identified as the Chief Operating Decision Maker ('CODM') as defined by Ind AS 108, Operating Segments. The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by the products portfolio and segment information has been presented accordingly.

Operating segment

The Company's business is concentrated in manufacturing of hydraulic products, automotive & Metallurgy, aerospace related items and others. And accordingly, primary segment information is presented based on the followings:

Reportable segment

Hydraulics	Engaged in the activity of manufacturing hydraulic pumps, hand pumps, lift assemblies, valves and power packs.
Aerospace	Engaged in the activity of manufacturing airframe structures and precision aerospace components.
Others	Comprising Corporate division and Homeland division which offers cutting edge security products and technologies .
Automotive and Metallurgy (discontinued operations)	Engaged in the activity of manufacturing case front, intake manifolds and exhaust manifold and Wind farm division which is into generation of power through wind energy.

Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole. The Company has a corporate centre, which provides various accounting and administrative support functions. Segment information for this activity has been aggregated under 'Unallocated'. Revenue identifiable to business segments have been disclosed under the respective business segment. Segment costs include employee benefit expenses, cost of material consumed, depreciation and other operating expenses that can be allocated on a reasonable basis to respective segments. Assets and liabilities in relation to segments are categorized based on items that are individually identifiable to that segment. Certain assets and liabilities are not specifically allocable to individual segments as these are used interchangeably. The Company therefore believes that it is not practicable to provide segment disclosures relating to such assets and liabilities and accordingly, these are separately disclosed as 'unallocated'.

A Operating segment information is as follows:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Segment revenue		
a) Hydraulics	20,902	25,577
b) Aerospace	35,535	32,802
c) Others	526	836
Revenue from operations (continuing operations)	56,963	59,215
d) from discontinued operations (Refer Note 53)	2,192	7,853
Total revenue from operations (continuing and discontinued operations)	59,155	67,068
Segment results (profit/ (loss) before finance costs, other income and tax from each segment)		
a) Hydraulics	1,155	3,024
b) Aerospace	11,218	9,321
c) Others	(1,506)	(869)
Total (continuing operations)	10,867	11,476
d) from discontinued operations (Refer Note 53)	(1,600)	(460)
Total (continuing and discontinued operations)	9,267	11,016
Unallocable		
- Finance costs	(7,026)	(6,832)
- Other income	1,636	892
- Exceptional gain/(loss) (Refer Note 35)	(27,108)	-
Profit before tax (continuing and discontinued operations)	(23,231)	5,076

Particulars	As at 31 March 2020	As at 31 March 2019
Segment assets		
a) Hydraulics	15,340	14,987
b) Aerospace	43,510	39,275
c) Others	8,647	7,495
d) Unallocated	38,234	57,450
Segment assets from continuing operations	1,05,731	1,19,207
d) Relating to discontinued operations (Refer Note 53)	-	7,574
Segment assets (continuing and discontinued operations)	1,05,731	1,26,781
Segment liabilities		
a) Hydraulics	10,562	8,031
b) Aerospace	9,508	5,192
c) Others	1,467	1,590
d) Unallocated	53,358	60,207
Segment liabilities from continuing operations	74,895	75,020
d) Relating to discontinued operations (Refer Note 53)	-	81
Segment liabilities (continuing and discontinued operations)	74,895	75,101

Information about reportable segments for the period from 1 April 2019 to 31 March 2020 is as follows:

Particulars	Hydraulics	Aerospace	Discontinued operations	Others	Unallocated	Total
Depreciation and amortisation expense	973	2,333	-	83	-	3,389
Capital expenditure	271	556	-	156	-	983

Information about reportable segments for the period from 1 April 2018 to 31 March 2019 is as follows:

Particulars	Hydraulics	Aerospace	Discontinued operations	Others	Unallocated	Total
Depreciation and amortisation expense	674	1,105	120	85	-	1,984
Capital expenditure	265	607	106	55	-	1,033

In addition to the depreciation and amortisation expense reported above, an impairment loss of INR 20,541 (31 March 2019: INR Nil) recognised in respect of investment in equity share capital of subsidiaries and trade advance write off of INR 6,567 (31 March 2019: INR Nil) extended to a subsidiary. The impairment loss and trade advance write off are attributable to unallocated segment assets.

B Geographic information:

The geographical information analyses the Company's revenue and non-current assets by the Company's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographical location of the customer and segment assets which have been based on the geographical location of the assets.

Particulars	Revenue For the year ended		Non current assets* As at	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
India	23,658	33,294	34,536	25,532
United States	14,244	12,925	-	-
Canada	8,319	3,506	-	-
United Kingdom	7,768	8,732	-	-
Europe (other than UK)	4,580	8,073	-	-
Rest of world	586	538	-	-
Total	59,155	67,068	34,536	25,532

*Non-current assets excludes financial assets.

C Major customer

Revenue from transactions with the external customer amounting to 10% or more of the Company's revenues is as follows:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Customer 1	13,993	12,408
Customer 2	8,319	6,858
Customer 3	6,728	6,858
Customer 4	5,960	6,445
Customer 5	-	7,451

42 Dues to micro, small and medium enterprises

Total outstanding dues of micro, small and medium enterprises, which are outstanding for more than the stipulated period and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter refer to as "the MSMED Act") are given below:

Particulars	31 March 2020	31 March 2019
(a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;		
Principal	1,508	559
Interest	31	18
(b) the amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year, and	31	18
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	31	18
Total	1,539	577

43 Assets and liabilities relating to employee benefits

Particulars	As at 31 March 2020	As at 31 March 2019
Net defined benefit liability, gratuity plan *	1,856	1,604
Liability for compensated absences *	388	299
Total employee benefit liability	2,244	1,903
Current	342	302
Non-current	1,902	1,601
	2,244	1,903

* Includes provision for discontinued operations amounting to INR 11 lakhs (31 March 2019: 16 lakhs).

The Company operates the following post-employment defined benefit plan.

Defined benefit plan

The Company operates post-employment defined benefit plan that provide gratuity, governed by the Payment of Gratuity Act, 1972. Employee's who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service or part thereof in excess of six months. The gratuity plan is a funded plan. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

These defined benefit plans expose the Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

A Funding

The Company expects to pay INR 120 in contributions to its defined benefit plans in financial year 2020-21.

B Reconciliation of net defined benefit liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability/ assets and its components:

(i) Reconciliation of present value of defined benefit obligation

Particulars	As at	
	31 March 2020	31 March 2019
Obligation at the beginning of the year	1,689	1,746
Interest cost	130	138
Current service cost	116	116
Past service cost	-	-
Liability transferred on account of discontinued operations (Refer Note 53)	-	(225)
Benefit paid	(29)	(55)
Actuarial (Gains)/Losses on Obligations recognised in Other Comprehensive Income (OCI)		
- Changes in financial assumptions	119	23
- Experience adjustments	(33)	(54)
Obligation at the end of the year	1,992	1,689

(ii) Reconciliation of present value of plan assets

Plan assets at the beginning of the year, at fair value	85	96
Interest income on plan assets	7	8
Contributions	80	144
Asset transferred on account of discontinued operations (Refer Note 53)	-	(101)
Benefits paid	(29)	(55)
Return on plan assets, excluding interest income recognised in OCI	(7)	(7)
Plan assets at the end of the year, at fair value	136	85
Net defined benefit liability	1,856	1,604

C.

(i) Expense recognised in the Statement of profit and loss

Particulars	For the year ended	
	31 March 2020	31 March 2019
Current service cost	116	116
Interest cost	130	138
Interest income	(7)	(8)
Net gratuity cost	239	246

(ii) Remeasurement recognised in other comprehensive income

Particulars	For the year ended	
	31 March 2020	31 March 2019
Actuarial (gain)/ loss on defined benefit obligation	86	(31)
Return on plan assets, excluding interest income	8	7
Total (gain)/ loss recognised in other comprehensive income	94	(24)

D Plan assets

Particulars	As at	As at
	31 March 2020	31 March 2019
Insurance fund	136	85
	136	85

E Defined benefit obligation**(i) Actuarial assumptions**

Particulars	For the year ended	
	31 March 2020	31 March 2019
Rate of return on planned assets	6.83%	7.69%
Discounting rate	6.83%	7.69%
Future salary growth	6.00%	6.00%
Attrition rate	5.00%	5.00%
Weighted average duration of defined benefit obligation (in years)	9	9
Retirement age	60	60

Notes:

- (i) The discount rate is based on the prevailing market yield on Government Securities as at the balance sheet date for the estimated term of obligations.
- (ii) The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the Company's policy for plan asset management.
- (iii) The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

(ii) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant would have affected defined benefit obligation by amounts shown below:

Particulars	As at	As at
	31 March 2020	31 March 2019
Projected Benefit Obligation on Current Assumptions (Gross)	1,991	1,689
Impact of change in discount rate by +1%	(136)	(114)
Impact of change in discount rate by -1%	157	131
Impact of change in salary rate by +1%	151	128
Impact of change in salary rate by -1%	(134)	(114)
Impact of change in employee turnover rate by +1%	9	17
Impact of change in employee turnover rate by -1%	(11)	(19)

Defined contribution plan

The Company's contribution to Provident Fund aggregating to INR 460 lakhs (31 March 2019: INR 423 lakhs) has been recognised in the Statement of Profit and Loss under the head employee benefit expense. The above includes contribution to provident fund of INR 3 lakhs (31 March 2019: INR 44 lakhs) pertaining to discontinued operations.

44 Financial instruments - fair value and risk management

Accounting classification and fair value

The following table shows the carrying amount and fair value of financial assets and financial liabilities including their levels in fair value hierarchy:

Fair value hierarchy

The section explains the judgement and estimates made in determining the fair values of the financial instruments that are:

- recognised and measured at fair value
- measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Indian Accounting Standard.

Particulars	Carrying amount	Fair value		
	31 March 2020	Level 1	Level 2	Level 3
Financial assets measured at amortised cost				
Loans (current and non - current)	1,263	-	-	-
Trade receivables, net of loss allowance	16,370	-	-	-
Cash and cash equivalents	1,247	-	-	-
Bank balances other than cash and cash equivalents	2,648	-	-	-
Other financial assets (current and non - current)	1,389	-	-	-
Total financial assets	22,917	-	-	-
Financial liabilities measured at amortised cost				
Borrowings (current and non - current)	48,975	-	-	-
Lease liabilities	5,033	-	-	-
Trade payables	12,498	-	-	-
Other financial liabilities (current and non - current) *	1,259	-	-	-
Total financial liabilities	67,765	-	-	-

Particulars	Carrying amount	Fair value		
	31 March 2019	Level 1	Level 2	Level 3
Financial assets measured at amortised cost				
Loans (current and non - current)	1,158	-	-	-
Trade receivables, net of loss allowance	15,635	-	-	-
Cash and cash equivalents	287	-	-	-
Bank balances other than cash and cash equivalents	3,029	-	-	-
Other financial assets (current and non - current)	1,341	-	-	-
Total financial assets	21,450	-	-	-
Financial liabilities measured at amortised cost				
Borrowings (current and non - current)	52,286	-	-	-
Trade payables	12,192	-	-	-
Other financial liabilities (current and non - current) *	1,478	-	-	-
Total financial liabilities	65,956	-	-	-

* Current maturities of long term borrowings aggregating INR 1,706 lakhs and INR 2,205 lakhs as at 31 March 2020 and 31

March 2019 respectively have been disclosed under Borrowings (current and non - current).

Investment in equity shares of subsidiaries are not appearing as financial asset in the table above being investment in subsidiaries accounted under Ind AS 27, Separate Financial Statements which is scoped out under Ind AS 109.

Fair value hierarchy

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes investment in equity, preference securities, mutual funds and debentures that have quoted price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unquoted equity securities.

Fair Valuation Method

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

A Financial Assets:

Fair value of all the above financial assets except investments are measured at balance sheet date value, as most of them are settled within a short period and so their fair value are assumed to be almost equal to the balance sheet date value.

B Financial Liabilities:

- (i) **Borrowings:** It includes loans taken from banks and financial institution, cash credit and bill discounting facilities. Borrowings are classified and subsequently measured in the financial statements at amortized cost. Considering that the interest rate on loans is reset on yearly basis, the carrying amount of the loan would be a reasonable approximation of its fair value.
- (ii) **Trade payables and other financial liabilities:** Fair values of trade payables and other financial liabilities are measured at balance sheet date value, as most of them are settled within a short period and so their fair values are assumed almost equal to the balance sheet date values.

45 Financial risk management

The Company's activities expose to financial risks: credit risk, liquidity risk and market risk.

Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by internal auditor. Internal Audit function includes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

i) Credit risk

Credit risk is the risk of financial loss to the Company, if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans given. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivables. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors. The carrying amount of financial asset represent the maximum credit exposure.

Trade and other receivables

The maximum exposure to credit risk at the reporting date is primarily from trade receivables. However, the management also considers the factors that may influence the credit risk of its customer base. Customers of the Company are spread across diverse industries and geographical areas. The Company limits its exposure to credit risk from trade receivables by establishing a maximum credit period and takes appropriate measures to mitigate the risk of financial loss from defaults. Recurring credit evaluation of credit worthiness is performed based on the financial condition of respective customers.

Expected credit loss assessment for Trade Receivables as at 31 March 2020 and 31 March 2019 are as follows:

The Company establishes an allowance for credit loss that represents its estimate of expected losses in respect of trade and other receivables based on past and the recent collection trend. The maximum exposure to credit risk as at reporting date is primarily from trade receivables as at 31 March 2020 amounting to INR 16,370 lakhs (31 March 2019: INR 15,635 lakhs). The movement in allowance for credit loss in respect of trade and other receivables during the year was as follows:

Particulars	As at 31 March 2020	As at 31 March 2019
Balance as at beginning of the year	838	3,071
Amounts written off	(4)	(2,477)
Net measurement of loss allowance	142	244
Balance as at end of the year	976	838

ii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligation as they become due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Management monitors rolling forecast of the Company's liquidity position and cash and bank balances on the basis of expected cash flows. This is generally carried out by the Management of the Company in accordance with practice and limits set by the Company. In addition, the Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

i) Financing arrangement

The Company maintains the following line of credit:

(i) Terms loans taken from bank aggregating to INR 24,870 lakhs repayable in 32 quarterly instalments first instalment starting from 15 October 2018 with interest rate ranging from 10.85% to 11.00% per annum. Term Loan from financial institutions aggregating to INR 7,592 lakhs with interest rate ranging from 10.65%-11.00% per annum. These are secured by first pari passu charge on the entire movable and immovable fixed assets of the Company, present and future (other than those exclusively charged). Second pari passu charge on the entire current assets of the Company, present and future.

(ii) Cash credit and working capital demand loans from banks carry interest ranging between 10.00% - 12.60% per annum., computed on a monthly basis on the actual amount utilized, and are repayable on demand. These are secured by pari passu charge by way of hypothecation of stock and book debts of the Company and second pari passu charge on the movable (other than those exclusively charged) and immovable fixed assets of the Company.

(iii) The Company has availed revolving packing credit facility in foreign currency, which carry interest ranging between LIBOR+3.50% per annum for 120 days.

(iv) The Company has taken availed bill discounting facility from banks which carry interest between 12.00% p.a. and is payable within 90 days from date of bill discounted.

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2020 and 31 March 2019. The amounts are gross and undiscounted contractual cash flow and includes contractual interest payment and exclude netting arrangements:

As at 31 March 2020

Particulars	Contractual cash flows				
	Carrying amount	Total	0-1 years	1-5 years	5 years and above
Borrowings*	48,975	61,226	22,570	33,017	5,638
Trade payables	12,498	12,498	12,498	-	-
Other financial liabilities (current and non - current)	1,259	1,259	1,259	-	-
Total	62,732	74,983	36,327	33,017	5,638

As at 31 March 2019

Particulars	Contractual cash flows				
	Carrying amount	Total	0-1 years	1-5 years	5 years and above
Borrowings*	52,286	72,359	24,184	31,514	16,661
Trade payables	12,192	12,192	12,192	-	-
Other financial liabilities (current and non - current)	1,478	1,473	1,462	11	-
Total	65,956	86,024	37,838	31,525	16,661

* Includes current maturities of long term borrowings.

As disclosed in note 18 and 22, the Company has secured bank loan that contains loan covenants. A future breach of covenant may require the Company to repay the loan earlier than indicated in the above table. Except for these financial liabilities, it is not expected that cash flows included in maturity analysis could occur significantly earlier.

iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

a) Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currency of the Company. The functional currency of the Company is INR. The currencies in which these transactions are primarily denominated are USD, GBP etc.

Management monitors the movement in foreign currency and the Company's exposure in each of the foreign currency. Based on the analysis and study of movement in foreign currency, the Company decides to exchange its foreign currency.

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to management is as follows:

Particulars	Currency	As at 31 March 2020		As at 31 March 2019	
		Amount in foreign currency in lakhs	Amount in INR lakhs	Amount in foreign currency in lakhs	Amount in INR lakhs
Trade receivables	USD	116	8,716	100	6,920
	EURO	0.27	23	-	8
	GBP	16	1,500	16	1,442
Current borrowings	GBP	16	1,544	21	1,936
Other current financial liabilities	GBP	-	-	-*	22
	USD	-	-	-*	6
Other current financial assets	GBP	10	938	7	636
	EURO	5	450	5	417
Trade payables	EURO	0.48	41	0.30	24
	USD	44	3,305	40	2,737
	GBP	2	162	1	57
	CAD	0.8	41	0.3	16

* Not reported due to roundoff

The following significant exchange rates have been applied :

Currency	Year end spot rate	
	31 March 2020	31 March 2019
USD/INR	75.42	69.17
EURO/INR	83.09	77.70
GBP/INR	93.55	90.48
SGD/INR	52.98	50.98
CAD/INR	53.56	51.91

Sensitivity analysis

A reasonably possible strengthening /(weakening) of the USD, EURO, GBP, SGD and CAD against INR as at 31 March 2020 and 31 March 2019 would have affected the measurement of financial instruments denominated in foreign currency and affected equity and profit and loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

Particulars	Profit and loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2020				
USD (3% movement)	163	(163)	122	(122)
EURO (3% movement)	12	(12)	9	(9)
GBP (3% movement)	23	(23)	17	(17)
CAD (3% movement)	(1.24)	1.24	(0.93)	0.93
31 March 2019				
USD (6% movement)	249	(249)	162	(162)
EURO (4% movement)	16	(16)	10	(10)
GBP (2% movement)	2	(2)	1	(1)
CAD (3% movement)	0.50	(0.50)	-	-

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

(a) Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	As at	As at
	31 March 2020	31 March 2019
Financial Assets - Fixed rate instruments		
Bank deposits	2,645	3,044
Total	2,645	3,044
Financial Liabilities		
Variable rate borrowings ((including current maturities of long term debts)	46,563	50,488
Fixed rate borrowings (including current maturities of long term debts)	2,412	1,798
Total	48,975	52,286

(b) Sensitivity

Particulars	Profit and loss		Equity, net of tax	
	1% increase	1% decrease	1% increase	1% decrease
31 March 2020				
Variable rate borrowings	(466)	466	(348)	348
31 March 2019				
Variable rate borrowings	(505)	505	(328)	328

46 Capital management

The Company's policy is to maintain a stable and strong capital base structure with a focus on total equity so as to maintain investor, creditor and market confidence and to sustain future development and growth of the business. The Company monitors the return on capital as well as the level of dividends on its equity shares. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value and safeguard its ability to continue as a going concern.

The Company monitors capital using a ratio of 'adjusted net debt' to 'equity'. For the purpose of Company's capital management, adjusted net debt is defined as aggregate on non-current borrowing, current borrowing and current maturities of long-term borrowings less cash and cash equivalents and total equity includes issued capital and all other equity reserves.

The Company's adjusted net debt equity ratio were as follows:

Particulars	As at	As at
	31 March 2020	31 March 2019
Borrowings (current and non-current)	48,975	52,286
Less: Cash and cash equivalents	(1,247)	(287)
Adjusted net debt	47,728	51,999
Total equity	30,836	51,680
Net debt to equity ratio	1.55	1.01

47 Related Party Transaction

(i) Name of related parties and description of relationship:

Name of related party	Description of relationship
JKM Global Pte Limited, Singapore	Wholly owned subsidiaries (including step subsidiaries)
JKM Research Farm Limited, India	
JKM Erla Automotive Limited, India	
JKM Automotive Limited, India	
Dynamatic Limited, UK	
Yew Tree Investment Limited, UK	
JKM Erla Holdings GmbH, Germany	
Eisenwerk Erla GmbH, Germany	
JKM Ferrotech Limited, India	
Dynamatic US, LLC	
JKM Holdings Private Limited	Entities over which key executive management personnel or relatives of such personnel are able to exercise significant influence
Wavell Investments Private Limited	

Key executive management personnel	Designation
Udayant Malhoutra	Chief Executive Officer and Managing Director
P S Ramesh	Executive Director and Chief Operating Officer, Aerospace, India upto 14 November 2018, Executive Director, Group Technical Services and Human Resource effective 15 November 2018
Arvind Mishra	Executive Director and Global Chief Operating Officer - Hydraulics & Head - Homeland Security
Chalapathi P	Chief Financial Officer
Naveen Chandra P	Company Secretary (upto15 November 2018)
Shivaram V	Company Secretary (appointed with effect from 25 March 2019)

(ii) Related party transactions during the year

Nature of transactions	Related Parties	For the year ended	
		31 March 2020	31 March 2019
Revenue from operations	Dynamatic Limited, UK	72	145
	JKM Ferrotech Limited	15	68
Purchase of raw materials	Dynamatic Limited, UK	1,271	1,441
	JKM Ferrotech Limited	1,628	2,566
	Wavell Investments Private Limited	740	349
Purchase of property, plant and equipment	JKM Ferrotech Limited	-	54
Management fees income	Dynamatic Limited, UK	302	270
	Eisenwerk Erla GmbH, Germany	-	562
Rent expense	JKM Research Farm Limited	48	48
	JKM Holdings Private Limited	4	4
	Dynamatic Limited, UK	175	-
Investment made	JKM Erla Automotive Limited	400	-
Interest income	JKM Ferrotech Limited	443	300
Trade advances given	JKM Ferrotech Limited	3,955	6,189
	Wavell Investments Private Limited	402	-
Reimbursement of expenses	JKM Ferrotech Limited	55	87
	Dynamatic Limited, UK	5	151
Corporate guarantee released/ (settled)	Dynamatic Limited, UK	(227)	(344)
	JKM Ferrotech Limited, India	(868)	(1,042)

(iii) Balance receivable from and payable to related parties as at the balance sheet date:

Particulars	Related Parties	As at 31 March 2020	As at 31 March 2019
Trade receivables	Dynatomic Limited, UK	124	59
Trade payables	Dynatomic Limited, UK	475	660
	Wavell Investments Private Limited	204	65
Other current financial assets	Dynatomic Limited, UK	939	636
	Eisenwerk Erla GmbH, Germany	450	417
	JKM Ferrotech Limited	-	270
Other current liabilities	JKM Research Farm Limited	130	93
Other current financial liabilities	Dynatomic Limited, UK	196	-
Other current asset	JKM Ferrotech Limited	-	3,199
	Wavell Investments Private Limited	567	-
Other non-current assets	JKM Ferrotech Limited	-	1,380
Corporate guarantee	Dynatomic Limited, UK	711	938
	JKM Ferrotech Limited, India	489	1,357

(iv) Compensation of key managerial personnel*

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Udayant Malhoutra	79	84
P. S. Ramesh	90	76
Arvind Mishra	90	76
Chalpathi P.	70	48
Naveen Chandra	-	20
Shivaram V	31	3
	360	307

*Managerial remuneration does not include cost of employee benefits such as gratuity and compensated absences since, provision for these are based on an actuarial valuation carried out for the Company as a whole.

Terms and conditions

All transactions with these related parties are priced at arm's length basis and resulting outstanding balances are to be settled in cash within six months to one year of reporting date. None of the balances are secured.

48 Earnings per share

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Net profit for the year attributable to equity shareholders		
From continuing operations	(19,174)	3,599
From discontinued operations	(1,600)	(369)
Total (loss)/profit for the year	(20,774)	3,230

Reconciliation of basic and diluted shares used in computing earnings per share:

Particulars	As at 31 March 2020	As at 31 March 2019
Number of equity shares outstanding at the beginning of the year	63,41,443	63,41,443
Add: Weighted average number for equity shares issued during the year	-	-
Weighted average number of equity shares outstanding during the year	63,41,443	63,41,443

Earnings per share

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Basic and Diluted earnings per share		
From continuing operations	(302.43)	56.77
From discontinued operations	(25.24)	(5.82)
Total basic and diluted earnings per share	(327.67)	50.95

49 Details of non-current investments purchased and sold during the current and previous year under Section 186(4) of the Act:

Investments in equity instruments

31 March 2020

(a) Subsidiaries	Face value per unit	Fair Value at 1 April 2019	Purchased during the year	Sold during the year	As at 31 March 2020
JKM Research Farm Limited	INR 10	2,448 (49,99,930)*	-	-	2,448 (49,99,930)*
JKM Global Pte Limited, Singapore	SGD 1	20,005 (1,76,52,937)*	-	-	20,005 (1,76,52,937)*
JKM Erla Automotive Limited	INR 10	25,381 (10,45,54,994)*	400 (16,00,000)*	-	25,781 (10,61,54,994)*
JKM Ferrotech Limited	INR 10	5,676 (5,50,00,000)*	-	-	5,676 (5,50,00,000)*
Total		53,510	400	-	53,910

31 March 2019

(a) Subsidiaries	Face value per unit	Fair Value at 1 April 2018	Purchased during the year	Sold during the year	As at 31 March 2019
JKM Research Farm Limited	INR 10	2,448 (49,99,930)*	-	-	2,448 (49,99,930)*
JKM Global Pte Limited, Singapore	SGD 1	20,005 (1,76,52,937)*	-	-	20,005 (1,76,52,937)*
JKM Erla Automotive Limited	INR 10	25,381 (10,45,54,994)*	-	-	25,381 (10,45,54,994)*
JKM Ferrotech Limited	INR 10	5,676 (5,50,00,000)*	-	-	5,676 (5,50,00,000)*
Total		53,510	-	-	53,510

* The amounts in parenthesis represents number of shares

50 Transfer pricing

The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under Sections 92-92F of the Income-tax Act, 1961 ('the Act'). Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the international transactions entered into with the associated enterprise during the financial year and expects such records to be in existence latest by the end of the stipulated timeline, as required by law. The Management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expenses and that of provision for taxation.

51 Income tax

A Amount recognised in statement of profit and loss

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Current income tax:		
Current income tax charge- continuing operations	-	1,294
Current income tax charge- discontinued operations	-	(91)
	-	1,203
Deferred tax:		
<i>Attributable to-</i>		
Origination and reversal of temporary differences- continuing operations	(2,457)	643
Origination and reversal of temporary differences- discontinued operations	-	-
	(2,457)	643
Income tax expense reported in the statement of profit and loss	(2,457)	1,846

B Income tax recognised in other comprehensive income

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Net gain / (loss) on remeasurement of defined benefit liability / (assets)	(94)	24
Income tax expense/ (credit) to OCI	24	9

C Reconciliation of effective tax rate

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Accounting profit before income tax	(23,231)	5,076
Tax using the Company's domestic tax rate 25.17% (31 March 2019: 34.944%)	(5,847)	1,774
Effect on deferred tax balances due to change in income tax rate / differential tax rate on capital gains	26	-
Impact of non - deductible expenses for tax purposes	3,364	72
Income tax expense	(2,457)	1,846

D Deferred tax

Deferred tax relates to the following:

Particulars	As at 31 March 2019	Recognised in profit or loss	Recognised in OCI	As at 31 March 2020
Deferred tax assets / (liabilities)				
Property, plant and equipment's and intangible assets	(2,723)	644	-	(2,079)
Fair value impact on investment in subsidiaries	(4,991)	1,854	-	(3,137)
Provision for gratuity and compensated absences	665	(124)	24	565
Provision for loss allowance	293	(47)	-	246
Leases	-	(3)	-	(3)
Others	208	133	-	341
Deferred tax assets / (liabilities)	(6,548)	2,457	24	(4,067)

Particulars	As at 1 April 2019	Recognised in profit or loss	Recognised in OCI	As at 31 March 2020
Deferred tax assets / (liabilities)				
Property, plant and equipment's and intangible assets	(2,903)	180	-	(2,723)
Fair value impact on investment in subsidiaries	(4,943)	(48)	-	(4,991)
Provision for gratuity and compensated absences	675	(1)	(9)	665
Provision for loss allowance	1,063	(770)	-	293
Others	212	(4)	-	208
Deferred tax assets / (liabilities)	(5,896)	(643)	(9)	(6,548)

52 Revenue from contracts with customers

A. Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers for the year ended 31 March 2020 and 31 March 2019 by market or type of customers, timing of revenue recognition, contract-type and geography.

The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

For the year ended 31 March 2020

Particulars	Hydraulics	Aerospace	Others	Total	Discontinued operation	Grand Total
Market or type of customer						
Government	178	883	-	1,061	-	1,061
Non-government	20,724	34,652	526	55,902	2,192	58,094
Total revenue from contract with customers#	20,902	35,535	526	56,963	2,192	59,155
Timing of revenue recognition*						
Goods or services transferred at point in time	20,902	35,535	526	56,963	2,192	59,155
Total revenue from contract with customers#	20,902	35,535	526	56,963	2,192	59,155

For the year ended 31 March 2019

Particulars	Hydraulics	Aerospace	Others	Total	Discontinued operation	Grand Total
Market or type of customer						
Government	334	1,186	-	1,520	-	1,520
Non-government	25,243	31,616	836	57,695	7,853	65,548
Total revenue from contract with customers#	25,577	32,802	836	59,215	7,853	67,068
Timing of revenue recognition*						
Goods or services transferred at point in time	25,577	32,802	836	59,215	7,853	67,068
Total revenue from contract with customers#	25,577	32,802	836	59,215	7,853	67,068

Represents revenue from sale of products included in revenue from operations.

* The Company does not have any revenue from sale of goods and services where the performance obligation satisfied over time.

Refer to geographic information section under Note 41 - Segment Reporting for more details on the analysis of segment revenue.

Reconciling the amount of revenue recognised with contract and reportable segment:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue as per Contract	57,351	64,575
Adjustments:		
Discount	-	361
Revenue from contract with customers	57,351	64,214
Other Operating revenue		
Management fees	272	832
Export incentive	1,148	997
Scrap sales	384	774
Liabilities no longer required written back	-	251
Revenue from reportable segment (Refer Note 42)	59,155	67,068

B. Contract balances

The Company does not have any contract balances.

C. Remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognised as the end of the reporting period and an explanation as to when the Company expects to recognise these amount in revenue. Unsatisfied or partially satisfied performance obligations are subject to variability due to several factors such as termination changes in contract scope, re-validation of estimates and economic factors.

Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognised corresponds directly with the value to the customer of the Company's performance completed to date, typically those contracts where invoicing is on time and material, unit price basis.

53 Discontinued operations and assets held for sale

During the year ended 31 March 2018, the Board of Directors of the Company vide its meeting dated 28 February 2018, had approved the divestment of 'Automotive and Aluminium Castings' ('discontinued business'). The discontinued businesses included the Aluminium business, the Iron business and the Windfarm business. Subsequently, the Company had obtained the Shareholders' approval (a substantive approval) vide postal ballot dated 15 May 2018 and accordingly 'Automotive and Aluminium Castings' was classified as discontinued operation from the quarter ended 30 June 2018

During the year ended 31 March 2019, the Company had entered into a business transfer agreement to sell certain assets of the Aluminium business. The transaction was consummated on 17 January 2019.

Based on the current management's strategy and in accordance with Ind AS 105 'Non-current Assets Held for Sale and Discontinued Operations', the Company has classified the windfarm land from assets held for sale to Property, Plant and Equipment as at 31 March 2020. Prior to this, the said asset was presented as Assets held for sale.

The Company is actively seeking a buyer for its Iron business. As at 31 March 2020, the Company has recognised an impairment loss of INR 974 on the assets of iron business and windfarm business (other than land) classified as held for sale.

I) The impact of the transaction on statement of profit and loss is as follows:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Loss on disposal of aluminium business (discontinued operations)		
Gross sale consideration (A)	-	4,302
Book value of Property, plant and equipment and Intangible assets (B)	-	3,994
Net book value of other assets(net of liabilities) sold (C)	-	302
Expenses pertaining to disposal of the business (D)*	-	194
Loss on disposal of aluminium business (discontinued operations) (E) = (A-B-C-D)	-	(188)
Results from discontinued operations before tax (F)	(1,600)	(272)
Total loss from discontinued operations before tax (G) = (E + F)	(1,600)*	(460)

* Includes loss of INR 974 on reduction of fairvalue of Property, plant and equipment

II) Carrying value of assets and liabilities classified as held for sale:

Particulars	As at 31 March 2020	As at 31 March 2019
Assets classified as held for sale		
Property, plant and equipment and Intangible assets	-	6,531
Current assets	-	1,043
Assets of disposal group held for sale	-	7,574
Liabilities directly associated with assets classified as held for sale		
Current Liabilities	-	81
Liabilities of disposal group held for sale	-	81

III) Results of assets classified as discontinued operations

The results of discontinued operations included in the profit for the year are set out below.

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue	2,192	7,853
Expenses	(3,792)	(8,313)
Loss before tax	(1,600)	(460)
Income tax credit	-	(91)
Loss from discontinued operations after tax	(1,600)	(369)

IV) Cash flows from/ (used in) discontinued operations

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Net cash used in operating activities	(626)	(232)
Net cash from investing activities	-	3,884
Net cash from financing activities	-	-
Net cash flow for the year	(626)	3,652

54. As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. A CSR committee has been formed by the company as per the Act. The amount required to be spent and actual amount spent on the areas for CSR activities which are specified in Schedule VII of the Companies Act, 2013 is as follows:

Particulars	For the year ended 31 March 2020		For the year ended 31 March 2019
Gross amount required to be spent by the company during the year	23		-
Amount spent during the year on:	24		-

Particulars	In cash	Yet to be paid in cash	Total
Construction/acquisition of any asset on other purpose	- 24	- -	- 24

55. The standalone financial statements were approved for issue by the board of directors on 3 July 2020.

for and on behalf of the Board of Directors of
Dynamatic Technologies Limited



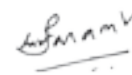
UDAYANT MALHOUTRA
CEO & Managing Director
DIN : 00053714



P S RAMESH
ED – Group Technical Services & HR
DIN : 05205364



CHALAPATHI P
Chief Financial Officer



SHIVARAM V
Head - Legal, Compliance
& Company Secretary

Bengaluru

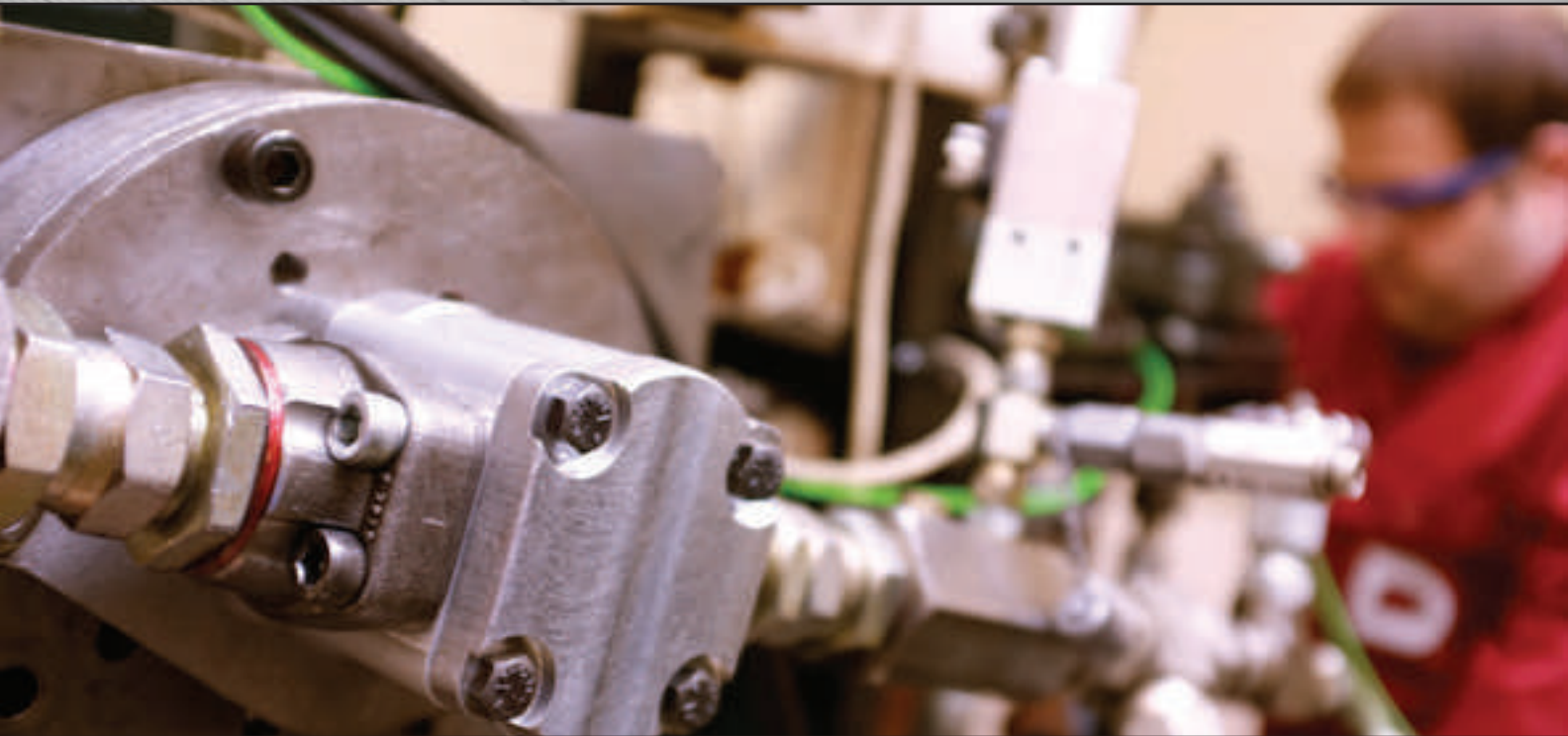
Date: 3 July 2020

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DYNAMATIC LIMITED
UNITED KINGDOM



»» **BUSINESS REVIEW**
REPORT
2019-20



DYNAMATIC LIMITED, UK

DIRECTORS

Mr. Udayant Malhoutra	- Chairman
Mr. Michael John Handley	- Director
Mr. Arvind Mishra	- Managing Director, Hydraulics Division
Mr. James Tucker	- Managing Director, Aerospace Division
Mrs. Pramila Udayant Malhoutra	- Director
Mr. Steve Hayes	- Technical Director, Aerospace Division
Mr. Geoff Dore	- Director
Mr Pierre de Bausset	- Director

BANKERS

Royal Bank of Scotland, UK

REGISTERED OFFICE

Cheney Manor, Swindon, Wiltshire SN2 2PZ, England

OPERATING PLANTS

Hydraulics Division

Cheney Manor, Swindon, Wiltshire SN2 2PZ, England

Aerospace Division

Jarvis Street, Barton Hill, Bristol BS5 9TR, England

FINANCE HEAD

Mr. Geoff Dore

AUDITORS

Deloitte LLP, UK

FINANCIAL RESULTS

DYNAMATIC LIMITED, UK		
Particulars	Year ended 31.03.2020 ₹ in Lacs*	Year ended 31.03.2019 ₹ in Lacs*
Sales	24,175	26,403
EBITDA	1,864	1,727
Interest	319	129
Depreciation	2,220	978
PBT	(719)	620
Tax Charge/(Credit)	(85)	91
Profit After Tax	(633)	529

* Numbers restated as per IND AS

DYNAMATIC HYDRAULICS®

DYNAMATIC LIMITED, UK



Dynamatic Hydraulics®, Swindon, UK, had a flat 2020 with revenue numbers sliding below 2019 numbers. This was largely due to impact of Brexit and also a subdued agri market in the USA which is being catered to by Swindon operations of Dynamatic.

While the business has remained flat, Swindon plant has focussed on new developments of products and market and also focus on its cost reduction and continuous improvement projects which will improve our margins and will also enable us to market aggressively for increased share of business.

FUTURE OUTLOOK

Looking forward, 2021 will witness a moderate growth, with tractor industry volumes picking up in USA . As a strategy Dynamatic is increasing its share of business with existing OEMs while adding new OEMs in this sector.

We have also developed products for the construction equipment sector, off highway vehicle sector which is growing at a healthy rate and will continue to grow in the next few years.

We have added a number of OEMs in the construction equipment sector which are expected to reach full scale production in 18 to 24 months and have potential to exponentially grow the Hydraulics revenue from UK operations.

We have integrated our supply chain as one global supply chain for hydraulics which provides us much more bargaining capability and enables us to keep our costs lower

Arvind Mishra

Global Chief Operating Officer
Dynamatic Hydraulics™





DYNAMATIC-OLDLAND AEROSPACE®

DYNAMATIC LIMITED, UK



Dynamatic-Oldland Aerospace® division in the UK continues to prosper with a good mix of business across a varied range of aircraft in commercial & military markets. This includes the Boeing Chinook pylon and ramp monolithic machined components, C130j Engine structural parts, Airbus Flaptrack parts for A318, A319, A320, A321 & A330. Airbus -flaps, landing gear, wing structural items for A400m & A330. Offering "AOG" Aircraft on Ground fast track service to all customers.

This year we achieved sales of £17.1 million, which is a modest £0.2m increase from the previous financial year. During this financial year the aerospace business has had to adjust capacity and capability to address evolving customer order books, especially the temporary slowdown in requirements for the A330 programme. In doing so we have focused attention on balancing cost control whilst continuing to invest in technology driven business opportunities

FUTURE OUTLOOK

The focus of our business remains one of new technology development which focuses on customer satisfaction. In turn this will enhance the unique partnerships we have built with our clients.

Our state-of-the-art robotic manufacturing cells and our robust internal processes enable us to continually

deliver high standards of quality and embrace an 'Industry 4.0' methodology within our machining factories.

We have demonstrated new standards of machining by manufacturing new structural prototype parts and we have several new opportunities being pursued which give us our consistent strategy of making regular investments to remain at the leading edge of technical advancements.

Dynamatic have a unique strategy offering their customers a complete engineering solution end to end. The Group offering an Indian / UK Aerospace business mix. Already we have seen the benefits of collaboration and close alignment of the aerospace team, regardless of geography, will be at the Centre of furthering leading technical solutions to our customers and improving financial performance.

A handwritten signature in black ink, appearing to read 'James Tucker'.

James Tucker

Global Chief Operating Officer
Dynamatic-Oldland Aerospace®



EISENWERK ERLA GmbH
GERMANY



>>> BUSINESS REVIEW
REPORT
2019-20

DIRECTORS

Mr. Udayant Malhoutra	- Chairman
Mr. Enrico Fischer	- Managing Director
Mr. Dietmar Hahn	- Executive Director
Mr. Geoff Dore	- Director
Mr. Pierre Antoine de Basset	- Director

FINANCE HEAD AND COMPANY SECRETARY

Mr. Christoph Kakoschke

LAWYER

Dr. Hans-Hein Thomas

AUDITORS

Deloitte GmbH, Germany

BANKERS

Commerzbank, Germany

LBBW, Germany

REGISTERED OFFICE

Gießereistraße 1, 08340 Schwarzenberg / Erzgebirge, Germany

OPERATING PLANT

Eisenwerk Erla GmbH, Gießereistraße 1, 08340 Schwarzenberg / Erzgebirge, Germany

FINANCIAL RESULTS

Particulars	Year ended 31.03.2020 ₹ in Lacs*	Year ended 31.03.2019 ₹ in Lacs*
Sales	43,481	56,635
EBITDA	2,970	2,324
Interest	700	628
Depreciation	2,379	1,084
PBT	81	774
Tax Charge/(Credit)	14	272
Profit after tax	67	502

* Numbers restated as per IND AS

Our turnover at €55.03 million for the period April 2019 to March 2020 was lower by €14.65 million (21%) as compared to previous financial year due to conscious step taken to rationalize volumes of lower margin products and to have better product mix to enhance margins.

Adoption of such rationalization strategy had a temporary impact on the financial performance also during the year 2019-20. Pricing in raw materials and for example nickel were volatile during the year.

The overall performance comprising sales, change in inventory and other miscellaneous operational proceeding was at €54.02 million compared to €69.23 million in the previous year.

Prediction of the economic outlook indicates a negative growth of 6,3% to 9,4% in FY2020-21 driven by impact of the Corona-Pandemic.

Though the Pandemic there could be lower in production and turnover levels in German Foundry industry, generally is assured of lower orders from our niche market, the turbo charger industry for FY2020-21.

Thereby the financial and yield conditions are likely to a lower level but remain solid for Eisenwerk Erla GmbH, the new machining facility commissioned in Germany will drive both revenue and profitability in the coming years. The company has received contract for series delivery of machined castings and negotiations are also in progress for additional contracts.

As on 31st March 2020, there were 285 employees, of these 4 apprentices and additional 44 temporary workers.





FUTURE OUTLOOK

- Increase of productivity inside the foundry processes for saving costs and improving the quality level.
- Using consolidation process in branch to optimize portfolio, to improve capacity utilization and margins.
- Expanding the machining capabilities to improve the margins and have a positive impact on the market position.
- Expand trading activities with the Indian subsidiary JKM Ferrotech Limited.
- Diversify into aerospace products in collaboration with our parent company Dynamatic Technologies Limited.

Notwithstanding the above, should the economic environment improve after a consolidation process pushed by Corona-impact in the automotive sector, turnover and growth in margins would be higher, this would have a positive impact on the results due to higher variable interests. To improve its market share the company is also focusing on further development of high-end automotive parts within machining.

Enrico Fischer
Managing Director
Eisenwerk Erla GmbH

Dietmar Hahn
Executive Director
Eisenwerk Erla GmbH

JKM FERROTECH LIMITED
INDIA



>>> BUSINESS REVIEW
REPORT
2019-20



JKM Ferrotech Limited ('JFTL') focussed on increasing sales to domestic customers by adding Steering Knuckle to the product portfolio. JFTL supplies Steering Knuckle to Hyundai Motors India and KIA Motors India on single source basis through Korean Tier-I Myunghwa Automotive. Emphasis was placed on reducing OPEX by saving power, rejection control and yield improvement.

During this financial year, JFTL faced unprecedented challenges due to slowdown in the auto sector. Demand distress was due to factors like NBFC crisis, BSIV to BSVI transition, New axle loading norms and Increased cost due to higher insurance and GST. Increased in labour and freight charges also impacted the cost.

Daimler India and Turbo Energy Ltd awarded new businesses for BS-VI Parts. Maruti Suzuki India Limited has approved JFTL as Tier-II supplier which opens up direct business opportunity with them.

On-line robotic X-ray machine is under installation and AERB approval is already received. This will be utilised primarily for the Steering Knuckles and this additional testing capability will pave way for new business in this product segment.

FUTURE OUTLOOK

- From 100% auto to diversification into non- auto business segments - targeting 30% wallet share in next 3 years.
- Re-focus on export business.
- Explore supply of finished casting and sub-assemblies through increased outsourcing
- Set up in-house machining for items with high margin.
- Explore Joint Venture with Tier-I customers for assured volumes.
- Implementation on ISO 45000
- Focus more on Safety

Chalapathi P

Director

DIN : 08087615

DIRECTORS

Mr. Govind Mirchandani	- Independent Director
Ms. Junia Sebastian	- Independent Director
Mr. Pradyumna Vyas	- Independent Director
Mr. P S Ramesh	- Director
Mr. Chalapathi P	- Director
Ms. Lakshmi Kamath	- CFO
Mr. Chandrashekar	- Company Secretary

AUDITORS

Deloitte Haskins & Sells LLP
Chartered Accountants, Bangalore

BANKERS

Bank of India, Chennai

REGISTERED OFFICE

C/o. Dynamic Hydraulics®, Plot No.1A/1, 1st Main Road, 2nd Phase, 1st Stage, Peenya Industrial Estate Bangalore 560 058, Karnataka, India

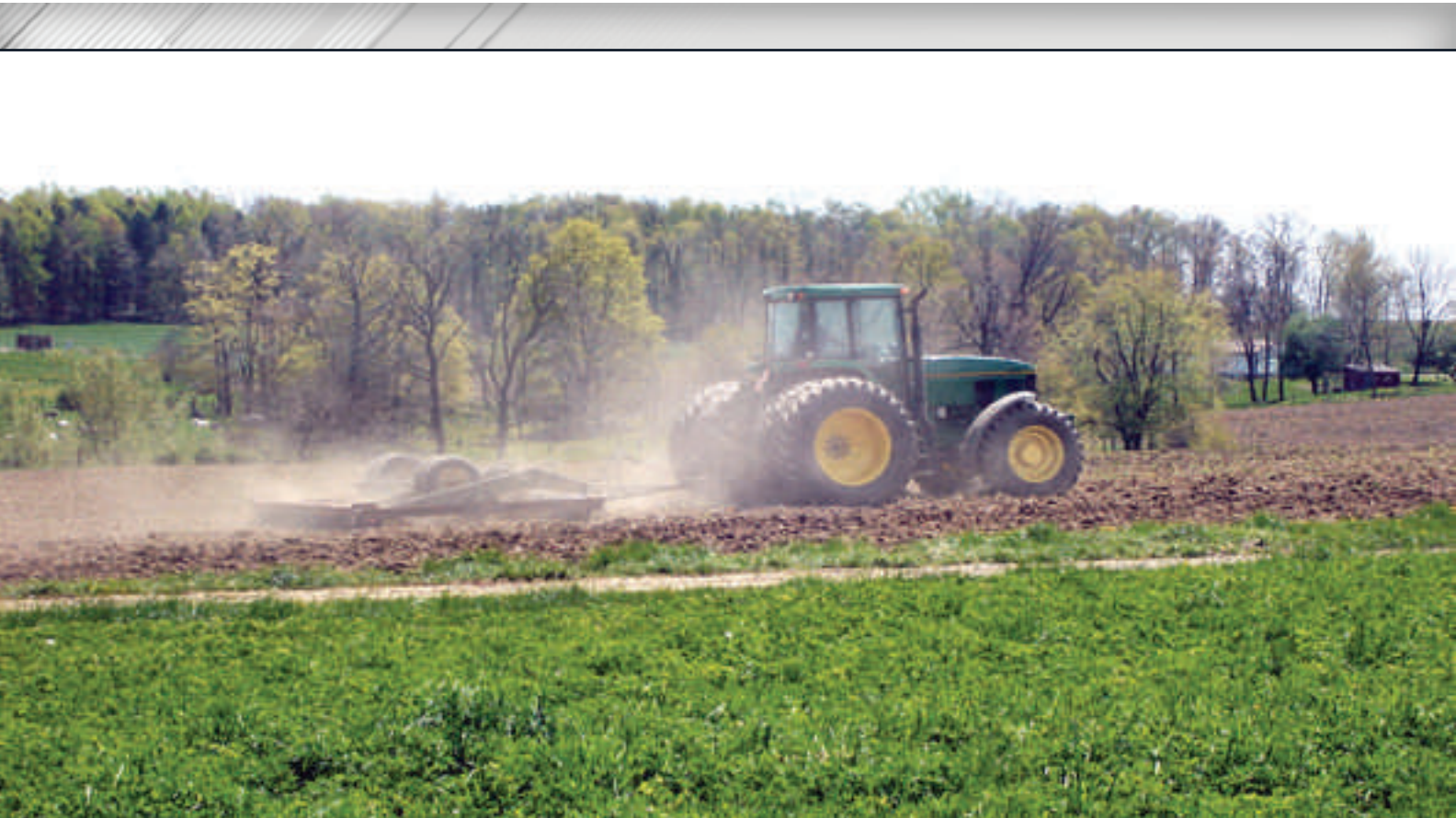
OPERATING PLANT

K-4, Phase II, SIPCOT Industrial Complex, Gummidiipoondi Thiruvallur District, Tamil Nadu 601201, India

FINANCIAL RESULTS

Particulars	Year ended	Year ended
	31.03.2020	31.03.2019
	₹ in Lacs	₹ in Lacs
Revenue from Operation	10,801	13,219
EBITDA	(90)	185
Interest	736	736
Depreciation	1,029	989
Profit (Loss) before Tax	(1,850)	(1,518)
Tax Charge / (credit)	-	-
Profit (Loss) After Tax	(1,856)	(1,518)

JKM RESEARCH FARM LIMITED
BANGALORE, INDIA



>>> BUSINESS REVIEW
REPORT
2019-20



JKM Research Farm Limited (JRFL), a farm Equipment performance and optimisation Company located near Bangalore on a 65 acre farm land, supports the Hydraulic Division of Dynamatic Technologies Limited (DTL) in the areas of design concept, functional prototype testing, and technical information. JRFL is continuously engaged in finding innovative solutions to upgrade the products of DTL customers.

In this regard, JRFL provides a unique opportunity to DTL to test and validate its products in real time field conditions.

Organic Farming of Guava and Lime plantations have commenced during the year under review.

During the year under review, JRFL has made an income of ₹63.37 lakhs. The profit after tax for the year amounted to ₹36.60 lakhs.

Arvind Mishra

Director

DIN : 07892275

DIRECTORS

Mr. P S Ramesh - Director
Mr. Arvind Mishra - Director
Ms. Pramilla Malhoutra - Director

AUDITORS

M/s. Prasad & Kumar
Chartered Accountants, Bangalore

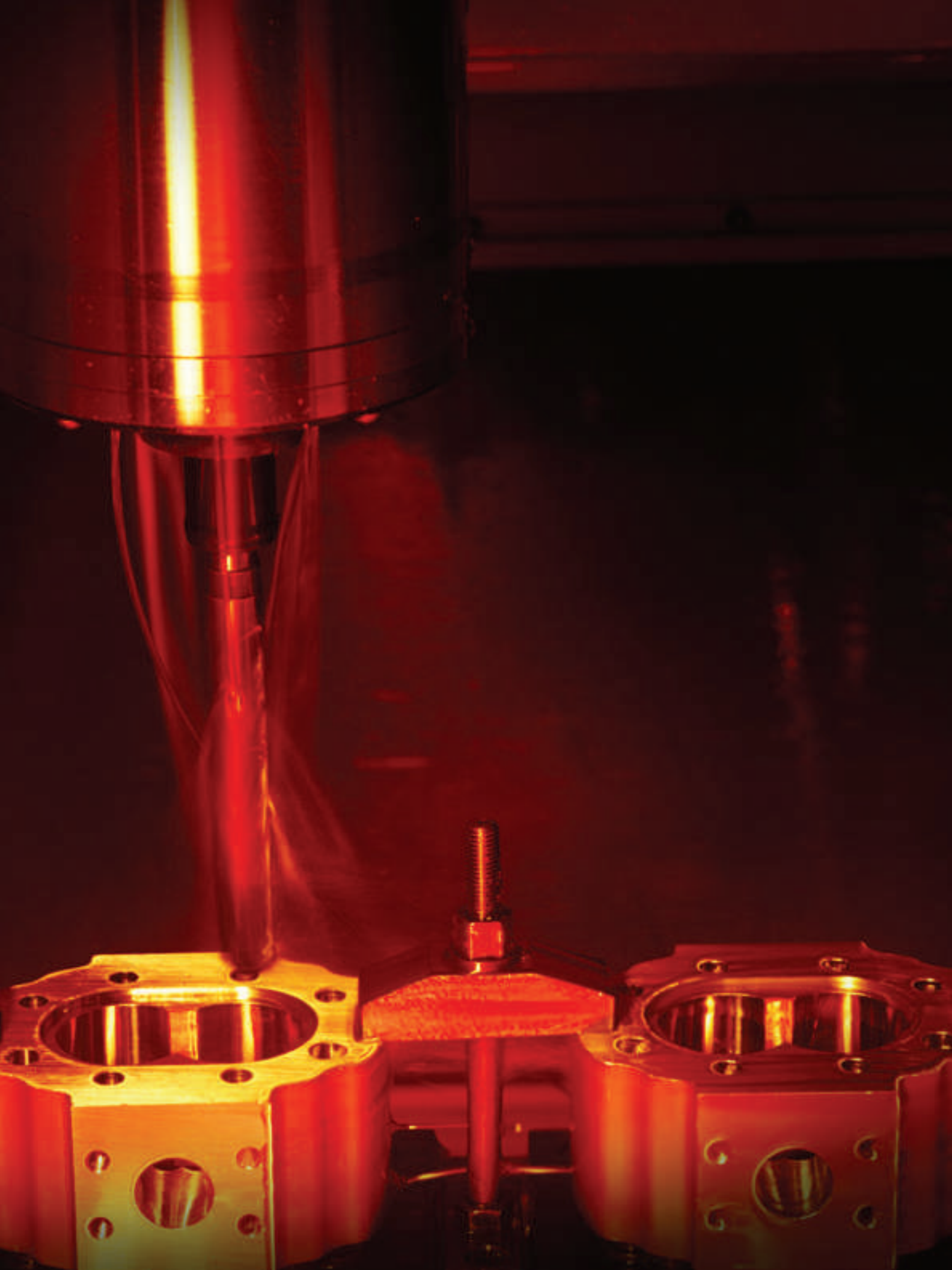
REGISTERED OFFICE

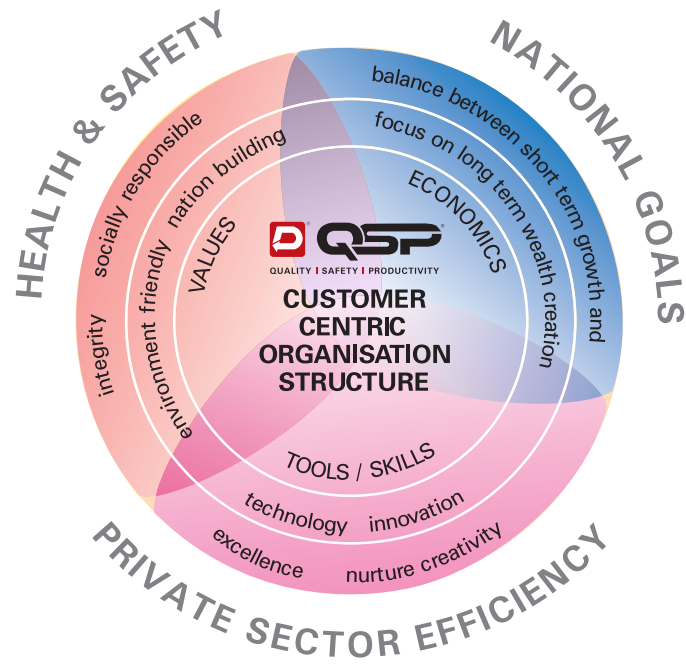
C/o. Dynamatic Hydraulics®
Plot No.1A/1, 1st Main Road,2nd Phase
1st Stage, Peenya Industrial Estate
Bangalore 560 058, Karnataka, India

FARM LOCATION

Kalludevanahalli Village, Kadanur Post
Doddaballapura District, Bangalore Rural 561 204
Karnataka India







DYNAMATIC TECHNOLOGIES LIMITED

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