DYNAMATIC TECHNOLOGIES LIMITED

10th August 2022

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.

Sub: Annual General Meeting - Annual Report 2021-22

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

Dear Sir / Madam,

We would like to inform that the Forty-Sixth (47th) Annual General Meeting ("AGM") of the Company is scheduled to be convened on Friday, the 9th (Ninth) day of September 2022, at 11.00 (Eleven) A.M. IST through Video Conference ("VC") / Other Audio-Visual Means ("OAVM").

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company along with the Notice of AGM for the financial year 2021-22, 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

Register of Members and Share Transfer Books of the Company will remain closed from 3rd September 2022 to 9th September 2022 (both days inclusive) for the purpose of Annual General Meeting.

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

Registered Office
Dynamatic Technologies Limited
JKM Plaza Dynamatic Aerotropolis
55 KIADB Aerospace Park
Devanahalli Bangalore 562 110 India
Tel +91 80 2111 1223 +91 80 2204 0535

www.dynamatics.com

DYNAMATIC TECHNOLOGIES LIMITED

CC:

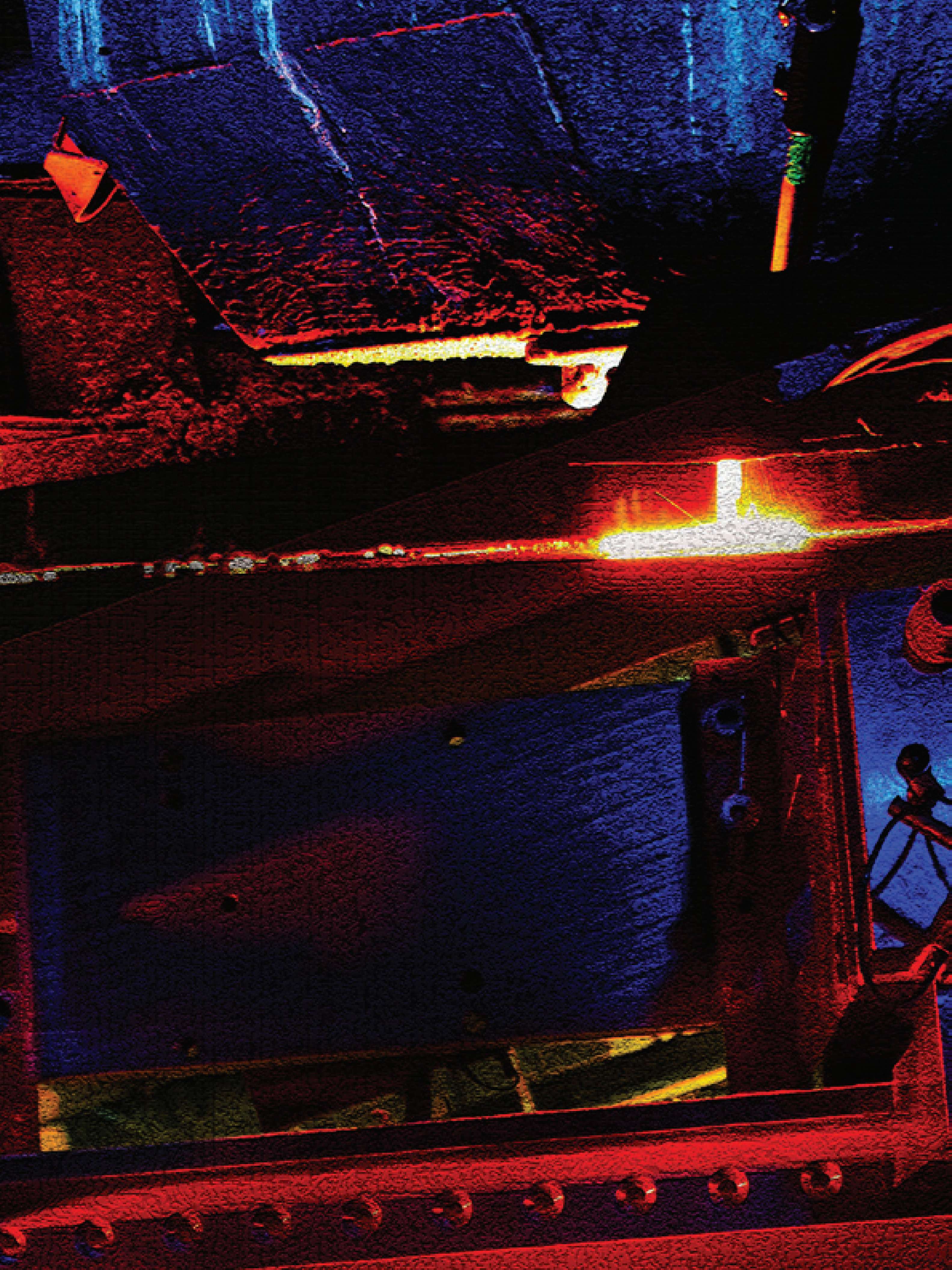
National Securities Depository Limited
Trade world, A wing, 4th and 5th Floors,
Kamala Mills Compound, Lower Parel,
Mumbai- 400 013

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, Financial
District, Nanakramguda, Serilingampally
Mandal, Hyderabad 500 032, Telangana

DYNAMATIC TECHNOLOGIES LIMITED

ANNUAL REPORT 2021-22



"Water shapes its course according to the nature of the ground over which it flows."

\- Sun Tzu

Dear Fellow Shareholder,

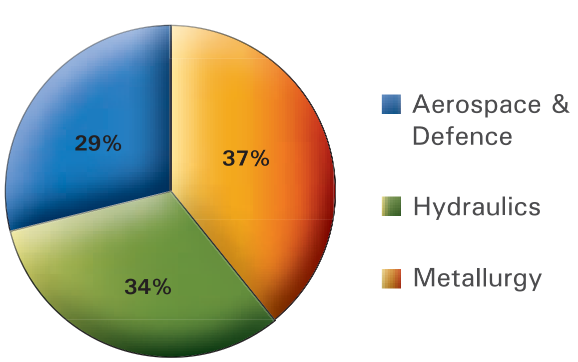
On behalf of the Board of Directors of Dynamatic Technologies Limited and its subsidiaries, I take pleasure in presenting you with Audited Financial Statements for the year 2021-22.

During the year under review, your Company recorded Consolidated Net Revenue of Rs. 12,534 million with Consolidated EBIDTA of Rs. 1,692 million & Profit After Tax of Rs. 321 million (Continuing Operations).

During the past 17 years your Company has been globalising its footprint with manufacturing facilities in India, Germany, UK and USA. Our manufacturing capabilities are complemented with strong design and engineering proficiencies 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.

The graph *(below)* shows the sales mix between the business segments of Aerospace & Defence, Hydraulics and Metallurgy during the year under review.



AEROSPACE & DEFENCE

From the mid 90's your Company has been a R&D/manufacturing partner of DRDO & HAL. During the past decade, we have successfully built a world-class Tier-1 business supplying flight-critical aerostructures to Airbus, Boeing and Bell Helicopter. Our demonstrated capabilities and delivery performance have positioned your Company for greater growth as aircraft manufacturers consolidate their supply chains in a post-covid world.

HYDRAULICS

Your Company is the world's leading manufacturer of hydraulic gear pumps which are fitted on 34% of the agricultural tractors produced worldwide. This high-precision business is both IP-rich, and also enjoys economies of scale. We have developed a large number of complimentary hydraulic systems and elements to increase our share of customers' wallet. Granular cash flow in this business enables your Company to manage uneven cash flow from Aerospace customers.

METALLURGY

Traditionally this was the Company's largest business, with marquee customers like Daimler, BMW, Hyundai, VW Group and Renault Nissan. A lot of best practices, and resources were adopted from this division, in order to build your company's Aerospace business. Over the past two years we have divested a substantial portion of our assets from this division. The German foundry at Erla is being re-configured to produce metallurgical products for Aircraft.

***"Every morning we are born again.
What we do today is what matters most."***

- The Buddha

At Dynamatic, we are geared up for continued growth in our Aerospace business. The Robotic line for Airbus A320 re-design monolithic parts has been commissioned at our Swindon facility, and along with the assembly line at our Bangalore facility will be utilized for the entire life of the aircraft program. The transition to the re-design configuration of A320 Flap-track-beam assemblies has been completed successfully.

Robotic Manufacturing Line at Swindon facility.

With a resumption of travel across the world, we are beginning to see demand from commercial aviation once again, therefore necessitating an increase in production.

Assembly Line at Bangalore facility.

We are now witnessing a growing interest with our customers to collaborate with Dynamatic and award new programs and opportunities. Dynamatic is the first company in India to be chosen for manufacturing F15-EX II Structural Assemblies by Boeing Defense, facilitating collaborative US-India aerospace industrialization.

Boeing F15EX II

Dynamatic recently won the contract to manufacture Escape Hatch Doors for Airbus A220 aircraft. This contract marks a milestone in Airbus' Indian supply chain, and extends Dynamatic's capabilities for manufacturing fuselage aerostructures to Airbus beyond wing movables.

Airbus A220

Airbus A220 Escape Hatch Door

During the pandemic, Dynamatic worked closely with all members of the value chain to sustain customer lines. Recognising this, Airbus chose your Company out of 12,000 suppliers and honoured us with the Airbus Global Sustainability Award 2021.

Dynamatic Team receiving the Airbus Global Supplier Award during their visit in December 2021

Aerospace & Defence OEMs rely on a global supply chain of trusted partners.

Covid, Brexit, Russia/Ukraine and geopolitical tension with China have all contributed to supplier disruption. In this environment, OEMs value resilient and sustainable suppliers.

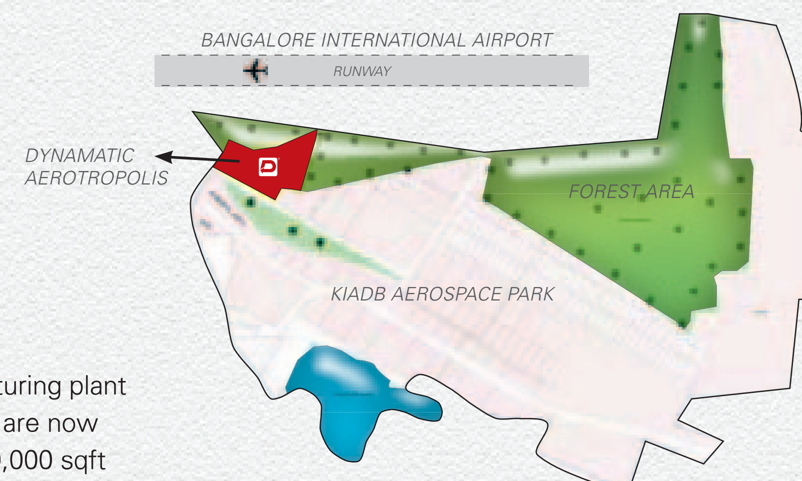
Similarly, Boeing spotlighted Dynamatic for resilience amongst it's over 11,000 suppliers

Dynamatic has also continued to ensure its on-time delivery to customers.

https://www.boeing.com/suppliers/dynamatic-technologies.page

Dynamatic Aerotropolis

In 2015, your Company had established a manufacturing plant adjacent to the Bangalore International Airport. We are now expanding the 60,000 sqft facility and will have 240,000 sqft available to us by the end of this year. Over the next decade we will add another 1 million sqft to this facility, catering exclusively to new orders awarded to us. The state-of-the-art aerospace manufacturing and engineering facilities located right next to the runway, allow us huge growth opportunities.



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 Tractor market in India witnessed a rebound post the lockdown, largely due to pro-rural measures taken by Government of India, along with good monsoons. The tractor industry also witnessed a shift towards power steering. In addition to doubling the number of pumps required per tractor, it increases vehicle versatility enabling usage for construction and transportation in rural areas. This will further drive demand for tractors.

In addition to consolidating our market share of gear-pumps with Indian Tractor OEMs, we have developed a wide range of complementary products which would allow us to increase our wallet-share per tractor.

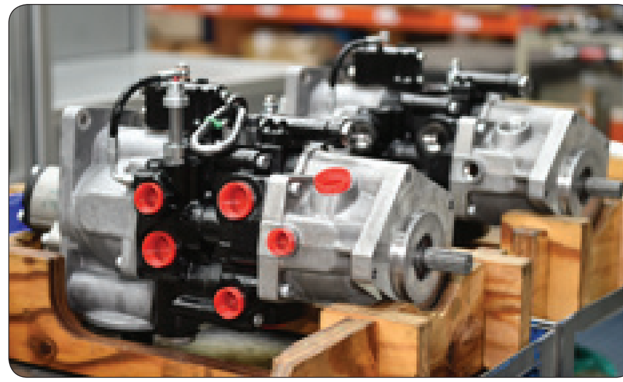
Dynamatic Hydraulics®, UK has designed and developed a very advanced hydraulic pump package comprising of energy efficient piston pumps, gear pump, load sensing valve blocks and filter for a large North-American OEM in the farm mechanization sector. This product has moved from development to production, and will substantially increase sales turnover of the Swindon facility over the next two years.

"Chance favours the prepared mind"

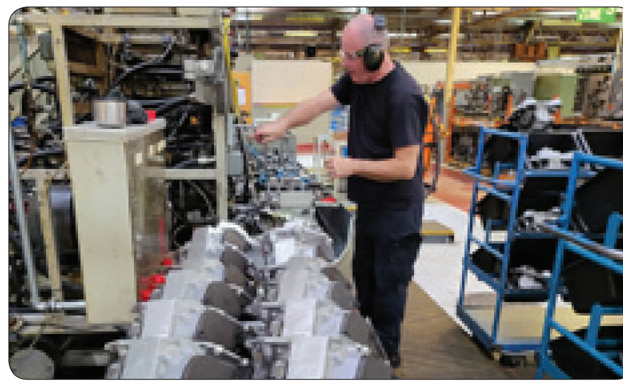
- Louis Pasteur

Eisenwerk Erla GmbH, Germany, is a world-class foundry producing parts for BMW, Daimler, Audi, Porsche, and Maserati. Given the sunset of internal combustion engines by 2030, we had built a road-map to pivot this foundry to manufacture higher value-added aerospace grade metallurgical products over the next few years. Towards this end, the facility was successfully qualified to aerospace standards earlier this year and we had planned a gradual ramp-down of Automotive production, while we ramped-up aerospace capacity.

The Russian invasion of Ukraine has completely changed the dynamic. With massive disruption in raw material availability, and a 400% rise in power costs, this has brought huge risk and turbulence to the foundry and all it's stakeholders.

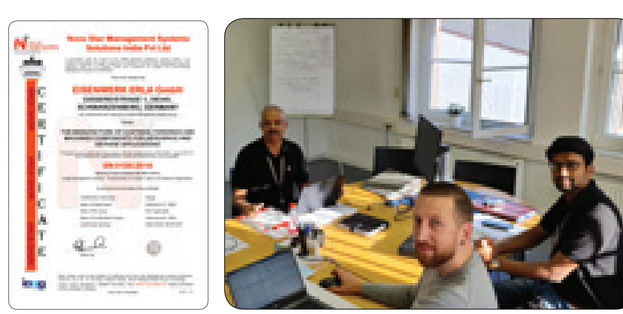


Integrated Hydraulic pump package produced at Swindon facility.



Hydraulic pump production line at Swindon facility

Eisenwerk Erla GmbH, Germany



Aerospace Certification received by Eisenwerk Erla GmbH this year

On the other side of the same coin, the conflict has brought tremendous opportunity. The Aerospace & Defence Industry has extremely strong demand, but is unable to ramp-up production of aerospace-grade forgings and castings due to western capacity constraints. This places us at a unique crossroads where we can benefit from a rapid transition to aerospace metallurgy. Dynamatic already has strong relationships with Airbus, Boeing, Bell Helicopter and Dassault, all of whom are impacted by severe shortages.

We will now move ahead to rapidly restructure and re-organise the Erla facility to produce metallurgical products for aviation. With it's German location, skilled manpower, knowledge of metallurgy, huge energy capacity and environmental approvals, Erla has several natural advantages. The German Government has also recently announced large investments in the defence sector.

With an extremely strong hydraulics division, and resurgent aerospace sales, your Company is well placed to perform despite global turbulence.

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.

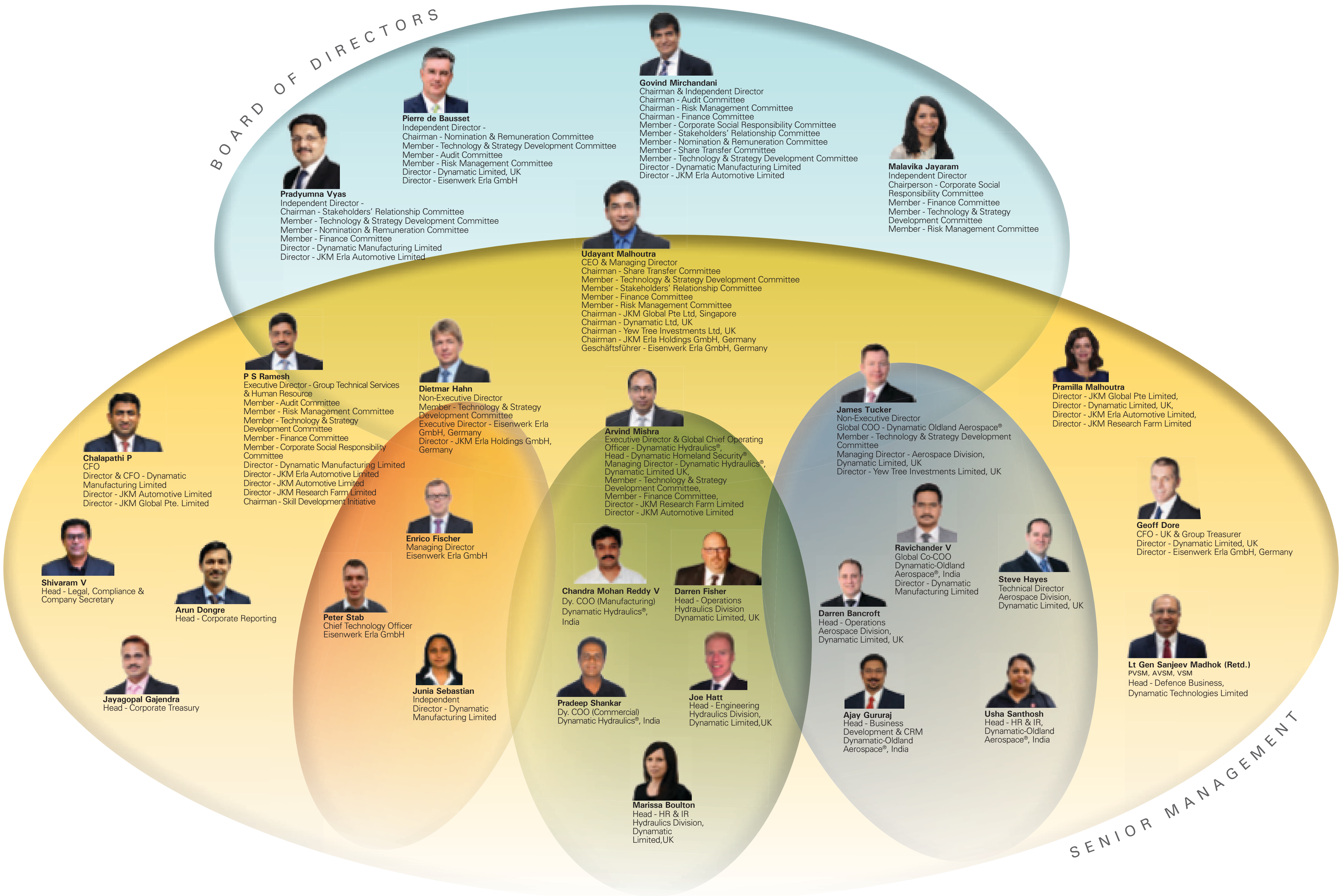
Udayant Malhoutra
Chief Executive Officer & Managing Director

Aerospace Manufacturing: *Laser Tracking underway at Dynamatic Aerotropolis*

The Future of Agriculture: *Mr. Shailendra Jagtap, Managing Director, John Deere India and Mr. Amit Ghildayal, Head SCM, John Deere India at Dynamatic Aerotropolis. Dynamatic is an integral part of John Deere global supply chain & we are exploring ways to further our engagement with new products & solutions.*

Dynamatic Agri Drone

CORPORATE STRUCTURE



Your Company's Organisational Structure is based on a network of highly talented people who have been empowered to deliver results. A concerted effort has been made to remove hierarchy in everything we do.

DIRECTORSHIPS AND AUDITOR DETAILS IN SUBSIDIARIES

DYNAMATIC LIMITED, UK

Chairman
Mr. Udayant Malhoutra

Director
Mr. Michael John Handley

Director
Mr. Geoff Dore

Director
Mrs. Pramilla Malhoutra

Director
Mr. Pierre de Bausset

Managing Director
Dynamatic Hydraulics®, Dynamatic Limited, UK
Mr. Arvind Mishra

Technical Director
Dynamatic-Oldland Aerospace®, Dynamatic Limited, UK
Mr. Steve Hayes

Managing Director
Aerospace Division, Dynamatic Limited, UK
Mr. James Tucker

Auditors
TC Group, UK

YEW TREE INVESTMENTS LIMITED, UK

Chairman
Mr. Udayant Malhoutra

Director
Mr. James Tucker

Auditors
TC Group, UK

EISENWERK ERLA GmbH, GERMANY

Chairman
Mr. Udayant Malhoutra

Executive Director
Mr. Dietmar Hahn

Director
Mr. Pierre de Bausset

Managing Director
Mr. Enrico Fischer

Director
Mr. Geoff Dore

Auditors
Deloitte GmbH, Germany

JKM ERLA HOLDINGS GmbH, GERMANY

Chairman
Mr. Udayant Malhoutra

Director
Mr. Dietmar Hahn

Auditors
Deloitte GmbH, Germany

JKM GLOBAL PTE LIMITED, SINGAPORE

Chairman
Mr. Udayant Malhoutra

Director
Mrs. Pramilla Malhoutra

Director
Mr. Ho Liang Sing

Director
Mr. Chalapathi P

Auditors
Deloitte & Touche LLP
Singapore

JKM ERLA AUTOMOTIVE LIMITED

Director
Mr. Govind Mirchandani

Director
Mr. Pradyumna Vyas

Director
Mr. P S Ramesh

Director
Mrs. Pramilla Malhoutra

Auditors
Deloitte Haskins & Sells LLP
Chartered Accountants
Bangalore

DYNAMATIC MANUFACTURING LIMITED

Director
Mr. Govind Mirchandani

Director
Ms. Junia Sebastian

Director
Mr. Pradyumna Vyas

Director
Mr. P S Ramesh

Director
Mr. Chalapathi P

Director
Mr. Ravichander V

Auditors
Deloitte Haskins & Sells LLP
Chartered Accountants
Bangalore

JKM RESEARCH FARM LIMITED

Director
Mr. P S Ramesh

Director
Mr. Arvind Mishra

Director
Mrs. Pramilla Malhoutra

Auditors
Prasad & Kumar
Chartered Accountants
Bangalore

JKM AUTOMOTIVE LIMITED

Director
Mr. Chalapathi P

Director
Mr. P S Ramesh

Director
Mr. Arvind Mishra

Auditors
Prasad & Kumar
Chartered Accountants
Bangalore


DYNAMATIC TECHNOLOGIES LIMITED
Handing Over
First Vertical Launch Unit
for Complex Naval Application
1st October 2021
COLLABORATIVE PUBLIC-PRIVATE-PARTNERSHIP
PACKING & DISPATCH AREA
RESTRICTED AREA


DYNAMATIC®
WOMEN'S DAY Celebration


AIRBUS
DYNAMATIC TECHNOLOGIES LIMITED
Handing over
SPIRIT

DYNAMATIC TECHNOLOGIES LIMITED

JKM Plaza Dynamatic Aerotropolis
55 KIADB Aerospace Park Devanahalli Bangalore 562 110
Tel: +91 80 2111 1223 / +91 80 2204 0535

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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
Commerzbank
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

Dynamatic Technologies Limited
JKM Plaza Dynamatic Aerotropolis
55 KIADB Aerospace Park
Devanahalli Bangalore 562110
Tel : +91 80 2111 1223 / +91 80 2204 0535
+91 80 2839 4833/34/35
Fax : +91 80 2839 5823
Email : investor.relations@dynamatics.net
CIN : L72200KA1973PLC002308
Website : www.dynamatics.com

REGISTRAR & TRANSFER AGENTS

Kfin Technologies Limited
Selenium Tower B Plot 31 & 32
Financial District Nanakramguda
Serilingampally Mandal
Hyderabad 500032 Telangana
Toll free Number : 1-800-309-4001
Email : einward.ris@kfintech.com
Website : www.kfintech.com

ORGANISATION STRUCTURE

DYNAMATIC TECHNOLOGIES LIMITED
INDIA

METALLURGY
(37% of FY2022 Revenues)

- Dynamatic Manufacturing Limited
Bangalore, India
- Eisenwerk Erla GmbH
Schwarzenberg, Germany

HYDRAULICS
(34% of FY2022 Revenues)

- Dynamatic Hydraulics®
Bangalore, India
- Dynamatic Hydraulics®
Swindon, UK
- Dynamatic LLC, US
Milwaukee, USA

AEROSPACE & DEFENCE
(29% of FY2022 Revenues)

- Dynamatic-Oldland Aerospace®
Bangalore, India
- Dynamatic-Oldland Aerospace®
Bristol, UK
- Dynamatic-Oldland Aerospace®
Swindon, UK

DIRECTORS' AND KMP PROFILE

Mr. Govind Manik Mirchandani

Independent Director & Chairman

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 Organisations. 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, Bombay and a MBA from Indian Institute of Management, Calcutta.

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 Organization (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 in setting up of four new NIDs. 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 honour 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 37 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 Executive 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, Dynamatic 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, Dynamatic-Oldland Aerospace® & Aerospace Dynamatic Limited UK.

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 Dynamatic-Oldland Aerospace® and Dynamatic 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).

Mr. Arvind Mishra

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

Mr. Arvind Mishra has over two decades of experience in Marketing, Business Development, Leadership and Change Management. His key skills are Design thinking, Strategic and Tactical Planning, Competitive Sales Analysis, Budgeting and Forecast, Operational Excellence, Financial Analysis and Valuation. He joined Dynamatic in the year 1995 and has since then 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, Member CII Design committee & has Chaired Policy framework and incentives for design service providers and design user industry in India for 2020-22, is on the Governing Council of Fluid Power Society of India as Vice President FPSI. Arvind is also on the Corporate Advisory Board of Chandigarh University, CAB'21 and CAB' 22. Arvind was the FICCI Homeland security committee Co Chair for the period 2018-2022.

Dr. 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 has served as 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

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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 17 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 Fifteen 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 Mergers and Acquisitions, Equity Issues and Board Management.

Prior to joining the Company, Mr. Shivaram was working with Tata Coffee Limited and prior to that in Manipal Group.

COMPANY OVERVIEW

Incorporated in 1973, Dynamatic Technologies Limited ('Dynamatic Technologies' or the 'Company') is a manufacturer of highly engineered, mission critical products for the Aerospace, Metallurgy 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 Hydraulics has approximately 75% share of the Indian OEM tractor market and about 35% of the global tractor market. Dynamatic Technologies is a pioneer and leader, amongst the private sector, in both India 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 and Primes such as Airbus, Boeing, BEL, Bell Helicopters, Dassault Aviation, Hindustan Aeronautics Limited and Spirit Aerosystems. The Company also manufactures high precision, complex metallurgical ferrous for performance critical components such as turbochargers and exhaust manifolds and has advanced design and development capabilities to support the OEM needs.

Dynamatic Technologies' facilities located in India (Bengaluru & Coimbatore), United Kingdom (Swindon & Bristol) and Germany (Schwarzenberg), are Environmentally sensitive - Green, lean, clean and aligned to our vision of CARE. 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 manufacturer of Hydraulic Geared Products in the world with three state-of-art manufacturing facilities located in India (Bangalore), UK (Swindon) and USA (Milwaukee). The Company has technology leadership in the hydraulics segment globally with the finest in-house engineering laboratories and rapid prototyping capabilities both in India and UK. Both India and UK manufacturing facilities are ISO 9001: 2015 certified with Indian facilities also certified for ISO 14001: 2015 & IS) 45001: 2018.

INDIA

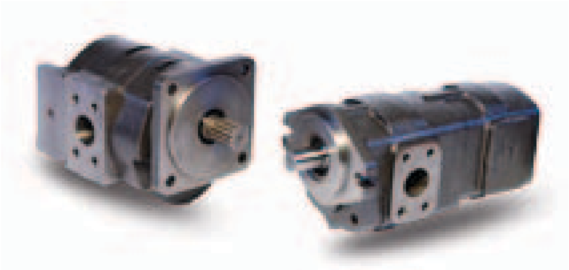
Dynamatic Hydraulics® is one of the largest manufacturer of hydraulic gear pumps & geared motors in the world, supported by the experienced application engineering team, advanced research and development team and rapid prototyping capabilities offering lowest time to market for the fluid power industry.

The Company has the capability to build customized solutions for any application ranging from Farm Mechanisation - Agricultural Tractors and Harvesters, Off-Highway Vehicles, Construction Equipment, Metal Cutting & Metal Forming, Material Handling and Mining Equipment. These capabilities complimented by a robust production system has enabled us to achieve and sustain over 75% market share for pumps on Agricultural Tractors produced in India and 34% share of agricultural tractors produced globally. 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 for the agricultural tractors.

KEY CUSTOMERS

M&M
JOHN DEERE
AGCO
ESCORTS
CNH
WIRTGEN
ATLAS COPCO
TAFE
VST
HAL
SAME
CUMMINS
ACE
MTPF
DLW

It also manufactures very high flow scavenging lube oil pumps for off-highway vehicles and marine and offshore equipment for global OEMs, Power Steering units for Agri and construction equipment and Variable delivery Axial Piston pumps. The Company also designs and build customised hydraulics solutions extending from simple hydraulic pumping units to complex marine power packs and aircraft ground support systems to turnkey industrial installations.



KEY CUSTOMERS

JOHN DEERE
JCB
TEREX
USA JOHN DEERE
MEXICO ALEXANDER DENNIS, UK
MACDON

KEY DISTRIBUTION & AFTER MARKET CUSTOMERS

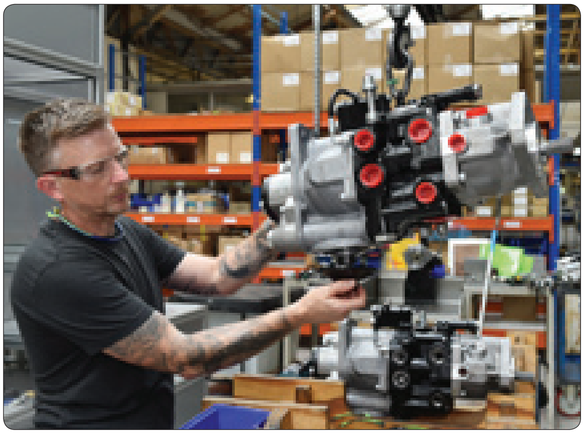
TERMHOPE
WHITE HOUSE PRODUCTS
GILLIG
BERENDSEN


Dynamatic Hydraulics® Leadership Team, India

UNITED KINGDOM

Dynamatic 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 off-highway vehicle manufacturers in UK, Europe and the USA. The facility houses state-of-art product testing and validation laboratories including burst test, calibration test, high temperature tests and noise study.

The product portfolio includes aluminium body, hydraulic gear pumps & motors from low to very high pressure ratings, integrated gear & piston pump packages designed for energy saving and overall equipment, heavy duty yet compact cast iron gear pumps, fan drive motors with integrated control valves and a wide range of valves for pressure and flow controls for use on integrated hydraulic packages.



METALLURGY

Dynamatic Technologies produces high quality ferrous for technology oriented automotive components for passenger cars and commercial vehicles applications for leading global automotive OEMs. The Company possesses modern ferrous foundries and state-of-the-art automotive component manufacturing facilities in Germany and is able to vertically integrate the competence and locational advantages of its facilities to deliver greater value to its customers.

During the year the Company sold the foundry business assets of its Wholly Owned Subsidiary JKM Ferrotech Limited, Chennai to M/s. Danblock Brakes India Private Limited. The transaction was concluded on 22nd July 2021.

Eisenwerk Erla GmbH is one of the preferred suppliers for engine castings and turbocharger housings for the leading global automotive manufactures and cast parts for Agriculture and Road construction vehicles. 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

BORG WARNER TURBO EMISSION SYSTEMS, GERMANY

BMW, AUSTRIA

MAN, GERMANY

DAIMLER, GERMANY

ROTAX, AUSTRIA

AGCO, GERMANY

MTU, GERMANY

INNIO JENBACHER, AUSTRIA

VÖGELE, GERMANY

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 is growing the Business share with major Tier 1's like Spirit AeroSystems and GKN.

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 appreciated by all the Major OEMs including Boeing, Airbus, Bell etc.

Dynamatic Delivers Boeing P8 Retrofit Cabinet

Dynamatic Technologies developed the mission critical P8 Retrofit cabinet in a record time amidst pandemic difficulties. This milestone was celebrated with Boeing Senior Leadership Team in person and through a virtual event, witnessed from US and India.

Dynamatic Technologies Completes 150 Ship Sets of Boeing P8 Power Cabinets

Dynamatic Technologies Limited has completed 150 ship sets of Boeing P8 Power Cabinets and handed them over to Boeing Senior executives from Boeing in US & India.

Dynamatic Technologies Completes 100th Ship Sets of Airbus A320 Re-design Flap-Track-Beams

Dynamatic Technologies Limited completed 100th ship sets of the A320 Redesign Flap Track Beam Assemblies in a record time. This was handed over to the Airbus and Spirit Senior executives present in person and through a virtual event witnessed from UK and India.

Dynamatic Launched the Boeing F-15EX Assembly Production

Dynamatic Technologies Limited launched the first assemblies for Boeing F-15EX Structures production. This is a first where aerostructures for the latest and most advanced F-15EX Eagle II will be made in India. This contract has given a boost to the Aatmanirbhar program and strengthens US-India collaboration on Aerospace and Defence industrialisation.

Dynamatic-Oldland Aerpospace® Leadership Team, India

AWARDS AND ACCOLADES

For about 4 decades, Quality Circle Forum of India (QCFI) has been playing a significant role in Skill Development of people through education, training, propagation, demonstration and assistance for implementation of Quality Concepts in manufacturing & maintenance industries, service sector, education, health, rural areas, society etc.

Teams from Dynamatic Technologies are always in the front row when it comes for any competition organised by QCFI, be it Chapter level, National level or International level. Our teams have won various significant titles in 2021, as below;

In June 2021, 2 teams won Par Excellence and other 2 teams won **Excellence Award** in the **7th National Conclave on 5S 2021.**






In the month of September 2021, 12 teams won Gold awards and other 2 teams won Silver Awards in the **30th Chapter Convention on Quality Concepts (CCQC)-2021.**

In the month of November 2021, 3 teams won Par Excellence awards in the **46th International Convention on Quality Control Circles (ICQCC) Competition** at Hyderabad, which for the very first time.

In the month of December 2021, 3 teams won Par-Excellence awards and other 3 teams won Excellent Awards in the **35th National Convention on Quality Concepts (NCQC)-2021**.

Confederation of Indian Industry (CII) Institute of Quality organized National Competition on Low Cost Automation (LCA) to support the "Make-in-India" campaign by enhancing the competitiveness of Indian Industry in the global market. This competition focuses on core technical concepts / innovative ideas resulted in improvement in PQCDSM (Productivity, Quality, Cost, Delivery, Safety & Morale). LCA Awards will be presented in six categories (Productivity Improvement, Karakuri Kaizen, Quality Improvement, Poka-yoke, Set-up Change (SMED) and Safety & Energy).

In the month of August 2021, a team from DTL is awarded with Gold Award in Control Category for presenting a Case Study at the 9th CII POKA-YOKE Competition.

International Research Institute for Manufacturing (IRIM), the National Awards for Manufacturing Competitiveness (NAMC) is a Unique Award Program which recognizes Non-Conventional Approaches and Tailor-Made Strategies of organizations.

The NAMC Assessment at Dynamatic Technologies Limited (DTL) was conducted in January 2022 for Aerotropolis site in virtual mode.

A core team which consists of Business Head and the Functional Heads have thoroughly absorbed the key requirements from NAMC Manual and faced the Assessment with a very serious approach, which later turned to a great success as DTL could achieve the one of the highest scores (Manufacturing Competitiveness Index) and to win the prestigious GOLD Award and also a Special Award for Promoting Make in India.

Quality Month is an annual celebration of the world's commitment to continuous improvement systems. The celebration provides a platform for acknowledging the accomplishments of people and organizations making advancements and valuable quality contributions in businesses, communities and institutions worldwide.

Quality Month calls on people who always look for improving quality and are ever-ready to initiate new ways by sharing their knowledge and submitting their success stories to illustrate the value of quality principles.

Dynamatic conducted various activities like AS9102 FAI-Training, Eagle Eye Award, Poster, Quiz and Kaizen Competition during quality month and awarded to winners and prestigious quality month champion Trophy is awarded to a Department / Project team by considering their overall performance in the Quality month.

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 Intelligence Surveillance & Reconnaissance (ISR) platforms for military and paramilitary. The HLS vertical of Dynamatic, 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.

UNMANNED AERIAL VEHICLES

Dynamatic Technologies has partnered with Israel Aerospace Industries (IAI) for the manufacture of UAVs in India. The company has entered into a tripartite agreement between IAI, HAL and Dynamatic for manufacture, sales and service of large UAVs in India to cater to the requirements from the Indian Defense 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 Defense 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 and 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, India. It is governed under the management of the Indian Ministry of Defence.

HERON MALE UAV *(photo credits: IAI)*

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.

HERON MALE UAV

The HERON's have been able to fly in dual role and there by fly at ranges of 400 km and extended range of 1,000 km using SATCOM. Herons can operate at Altitudes of 30,000 feet and are the best platforms for surveillance and reconnaissance missions at high altitude and hilly terrains.

MEDICAL

During the Covid-19 pandemic, Dynamatic as a proactive measure, established an in-house Biosecurity laboratory for the purpose of carrying out RT-PCR tests regularly on all it's employees. Services of this Biosecurity lab is also extended to the stakeholders of the Company.

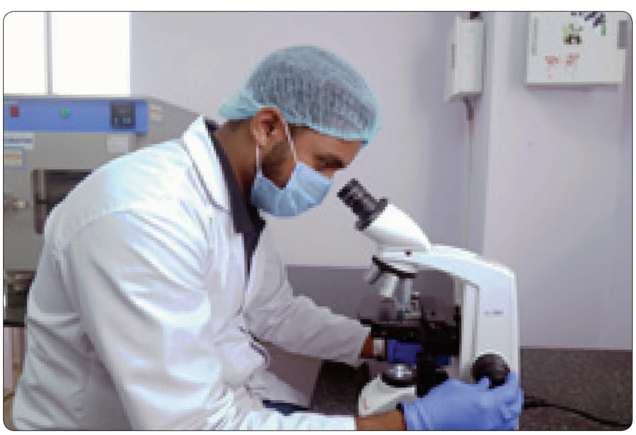
Dynamatic Biosecurity Laboratory situated in the JKM Science Centre, Dynamatic Park, is a NABL Certified (ISO 15189:2012) and ICMR approved Molecular Testing Laboratory. This state-of-the-art lab has the finest equipment and infrastructure and is managed by highly experienced Microbiologists, Research Scientists and Laboratory Technicians.

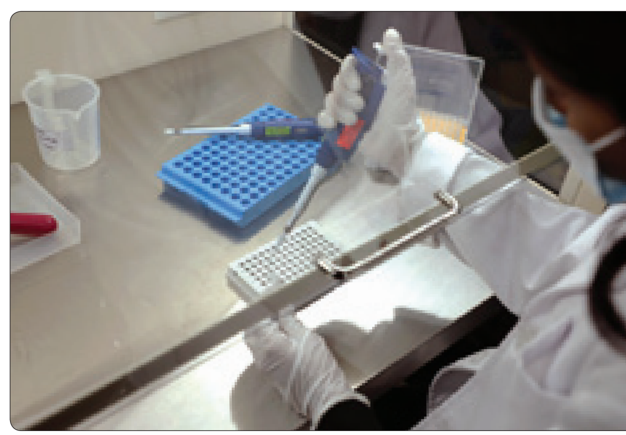
For Covid-19 diagnosis, the RT-PCR (Reverse Transcription Polymerase Chain Reaction) test is considered as gold standard. The nasal and throat swabs are collected by highly trained Dynamatic staff at site and these samples are moved to the biosecurity lab for testing as per standards. The lab maintains a consistent Quality Standard by appropriate knowledge documentation, defined objectives aligning with company Quality Policy to provide reliable, timely, consistent and accurate medical diagnosis through RT-PCR tests.

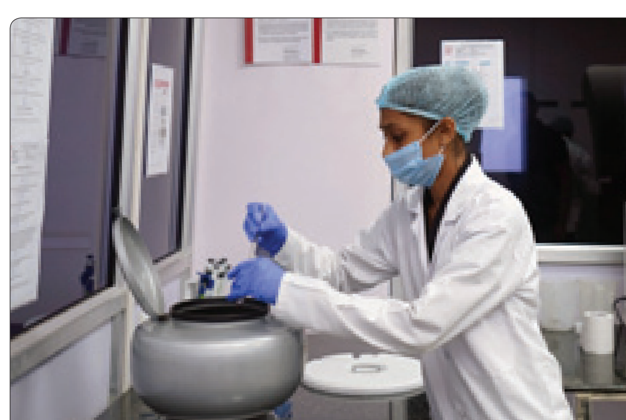
Monitoring health at regular intervals avoids the ignorance of early signs of possible ailments. Henceforward we have extended the scope to cover diagnostic tests which includes routine & special tests from following departments Clinical Pathology, Clinical Chemistry, Hematology, Immunoassay and Serology. The lab follows ISO 15189: 2012 & Good laboratory practice regulatory requirements & is managed by highly experienced pathologists, research scientists & laboratory technicians.

We have put together a team of efficient phlebotomists and coordinators for the convenience of our patients, clients for smooth process during home collection.

Dynamatic Biosecurity Laboratory strives for excellence in patient care with its highly efficient and accuracy-oriented processes. Our advanced hi-tech technology helps the patients in achieving a detailed and progressive inference.







ENGINEERING & DESIGN

Dynamatic Technologies is a knowledge-based organization and research & development continues to be at the heart of the Company's growth strategy. Dynamatic 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 90 scientists and 600 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 Dynamatic 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 Dynamatic 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.

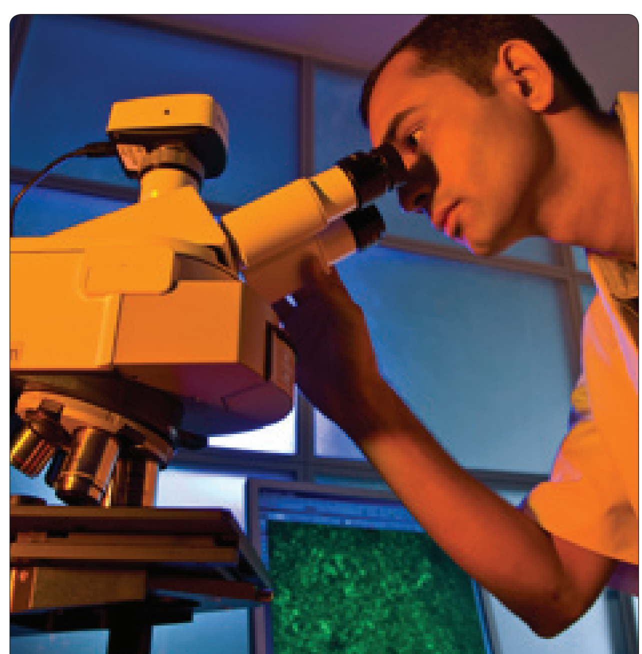
The Dynamatic Technologies Engineering Laboratory in Swindon, UK, possesses advanced design knowledge for the mobile hydraulics sector and has comprehensive product testing and validation capabilities.

The Dynamatic-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.

Indigenisation of Foldable Strut for HAL ALH DHRUV Helicopter developed a foldable strut mechanism for opening and closing of the helicopter door during rugged environmental conditions and is single source supplier for this product to HAL. The sub-assembly has been developed with various specialized aerospace alloys and is manufactured and tested in accordance to the aerospace standards to meet CEMILAC approval for series production. DOA team has also received a patent for the development of the foldable strut.

Development of complex machined beams and frames for Bharat Electronics Limited: Designed and developed a high precision solution for complex machined beams and test rig for high pressure leak and pressure testing. This engagement is a key milestone for DOA towards 'make in India' and indigenisation efforts undertaken by Indian Companies.

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.



JKM Science Center, Bangalore, India,

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 7200, 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 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.

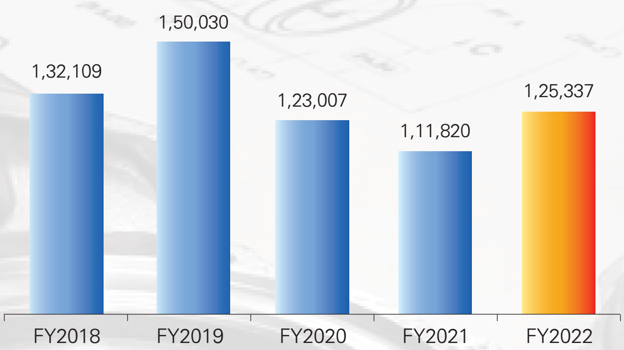
DESIGN & DEVELOPMENT OF BOEING F15EX FORMER ASSEMBLIES:

DOA has been awarded the contract to develop and supply Boeing F15EX Former Assemblies which involves developing 3D models, tooling for detail parts and assembly, manufacture detail parts and assembly of the same by adapting APQP methodology – First time right and every time right. This is the first time DOA is partnering with Boeing for a supersonic fighter jet program.

CONSOLIDATED FINANCIAL HIGHLIGHTS

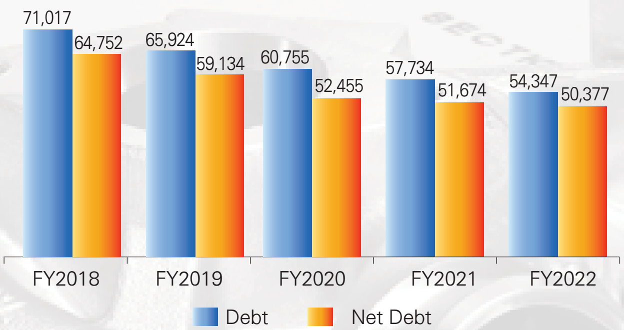
REVENUE BREAK UP

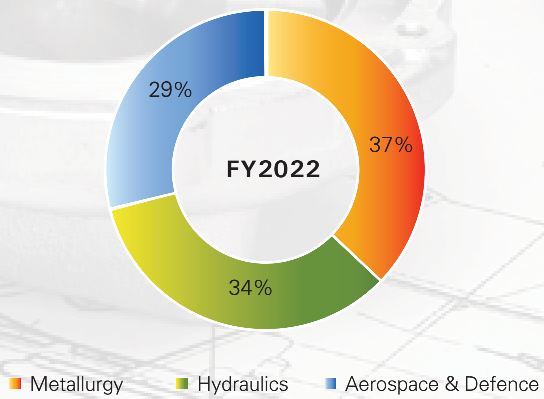
(INR in Lakhs)

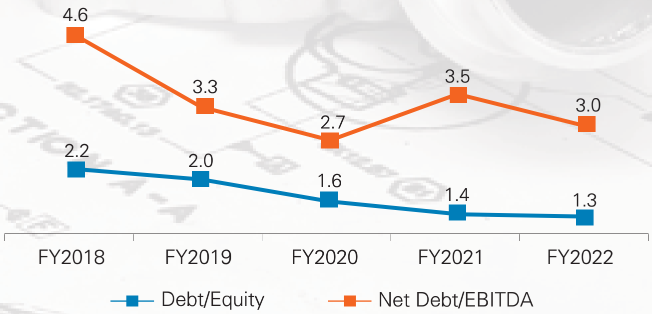


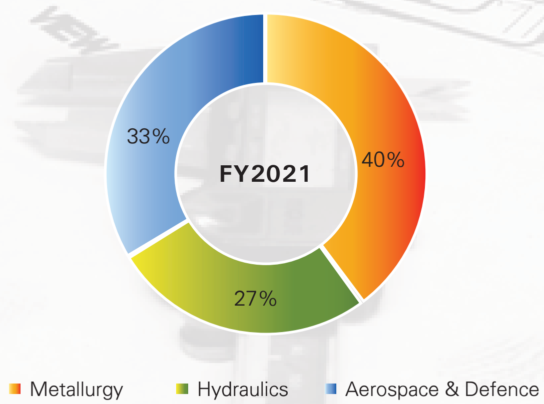
DEBT & LEVERAGE RATIOS

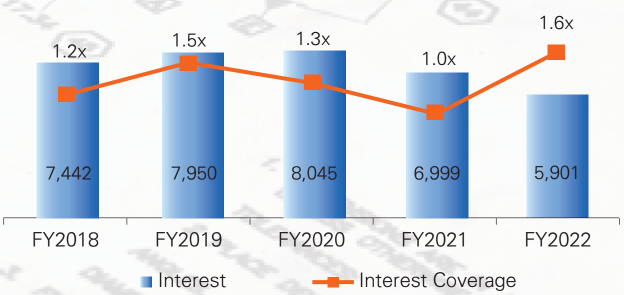
(INR in Lakhs)











Note:

Revenue figures represents Continuing Operations

Previous year numbers were restated as appropriately to make these comparable to FY22 numbers.

DYNAMATIC TECHNOLOGIES LIMITED

Registered Office: JKM Plaza, Dynamatic Aerotropolis, 55 KIADB Aerospace Park,
Devanahalli Bangalore 562110
Corporate Identity Number: L72200KA1973PLC002308
Phone Number: +91 80 2111 1223 / +91 80 2204 0535
+91 80 2839 4933/34/35 Fax: +91 80 2839 5823
Email ID: investor.relations@dynamatics.net; website: www.dynamatics.com

NOTICE CALLING THE 47TH ANNUAL GENERAL MEETING

Notice is hereby given that the 47th (Forty Seventh) Annual General Meeting ('AGM') of the Members of Dynamatic Technologies Limited (the 'Company') will be held on Friday, the 9th (Ninth) day of September 2022 (Two Thousand and Twenty-Two) at 11:00 (Eleven) 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 2022, 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 2022, together with the Report of the Auditor's thereon.

2. Appointment of Mr. James Tucker (DIN: 07093258) as Director liable to retire by rotation:

To appoint a Director in place of Mr. James Tucker (DIN: 07093258), who retires by rotation and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. Ratification of Remuneration payable to M/s. Rao, Murthy & Associates, Cost Auditors

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

"RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013, [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force], read with the Companies (Audit and Auditors) Rules, 2014, as amended to date, the Company hereby ratifies the remuneration of Rs 5,00,000/- (Rupees Five Lakh only), plus applicable taxes thereon and reimbursement of out-of-pocket expenses at actuals incured in connection with the cost audit, payable to M/s. Rao, Murthy & Associates, Cost Accountants (Firm Registration No. 000065), who have been appointed as Cost Auditor by the Board of Directors of the Company, to conduct audit of the cost records of the company for the financial year ending 31st March 2023"

NOTES:

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated 8th April 2020, Circular No.17/2020 dated 13th April 2020 issued by the Ministry of Corporate Affairs ("MCA") followed by Circular No. 20/2020 dated 5th May, 2020, Circular No. 02/2021 dated 13th January 2021 and Circular No. 02/2022 dated 5th May 2022 and all other relevant circulars issued from time to time (collectively referred to as "MCA Circulars"), MCA has permitted the holding of the Annual General Meeting ("AGM") through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), without the physical presence of the Members at a common venue.

2. Incompliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") read with aforesaid MCA Circulars, the 47th AGM of the Company is being held through VC / OAVM, hereinafter called as "e-AGM".

3. e-AGM: Company has appointed M/s Kfin Technologies Limited, Registrars and Transfer Agents ("Kfin"), to provide Video Conferencing facility and the attendant enablers for conducting 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 e-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 Kfin, by clicking the link: **https://ris.Kfintech.com/clientservices/mobilereg/mobileemailreg.aspx** 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 2000 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 No. 3 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 Saturday, 3rd September 2022 to Friday, 9th September 2022.

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. Request received for transmission or transposition of securities will also be effected only in dematerialised form. 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 AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company 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 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 Ltd.

    Selenium Tower B, Plot 31 & 32,

    Financial District, Nanakramguda, Serilingampally Mandal,

    Hyderabad - 500 032, Telangana.

17. Updation of PAN and other details: SEBI vide its Circulars dated 3rd November 2021 and 14th December 2021 mandated furnishing of PAN, KYC details (i.e. postal address with pin code, email address, mobile number, bank account details) and Nomination details by holders of physical securities through Form ISR-1 available in the website www.dynamatics.com

    It may be noted that any service request or complaint can be processed only after the folio is KYC compliant. Accordingly, the Company has sent individual letters to all the Members holding shares of the Company in physical form for furnishing their PAN, KYC and Nomination details.

    Members holding shares of the Company in physical form are requested to go through the requirements hosted on the website of the Company at **www.dynamatics.com** and furnish the requisite details.

18. 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.

19. 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.

20. 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.

21. Since the e-AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

22. In compliance with the aforesaid MCA Circulars and SEBI Circular dated 15th January 2021 read with SEBI Circular dated 12th May 2020, Notice of the e-AGM along with the Annual Report 2021-22 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 2021-22 will also be available on the Company's website **www.dynamatics.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 kfin at **https://evoting.kfintech.com/**

23. 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.

24. 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.

25. In case of any grievances connected with facility for e-voting, please contact:

    Mrs. C Shobha Anand,

    Dy. Vice-President

    Contact No. 1800 309 4001, at

    `Kfin Technologies Ltd.

    Selenium Tower B, Plot 31 & 32,

    Financial District, Nanakramguda,

    Serilingampally Mandal,

    Hyderabad - 500 032, Telangana.

26. 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, 2nd September 2022.

27. Mr. Ratish Tagde (Membership No. FCS 6162, CP No. 22018), Proprietor, Ratish Tagde & Associaties, Practicing Company Secretaries and in case of his inability ACS Shraddha Tripathi (Membership No.A38885, CP No. 18020), Practicing Company Secretaries, has been appointed as the Scrutinizer to scrutinize the voting process (electronically or otherwise) in a fair and transparent manner.

28. 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.

29. 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.dynamatics.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.

30. The Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013, and the Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting of the Company.

31. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DPs and holdings should be verified from time to time.

32. 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 Friday, 9th September 2022.

33. PROCEDURE FOR REMOTE E-VOTING:

    I. 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, Regulation 44 of the SEBI Listing Regulations and in terms of SEBI vide circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020 in relation to e-Voting Facility Provided by Listed Entities, 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.

II. However, in pursuant to SEBI circular no. SEBI/HO/CFD/ CMD/CIR/P/2020/242 dated 9th December 2020, on "e-Voting facility provided by Listed Companies", e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process.

III. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.

IV. The remote e-Voting period commences from 09:00 A.M, (IST) on Tuesday, 6th September 2022 and ends at 05:00 P.M. (IST) on Thursday, 8th September 2022

V. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@kfintech.com. However, if he / she is already registered with Kfin for remote e-Voting then he /she can use his / her existing User ID and password for casting the vote.

VI. In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under "Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode."

VII. The details of the process and manner for remote e-Voting and e-AGM are explained herein below:

Step 1: Access to Depositories e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2: Access to Kfin e-Voting system in case of shareholders holding shares in physical and non-individual shareholders in demat mode.

Step 3: Access to join virtual meetings(e-AGM) of the Company on Kfin system to participate e-AGM and vote at the AGM.

Details on Step 1 are mentioned below:

I) Login method for remote e-Voting for Individual shareholders holding securities in demat mode.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	1. User already registered for IDeAS facility: i. Visit URL: https://eservices.nsdl.com ii. Click on the "Beneficial Owner" icon under "Login" under 'IDeAS' section. iii. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting" iv. Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period. 2. User not registered for IDeAS e-Services i. To register click on link : https://eservices.nsdl.com ii. Select "Register Online for IDeAS" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp iii. Proceed with completing the required fields. iv. Follow steps given in points 1
	3. Alternatively by directly accessing the e-Voting website of NSDL i. Open URL: https://www.evoting.nsdl.com/ Click on the icon "Login" which is available under 'Shareholder/Member' section. ii. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. iii. Post successful authentication, you will be requested to select the name of the company and the e-Voting Service Provider name, i.e.Kfin. iv. On successful selection, you will be redirected to Kfin e-Voting page for casting your vote during the remote e-Voting period.

Individual Shareholders holding securities in demat mode with CDSL	1. Existing user who have opted for Easi / Easiest I. Visit URL: https://web.cdslindia.com/myeasi/home/login or URL: www.cdslindia.com II. Click on New System Myeasi III. Login with your registered user id and password. IV. The user will see the e-Voting Menu. The Menu will have links of ESP i.e. Kfin e-Voting portal. V. Click on e-Voting service provider name to cast your vote. 2. User not registered for Easi/Easiest i. Option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration ii. Proceed with completing the required fields. iii. Follow the steps given in point 1 3. Alternatively, by directly accessing the e-Voting website of CDSL i. Visit URL: www.cdslindia.com ii. Provide your demat Account Number and PAN No. iii. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account. iv. After successful authentication, user will be provided links for the respective ESP, i.e kfin where the e- Voting is in progress.
Individual Shareholder login through their demat accounts / Website of Depository Participant	i. You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-Voting facility. ii. Once logged-in, you will be able to see e-Voting option.Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. iii. Click on options available against company name or e-Voting service provider – Kfin and you will be redirected to e-Voting website of Kfin for casting your vote during the remote e-Voting period without any further authentication.

Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	**Helpdesk details**
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at **evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30**
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at **helpdesk.evoting@cdslindia.com** or contact at **022- 23058738 or 022-23058542-43**

Details on Step 2 are mentioned below:

II) Login method for e-Voting for shareholders other than Individual's shareholders holding securities in demat mode and shareholders holding securities in physical mode.

(A) Members whose email IDs are registered with the Company/ Depository Participants (s), will receive an email from Kfin which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:

I. Launch internet browser by typing the URL: https:// emeetings.kfintech.com/

II. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Kfin for e-voting, you can use your existing User ID and password for casting the vote.

III. After entering these details appropriately, click on "LOGIN".

IV. You will now reach 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.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

V. You need to login again with the new credentials.

VI. On successful login, the system will prompt you to select the "EVEN" i.e., Dynamatic Technologies Limited- AGM" and click on "Submit"

VII. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

VIII. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat accounts.

IX. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.

X. You may then cast your vote by selecting an appropriate option and click on "Submit".

XI. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution(s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

XII. 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., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to cast its vote through remote e-voting. Together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email id **csratishtagde@gmail.com** with a copy marked to **evoting@kfintech.com.** The scanned image of the above-mentioned documents should be in the naming format "Corporate Name Even No."

(B) Members whose email IDs are not registered with the Company/ Depository Participants(s), and consequently the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:

i. Members who have not registered their email address and in consequence the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, may temporarily get their email address and mobile number provided with Kfin, by accessing the link:**https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx.** Members 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. In case of any queries, member may write to **einward.ris@kfintech.com.**

ii. Alternatively, member may send an e-mail request at the email id einward.ris@kfintech.com along with scanned copy of the signed copy of the request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of AGM and the e-voting instructions.

iii. After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.

Details on Step 3 are mentioned below:

III) Instructions for all the shareholders, including Individual, other than Individual and Physical, for attending the AGM of the Company through VC/OAVM and e-Voting during the meeting.

i. Member will be provided with a facility to attend the AGM through VC / OAVM platform provided by Kfin. Members may access the same at https:// emeetings.kfintech.com/ by using the e-voting login credentials provided in the email received from the Company/Kfin. After logging in, click on the Video Conference tab and select the EVEN of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting. 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 above.

ii. Facility for joining AGM though VC/ OAVM shall open at least 15 minutes before the commencement of the Meeting.

iii. Members are encouraged to join the Meeting through Laptops/ Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.

iv. Members will be required to grant access to the webcam to enable VC / OAVM. Further, Members 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.

v. As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their queries in advance mentioning their name, demat account number / folio number, email id, mobile number at **investor.relations@dynamtics.net.** Questions / queries received by the Company till 7th September 2022 shall only be considered and responded during the AGM.

vi. The Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC / OAVM platform. The Members may click on the voting icon displayed on the screen to cast their votes.

vii. A Member can opt for only single mode of voting i.e., through Remote e-voting or voting at the AGM. If a Member casts votes by both modes, then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

viii. Facility of joining the AGM through VC / OAVM shall be available for atleast 2000 members on first come first served basis.

IV) Institutional Members are encouraged to attend and vote at the AGM through VC / OAVM.

OTHER INSTRUCTIONS:

I. Speaker Registration: The Members who wish to speak during the meeting may register themselves as speakers for the AGM to express their views. They can visit **https://emeetings.kfintech. com** and login through the user id and password provided in the mail received from Kfin. On successful login, select 'Speaker Registration' which will open from Tuesday, 6th September 2022, at 9:00 AM and close on Thursday, 8th September 2022, at 5:00 PM. Members shall be provided a 'queue number' before the meeting. The Company reserves the right to restrict the speakers at the AGM to only those Members who have registered themselves, depending on the availability of time for the AGM.

II. **Post your Question:** The Members who wish to post their questions prior to the meeting can do the same by visiting https://emeetings.kfintech.com Please login through the user id and password provided in the mail received from Kfin. On successful login, select 'Post Your Question' option which will opened from Tuesday, 6th September 2022, at 9:00 AM and close on Thursday, 8th September 2022, at 5:00 PM.

III. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of **https://evoting.kfintech.com (Kfin Website) or contact at evoting@kfintech.com or call Kfintech's toll free No. 1-800-309-4001** for any further clarifications.

IV. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Friday, 2nd September 2022, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.

V. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting, he/she may obtain the User ID and Password in the manner as mentioned below:

i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399

1. Example for NSDL:
2. MYEPWD <SPACE> IN12345612345678
3. Example for CDSL:
4. MYEPWD <SPACE> 1402345612345678
5. Example for Physical:
6. MYEPWD <SPACE> XXXX1234567890

ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of h**ttps://evoting.kfintech.com/,** the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

iii. Members who may require any technical assistance or support before or during the AGM are requested to contact Kfin at toll free number 1-800-309-4001 or write to them at **evoting@Kfintech.com.**

34. The results of the electronic voting shall be declared to the Stock Exchanges after the AGM. The results along with the Scrutinizer's Report, shall also be placed on the website of the Company.

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

Name of Director	Mr. James Tucker
Designation	Non-Executive & Non-Independent Director
DIN	07093258
Date of Birth (age)	9th May 1972 (50 Years)
Date of Appointment	25th May 2015
Qualifications	Graduation
Relationship between Directors inter-se	None
Expertise in specific functional area	Mr. James Tucker 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.
Directorships held in other Public Companies (excluding Foreign, Private and Section 8 Companies)	NIL
Memberships / Chairmanships of Committees of other Public Companies (includes only Audit Committee and Stakeholders Relationship Committee)	NIL
No. of shares held in the Company	NIL

For other details such as number of meetings of the board/committee attended during the year, remuneration last drawn and name of listed entities from which the aforesaid directors have resigned in the past three years, 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)

The following statement sets out all material facts relating to item no 3 mentioned in the accompanying notice.

Item number 3

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 recommendations of the Audit Committee, the Board of Directors at its meeting held on 25th May 2022, appointed M/s. Rao, Murthy & Associates, as Cost Auditor for conducting the Cost Audit for the Financial Year ending 31st March 2023, at a remuneration of 5,00,000/- (Rupees Five Lacs only) plus applicable service tax and reimbursement of out-of-pocket expenses at actual incurred in connection with the cost audit.

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. 3 of the Notice.

The Directors recommend that the remuneration payable to the Cost Auditor in terms of the resolution set out at Item No. 3 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**

By Order of the Board

Shivaram V

Head – Legal, Compliance and Company Secretary

Place: Swindon, UK

Date: 25th May 2022

Dynamatic Technologies Limited

Registered Office: JKM Plaza, Dynamatic Aerotropolis, 55 KIADB Aerospace Park, Devanahalli Bangalore 562110

Corporate Identity Number: L72200KA1973PLC002308

Phone Number: +91 80 2111 1223 / +91 80 2204 0535

+91 80 2839 4933/34/35 Fax: +91 80 2839 5823

Email ID: investor.relations@dynamatics.net

website: www.dynamatics.com

BOARD'S REPORT

TO SHAREHOLDERS

BOARD'S REPORT TO SHAREHOLDERS

Your Directors are pleased to present their 47th Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March 2022.

FINANCIAL RESULTS:

The Financial Results of the Company for the year ended 31st March 2022, were as follows:

(Rs in Lakhs)

Particulars	Consolidated		Standalone	
	Year Ended 31 March 2022	Year Ended 31 March 2021	Year Ended 31 March 2022	Year Ended 31 March 2021
Continuing Operations:				
Revenue from Operation	**1,25,337**	**1,11,820**	**54,897**	**51,374**
Less: Cost of material and increase/decrease in stock	61,504	55,011	25,042	22,850
Less: Employee benefit expenses	25,604	22,147	9,130	8,008
Less: Other Expenses	21,306	19,761	8,787	8,262
EBITDA	**16,923**	**14,901**	**11,938**	**12,254**
EBITDA Margin	13.5%	13.3%	21.75%	23.85%
Add: Other Income	822	607	1,124	440
Less: Finance Charges	5,901	6,999	4,734	5,776
Less: Depreciation and Amortisation Expense	7,682	7,754	3,032	3,191
Profit from Continuing Operations before Tax	**4,162**	**755**	**5,296**	**3,727**
Profit before tax margin	3.32%	0.68%	9.65%	7.25%
Less: Tax expense	956	557	1,331	902
Profit after Tax from Continuing Operations	**3,206**	**198**	**3,965**	**2,825**
Profit after Tax margin	2.56%	0.18%	7.22%	5.50%
Discontinued Operations:				
Add: Loss from Discontinued Operations	(1,659)	(2,385)	-	-
Add: Other Comprehensive Income/(Losses)	(282)	2,057	(201)	184
Total comprehensive income, carried to Balance Sheet	**1,265**	**(130)**	**3,764**	**3,009**

Note: Previous year numbers were restated as appropriately to make these comparable to FY 2022 numbers.

COMPANY PERFORMANCE:

Despite global supply chain disruption and increasing inflationary pressure on commodity prices due to prevailing geopolitical conditions, Dynamatic Technologies Limited ('Dynamatic Technologies' or 'DTL' or 'The Company') has reported strong business performance in FY2022. Consolidated net sales for FY2022 was Rs. 1,25,337 lakhs, increased by 12% as compared to Rs. 1,11,820 lakhs in FY2021. The top line growth was driven by better product mix and inventory management. Consolidated EBITDA for FY2022 was reported as Rs. 16,923 lakhs as compared to Rs. 14,901 lakhs during FY2021. EBITDA margin for the year under review was 13.6% compared to 13.3% in FY2021. The price increase for certain products and the reduction in finance cost due to debt dollarisation contributed to margin enhancement.

SEGMENT PERFORMANCE:

The Aerospace & Defence segment recorded a revenue of Rs. 36,014 lakhs compared to Rs. 37,395 lakhs in FY2021. The performance of the segment was impacted primarily due to travel related restrictions continued during this year also. Various travel bans between countries and decline in passenger traffic due to Covid-19 continued to impact the performance of the civil aviation sector. However, Dynamatic Technologies Limited's defense vertical continued to grow driven by order book execution and delivery, in particular, orders from Boeing F-15EX and Bharat Electronics Limited, which helped to minimize the underperformance of the sector. Segment EBITDA for the year was Rs. 9,899 lakhs, reported alongside Rs. 11,131 lakhs in FY2021.

The Hydraulics segment reported robust performance in FY2022 supported by increasing demand from agriculture as well as other industries including construction and infrastructure equipment. The outlook for the segment remains encouraging, supported by favorable demand dynamics for the agriculture and infrastructure sectors resulting in greater demand for tractors. Revenues for this segment increased to Rs. 42,366 lakhs compared to Rs. 29,763 lakhs in the same period last year. EBITDA for FY2022 was Rs. 7,318 lakhs and Rs. 3,109 lakhs during last year.

The metallurgy industry showed resilience during the year which supported the moderate top line growth of the segment. The growth has been impacted by adverse demand scenario, shortage of semiconductors and other supply chain challenges. The segment profitability increased marginally on the back of better product mix. Revenue for this segment was Rs. 46,501 lakhs compared to same period last year Rs. 44,187 lakhs. Segment EBITDA was Rs. 2,032 lakhs compared to Rs. 1,820 lakhs in FY2021.

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, 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 in Hydraulics. However, the Aerospace and Metallergy 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 of pandemic 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:

During the FY2022, India experienced second and third waves of Covid-19 driven by the highly transmissible Delta and Omicron variants respectively. The new waves has led to a set of fresh restrictions in the country which has impacted the economic activity further, although new restrictions were lenient as compared to the previous fiscal year. The adverse impact of new waves on global supply chain, shortage of raw materials for various industries coupled with geo-political tensions impacted the global economic growth.

Despite this adverse situation, Dynamatic Technologies operations continued to run smoothly with topmost priority of health, safety and wellbeing of its employees. As a major supplier to global OEMs, the Company has undertaken various measures to contain the impact of the virus on its employees and ensure their safety and well-being. Dynamatic Technologies had tremendous responsibility to keep the industrial output in pace with the demand. Our proactive measures on Covid control like PPEs, social distancing, thermal screening, sanitisation, awareness drives and also setting up of our own BIOSECURITY lab with most advanced equipment and senior microbiologist to conduct and analyse RT-PCR test on every single employee helped create a safe bubble at work place. Dynamatic Technologies SOPs have been referred by number of industries and government bodies as a template for taking care of lives and livelihoods.

The Company has launched vaccination drives to provide vaccination to all employees and their families in line with Government guidelines and regulations. We have also undertaken the responsibility of conducting regular Covid-19 tests to ensure that employees are staying safe and to restrict the spread of the virus.

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.

DIVIDEND DISTRIBUTION POLICY:

Dividend Distribution Policy Pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), the Board of Directors of the Company have adopted a Dividend Distribution Policy which aims to maintain a balance between profit retention and a fair, sustainable and consistent distribution of profits among its members. The said Policy is available on the website of the Company under the 'Investors' section at https://www.dynamatics.com

SHARE CAPITAL:

As of 31st March 2022, the Company had an authorized share capital of Rs. 2,500 lakhs, divided into 2,00,00,000 equity shares of Rs. 10/- each and Rs. 500 lakhs divided into 5,00,000 redeemable cumulative preference shares of Rs. 100/- each. During the year under review, there was no change in the Company's issued, subscribed and paid-up equity share capital. As of 31st March 2022, the Company had issued, subscribed and paid-up equity share capital of Rs. 634.14 lakhs divided into 63,41,443 equity shares of Rs. 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 Rs. 3,751 lakhs for physical infrastructure and Rs. 384 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.

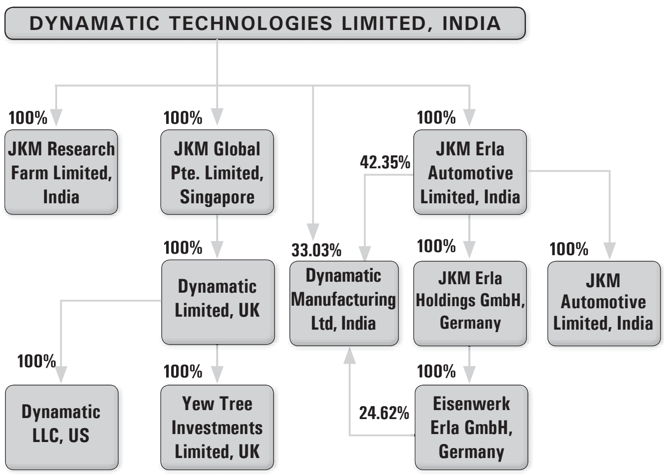
CONSOLIDATED FINANCIAL STATEMENTS:

The Consolidated Financial Statements of the Company and its subsidiary are prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 ('Ind AS'). The Audited Consolidated Financial Statements together with the Auditor's Report thereon forms part of this Integrated Annual Report.

The Company has adopted a Policy for determining Material Subsidiaries in terms of Regulation 16(1)(c) of the SEBI Listing Regulations. The Policy, as approved by the Board is uploaded on the Company's website at https://www.dynamatics.com

SUBSIDIARIES:

The Company has ten subsidiaries. There are no associate or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). There has been no material change in the nature of the business of the subsidiaries. The structure of Dynamatic Technologies Limited and its subsidiaries as on 31st March 2022, is appended hereunder:



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.

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.

Dynamatic Manufacturing Limited, India (DML) (formerly known as JKM Ferrotech Limited) is a Wholly owned Subsidiary of the Company held through its subsidiaries JKM Erla Automotive Limited and Eisenwerk Erla GmbH, Germany.

Pursuant to the order passed by Hon'ble National Company Law Tribunal ('NCLT'), Bengaluru Bench dated 6th April 2021, the share capital of DML was reduced from Rs. 1,66,51,30,640 /- (Rupees One Sixty-Six Crore Fifty-One Lakh Thirty Thousand Six Hundred and Forty Only) divided into 16,65,13,064 (Sixteen Crore Sixty-Five Lakh Thirteen Thousand and Sixty-Four) fully paid-up equity shares of Rs. 10/- (Rupees Ten Only) each to Rs. 2,50,00,000/- (Rupees Two Crores Fifty Lakh Only) divided into 25,00,000 (Twenty-Five Lakhs) fully paid up equity shares of Rs. 10/- (Rupees Ten Only) each by cancelling and extinguishing 16,40,13,064 (Sixteen Crore Forty Lakh Thirteen Thousand and Sixty-Four) fully paid-up equity shares of Rs. 10/- (Rupees Ten Only) each.

During the year the Company sold the foundry business assets of its Wholly Owned Subsidiary JKM Ferrotech Limited, Chennai to M/s. Danblock Brakes India Private Limited, an Indian subsidiary of MAT Holdings, Inc. of USA. The transaction was concluded on 22nd July 2021.

Subsequent to the assets sale of the foundry business viz., ferrous casting facility located at Chennai, Tamil Nadu, to Danblock Brakes India Private Limited, there are no business operations in DML. Hence DML, as a part of its new vision and mission, is contemplating to revive its business operations by diversifying into manufacturing activities viz. sheet metal operations, heat treatment, surface treatment, metal forming, metal coating alongside other ancillary operations.

As a part of this initiative, the name has been changed from 'JKM Ferrotech Limited' to 'Dynamatic Manufacturing Limited' with effect from 11th April 2022.

JKM Automotive Limited (JAL) is a wholly owned subsidiary of JEAL and is a non-operating company.

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.

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 off-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 DLUK, is located in Swindon & Bristol, and is a leader in Aeronautical Precision Engineering and is currently working on components for most of the Airbus family of aircraft.

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

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:

Based on the framework of Internal Financial Controls and compliance systems established and maintained by the Company, the work performed by the Internal Auditors, Statutory Auditors and Secretarial Auditors, 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 Financial Year 2021-22.

Accordingly, pursuant to Sections 134(5) of the Act, the Board of Directors, to the best of its knowledge and ability, confirm that:

i. in the preparation of the annual accounts, for the Financial Year ended 31st March 2022, 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 for the Financial Year ended 31st March 2022, 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.

DISCLOSURE ON COMPLIANCE WITH SECRETARIAL STANDARDS:

Your Directors have devised proper systems and processes for complying with the requirements of applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems were adequate and operating effectively.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP):

Inductions, Re-appointments, Retirements & Resignations:

Pursuant to the provision of Section 152 of the Companies Act, 2013, Mr. James Tucker (DIN: 07093258), Non-Executive Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment. A resolution seeking shareholders' approval for his re-appointment forms part of the Notice.

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 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 Companies Act, 2013.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on 31st March 2022 are:

- Mr. Udayant Malhoutra, CEO & Managing Director
- Mr. P S Ramesh, Executive Director, Group Technical Services and Human Resource
- Mr. Arvind Mishra, Executive Director, Global COO – Hydraulics, 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations'). In terms of Regulation 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstances or situations which exist or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

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 Committee,
2. Nomination and Remuneration Committee,
3. Stakeholders' Relationship Committee,
4. Risk Management Committee
5. Technology & Strategy Development Committee,
6. Finance Committee,
7. Corporate Social Responsibility Committee and
8. 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. Dynamatic Technologies believes in providing an opportunity that is strongly linked to and constantly reinforces the performance culture of the Company. Dynamatic 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 in Investors Desk section.

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. Dynamatic 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. Dynamatic 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 in Investors Desk section.

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

In terms of the provisions of Section 178(3) of the Companies Act, 2013 and Regulation 19 of the Listing Regulations, the Nomination and Remuneration Committee (NRC) has formulated the criteria for determining qualifications, positive attributes and independence of Directors, the key features of which are as follows:

a. **Qualifications –** A transparent Board nomination process is in place that encourages diversity of thought, experience, knowledge, perspective, age, and gender. It is also ensured that the Board has an appropriate blend of functional and industry expertise. While recommending the appointment of a Director, the NRC considers the manner in which the function and domain expertise of the individual will contribute to the overall skill domain mix of the Board.

b. **Positive Attributes -** Apart from the duties of Directors as prescribed in the Companies Act, 2013, 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 Companies Act, 2013 and Regulation 16(1)(b) of the 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, board processes, information & functioning, Risk Management & Strategy, Corporate Social Responsibility, Organisational performance and structure, effectiveness of board processes, 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, Strategy & Risk Management, Interpersonal Skills alongside 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.

The Annual Performance Evaluation is conducted in a paperless manner with documents being securely uploaded and accessed electronically. This has resulted in saving paper, reducing the cycle time of the process, and increasing confidentiality of the information.

INTERNAL CONTROLS SYSTEMS AND THEIR ADEQUACY:

The Board has adopted policies and procedures 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 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 Committee and Risk Management Committee of the Board. A CEO & 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:

During the year under review, the Statutory Auditors, Cost Auditors and Secretarial Auditors have not reported any instances of frauds committed in the Company by its officers or employees, to the Audit Committee under Section 143(12) of the Act, details of which are required to be mentioned in this Report.

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 their 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; Mr. Ratish Tagde & Associates, Company Secretary in practice, has made no qualifications or reservations or adverse remark in the secretarial audit report.

The auditors above mentioned have used appropriate disclaimers to limit the scope of their audit to the documents provided by the management and explanations / representations made by the management

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 already been transferred by the Company to the IEPF Authority. Details of shares transferred is available on the website of IEPF as well as the Company.

c) **DEMAT Suspense Account Unclaimed Shares:**

As on 31st March 2022, there are 11 members, holding 851 Equity Shares of Rs.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 FY2022 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 Listing Regulations.

During the year, there were no material Related Party Transactions undertaken by the Company which required shareholder approval under the 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 with related parties are provided in the accompanying financial statements. No transactions undertaken during the year were required to be reported in Point 1 of Form **AOC-2**, annexed as **Annexure - 3.**

In terms of Regulation 23 of the SEBI Listing Regulations, the Company submits details of RPTs on a consolidated basis, as per the format specified in the relevant accounting standards to the stock exchanges on a half-yearly basis.

CORPORATE GOVERNANCE:

Your Company is in compliance with all the applicable provisions of Corporate Governance as stipulated under Chapter IV of the Listing Regulations. A detailed report on Corporate Governance as required under the Listing Regulations is provided in a separate section and forms part of the Annual Report. A Certificate from a Practicing Company Secretary regarding compliance with the conditions stipulated in the Listing Regulations forms part of the Corporate Governance Report.

The Company has a legacy of maintaining highest standards of corporate governance practices. This 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 Listing Regulations. A detailed report on Corporate Governance, pursuant to the requirements of the 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 Listing Regulations is presented in a separate section forming part of this Annual Report.

MANAGEMENT DISCUSSION & ANALYSIS REPORT:

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Management Discussion and Analysis Report is presented in a separate section forming part of this Annual Report.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT:

The Company endeavours to cater to the needs of the communities it operates in thereby creating maximum value for the society along with conducting its business in a way that creates a positive impact and enhances stakeholder value. As per Regulation 34(2)(f) of the SEBI Listing Regulations, as amended, and in line with the SEBI Circulars dated May 5, 2021, and May 10, 2021, though voluntary for FY 2021-22, the Company has, as a matter of good governance, made disclosure in the Business Responsibility & Sustainability Report ('BRSR') depicting initiatives taken by the Company from an environmental, social and governance perspective. The BRSR forms part of this Integrated Annual Report.

AUDITORS:

Statutory Auditors:

Under Section 139 of the Companies Act, 2013 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/W-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, has appointed M/s. Rao, Murthy & Associates, Cost Accountants, as Cost Auditor of the Company for conducting the Cost Audit for the FY2023, 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 FY2023.

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 & Consulting Services LLP was appointed as Internal Auditors of the Company to undertake Internal Audit for the FY2023.

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 2022. 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.

RISK MANAGEMENT POLICY:

The Company has a robust Risk Management Policy, which provides an overall framework for Risk Management (RM) in the Company. The key elements of the company's risk management framework have been captured in the risk management policy, which details the process for identifying, escalating, prioritizing, mitigating, and monitoring key risk events and action plans. The assessment of the risks covers areas of Strategy, Technology, Finance, Operations and Systems, Legal & Regulatory and Human Resources. There are appropriate assurance and monitoring mechanisms in place to monitor the effectiveness of the risk management framework including the mitigation plans identified by the management for key risks identified through the risk management exercise. In addition, the company also has a Risk Management Committee (RMC) which reviews the analysis of ERM (Enterprise Risk Management) exercise done by the Company and provides necessary guidance on its implementation and monitoring.

The RMC 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. During the year under review, the Risk Management Policy and Terms of Reference of the Risk Management Committee were revised in line with the SEBI Listing Regulations to, inter alia, set up strategic policies including focus on ESG related risks, cyber security risks and defining the role and responsibilities of the Risk Management Committee.

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 Risk Management Committee is chaired by an Independent Director and the Chairperson of the Audit Committee is also a member of the said Committee. Further, the Board is apprised of any procedure that may impact the long-term plans of the Company.

The major risks forming part of the Risk Management process are linked to the audit universe and are also covered as part of the annual risk-based audit plan.

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 Companies Act, 2013 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 Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

HUMAN RESOURCES & DEVELOPMENT:

Dynamatic Technologies believes that Human Resources (HR) are the backbone for the overall growth of the organization and identifying, upgrading of talent & competence of employees is a must. The HR 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 resource. The HR should remain vibrant and flexible to adopt to challenging times. Dynamatic Technologies undertakes the best possible efforts not only to 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 and white collared, are made through this platform. As employees can access this system remotely, communication has been more effective. Also, HR team has successfully implemented first phase of SAP in both Divisions.

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. HR 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.

HR team has coordinated the activities to protect the health and safety of the employees during the pandemic. Guidelines were prepared listing proactive measures to be taken and routine disciplines to be followed by employees every day to prevent spread of Corona. The necessary infrastructure was put in place on the shop floor and in the canteen areas to maintain social distancing.

Dynamatic Technologies partnered with Aerospace and Aviation Sector Skill Council (AASSC) with MoU signed for RPL PMKVY 3.0-RPL-BICE (Pradhan Mantri Kaushal Vikas Yojana 3.0 - Recognition of Prior Learning, Type 4 - Best in Class Employers). This has been successfully assessed and has certified 344 employees across 07 different job roles identified by the AASSC with National Skill Qualification Framework (NSQF) Level 3 and 4.

Enrolment and batch creation were done on Skill India Portal (SIP) with the evaluation of assessment as per AASSC guidelines. The program was monitored by National Skill Development Corporation (NSDC) and certification approved by NCVET (National Council for Vocational Education and Training).

Every employee's RT-PCR test status is monitored and periodical testing is ensured, The Company has launched vaccination drives to provide vaccination to all employees and their families in line with Government guidelines and regulations.

CORPORATE SOCIAL RESPONSIBILTY (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 FY2022, as follows:

Your company focuses its CSR activities on three thematic areas – Promoting Education, Ensuring Environmental Sustainability and promoting Health care activities.

Dynamatic Technologies engages with "Directorate of Employment & Training, Government of Karnataka" for supporting Industrial Training Institute (ITI) as a centre for excellence for skill development and vocational training. 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 along with 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 the Aerospace Industry, who volunteer to enhance their skill levels. The Dynamatic Skill Initiative team has developed a 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 graduated trainees have been employed in various aerospace industries in and around Bangalore. This curriculum has been widely appreciated and is now approved as a two years long Trade (aerospace fitters trade) in Government 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.

The Aerospace Skill Development Centre (ASDC) which has been established with all the 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.

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 is continuing to be provided during the year.

Under health care activities, DTL has served the front-line workers in Police departments with necessary PPEs periodically.

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:

As per the requirements of Section 92(3) of the Act and Rules framed thereunder, the extract of the Annual Return for FY 2021-22 is uploaded on the website of the Company and the same is available at www.dynamatics.com

POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORKPLACE:

The Company has zero tolerance for sexual harassment at the 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.

As a proactive measure and to bring awareness about the Act, training sessions from legal experts are conducted for the women employees. Such sessions are now being extended to all employees in a phased manner.

Policy for Safety and Well Being of Women:

The National Institute of Personal Management (NIPM), Karnataka Chapter had organized one day workshop on Prevention of Sexual Harassment (POSH) of Women at Workplace – Provisions of Law and complaint Redressal & Principles of Domestic Enquiry on 11th November 2021. Our ICC Committee members had participated in this work shop. The Company strives to create a safe, friendly and inclusive work environment for its employees. During the Financial Year 2021-22, the Company has not received any complaint on sexual harassment.

Women's Day was celebrated at Sheraton Grand Bangalore Hotel at Brigade Gateway, Bangalore in the month of March-22 by engaging all women employees in the campaign of 'Break the Barrier'. In line with the campaign slogan, Dynamatic Teachnologies invited and honoured women Auto/ Taxi drivers of Bangalore city who have broken the gender barrier and are successfully making a livelihood. This inspired and added confidence to our women employees, who have already broken the barrier and are working successfully along with men in all the departments at various ranks. All the women employees of the Hydraulics and Aerospace Divisions participated and were excited about meeting with CEO & MD.

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 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 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.dynamatics.com/ investor.html)

PARTICULARS OF REMUNERATION OF DIRECTORS, KMP AND EMPLOYEES:

In terms of the provisions of Section 197(12) of the Companies Act, 2013 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 - 6**, 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 - 7.**

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.

Change in the Registered Office:

With effect from 1st April 2022, the registered office of the Company has changed from 'Dynamatic Park, Peenya Industrial Area, Bangalore-560 058' to 'JKM Plaza, Dynamatic Aerotropolis, 55 KIADB Aerospace Park, Devanahalli Bangalore 562110'.

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:

The Company has entered into two major partnerships with Academia and DRDO. It signed a MOU with Indian Institute of Technology (IIT) Kanpur for design and development of unmanned solutions aimed at surveillance and reconnaissance. The Company has also signed an agreement with Central Scientific Instruments Organisation (CSIO) for advanced optical sensors and payload design and development. The partnerships are aimed at developing indigenous products and solutions for Indian Defence and Paramilitary in line with our Prime Minister's clarion call for self-reliance, Atma Nirbhar Bharat.

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
Long Term Issuer Rating	IND BBB+/Positive
Fund Based Working Capital Limit	IND BBB+ / Positive / IND A2+
Non-Fund Based Working Capital Limit	IND A2+
Term loan	IND BBB+/Positive

Listing with Stock Exchanges:

The Company confirms that it has paid the Annual Listing Fees for the year FY2022 to NSE (DYNAMATECH) and BSE (505242) where the Company's Shares are listed.

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. Primella Sanitary Products Private Limited
9. Greenearth Biotechnologies Limited

GREEN INITIATIVES:

In commitment to keep in line with the Green Initiatives and going beyond it, electronic copy of the Notice of 47th Annual General Meeting of the Company including the Annual Report for FY 2021-22 are being sent to all Members whose e-mail addresses are registered with the Company / Depository Participant(s).

APPRECIATION:

Your Directors take this opportunity to thank the employees, customers, vendors, investors of the Company and the communities in which the Company operates, for their unstinted co-operation and valuable support extended during the year. Your Directors also thank the Government of India, Government of Karnataka and Government of various States in India and government departments / agencies concerned for their co-operation. Your Directors appreciate and value the contributions made by each and every member of the Dynamatic family. 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
Place: Swindon, UK

P S RAMESH
ED – Group Technical Services & HR
DIN : 05205364
Place: Bengaluru, India

Date: 25th May 2022

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

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	2	3	4	5	6	7	8	9	10	11	12	13	14
	Foreign Subsidiaries (Reporting currency reference mentioned against each Subsidiary)													
1	Dynamatic Limited UK	6,512	7,816	42,821	28,493	723	-	723	100%	24,445	-854	-306	-548	-
2	Yew Tree Investments Ltd,UK	-	1,953	2,098	145	-	-	-	100%	-	81	21	60	-
3	Dynamatic US, LLC	-	-695	-688	7	-	-	-	100%	31	-167	-	-167	-
4	JKM Erla Holdings GmbH, Germany	22	11,454	21,100	9,624	21,096	-	21,096	100%	914	318	4	313	-
5	Eisenwerk Erla GmbH	1,347	12,017	26,541	13,177	10,633	-	10,633	100%	46,905	-	-	-	-
6	JKM Global Pte Limited, Singapore	9,879	-328	10,522	971	10,450	-	10,450	100%	-	57	1	56	-
	Indian Subsidiaries													
7	JKM Erla Automotive Limited	10,791	2,460	13,259	8	13,248	-	13,248	99.99%	-	-6	-	-6	-
8	JKM Automotive Limited	1	-1	1	1	-	-	-	99.99%	-	1	-	1	-
9	Dynamatic Manufacturing Limited (formerly known as JKM Ferrotech Limited)	250	1,453	1,903	200	33	-	33	99.99%	2,433	5,383	-	5,383	-
10	JKM Research Farm Limited	500	2,103	2,610	7	-	-	-	99.99%	-	35	8	27	-

Details of reporting currency and the rate used for converting.

Reporting Currency Reference	For Conversion		
	Currency	Average Rate (in ₹)	Closing Rate (in ₹)
a	GBP	101.81	99.42
b	SGD	55.25	55.96
c	USD	74.51	75.79
d	EURO	86.61	84.20

UDAYANT MALHOUTRA
CEO & Managing Director
DIN : 00053714
Place: Swindon, UK

PS RAMESH
ED – Group Technical Services & HR
DIN : 05205364
Place: Bengaluru, India

Date: 25th May 2022

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

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 Technologies") 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 Technologies.

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 Technologies can attract and retain competent executives.

2.2 The Remuneration Policy for executives reflects the overriding remuneration philosophy and principles of Dynamatic Technologies. 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 Rs. 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 Technologies.

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.dynamatics.com/investor.html**

UDAYANT MALHOUTRA
CEO & Managing Director
DIN : 00053714

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

ANNEXURE – 3

AOC-2

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

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

(Rs. in lakhs)

Name of related party	Nature of relationship	Nature of contracts/ arrangement/ transactions	Transactions as on 31 Mar 2022	Date of approval by the Board	Amount paid as a Loan and advance
Dynamatic Limited, UK	Step Subsidiary	Sale of manufactured goods	617	As per the Listing Regulations, appropriate omnibus approvals have been obtained at the Audit Committee meetings held on 7th June 2021, 23rd July 2021, 29th October 2021 and 8th February 2022	Nil
		Purchase of raw materials and toolings	303		Nil
		Management fees income	7		Nil
		Corporate guarantee settled	304		Nil
		Rent expense	310		Nil
JKM Research Farm Limited	Subsidiary	Rent expense	48		Nil
Eisenwerk Erla GmbH, Germany	Step Subsidiary	Management fees settled	134		
Dynamatic Manufacturing Limited (formerly known as JKM Ferrotech Limited)	Step Subsidiary	Sale of Property, Plant and Equipment	667		Nil
		Purchase of raw materials and pattern	-		795*
		Interest income	62		Nil
		Corporate guarantee settled	155		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 and components	577		250*
Mr. Vivek Malani	Relative of Promotor Group	Security Deposits	17		Nil
		Rent expense	10		Nil
Ahiya Malhoutra	D/o: Udayant Malhoutra, Promotor	Salary#	4		Nil
Udayant Malhoutra	Chief Executive Officer and Managing Director	Managerial remuneration	105		Nil
P S Ramesh	Executive Director, Group Technical Services and Human Resource	Managerial remuneration	101		Nil
Arvind Mishra	Executive Director and Global Chief Operating Officer - Hydraulics & Head - Homeland Security	Managerial remuneration	101		Nil
Chalapathi P	Chief Financial Officer	Managerial remuneration	81		Nil
Shivaram V	Head Legal, Compliances and Company Secretary	Managerial remuneration	40		Nil

Note:

* Trade advance extended

With effect from 6th September 2021

ANNEXURE – 4

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st MARCH 2022.

[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

Dynamatic Technologies Limited

I have conducted the secretarial audit compliance of applicable statutory provisions and the adherence to good corporate practices by Dynamatic Technologies Limited ("the Company"). Secretarial Audit was conducted in 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, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended 31st March 2022, complied with the statutory provisions listed hereunder and also that the Company has adopted a 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 2022, 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) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
    d) SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; and
    e) SEBI (Listing Obligations and Disclosures Requirements), Regulations, 2015.
    f) The Securities and Exchange Board of India (Employee Stock Option Scheme and employee Stock Purchase Scheme) Guidelines, 1999;
    g) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
    h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
    i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

I have relied on the representations 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. Shops and Establishment Act.

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

a) Meetings of the Board of Directors (SS-1); and
b) General Meetings (SS-2)

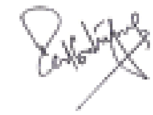
During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc., mentioned above.

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: 25th May 2022

To

The Members of

Dynamatic Technologies Limited

My Secretarial Audit Report date is to be read along with this letter. I have conducted the Secretarial Audit relying on the information and records made available to me.

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 virtual basis and 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.

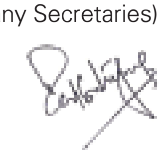
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

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: 25th May 2022

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 - Promoting Education, Ensuring Environmental Sustainability and Promoting Health-Care.

   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.

   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.

   Apart from the above, as a part of Promoting Education, Ensuring Environmental Sustainability and Promoting Health-Care, the company has identified the following programmes for the forthcoming Financial Year:

   - Special education and employment enhancing vocation skills especially among children, women and the differently abled and livelihood enhancement projects.
   - Ecological balance, protection of flora and fauna, animal, welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water.
   - Preventive health-care and sanitation, including contribution to the Swach Bharat Drive of the Central Government for the promotion of sanitation and making available safe drinking water

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation Nature Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Ms. Malavika Jayaram	Chairperson	1	1
2	Mr. Govind Mirchandani	Member	1	1
3	Mr. P.S Ramesh	Member	1	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

   The CSR policy of the Company is available on the Company's website www.dynamatics.com. (https://www.dynamatics.com/Investors/Shareholder-Information/)

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report). : Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be setoff for the financial year, if any (in Rs)
2021-22	1.10	1.10

6. Average net profit of the company as per section 135(5) Act: 1137 Lakhs

7.

Sl. No.	Particulars	Amount in Rs Lakhs
A	Two percent of average net profit of the company as per section 135(5) Act for Financial year 2022	22.74
B	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	NIL
C	Amount required to be set off for the financial year, if any	1.10
D	Total CSR obligation for the financial year (a+b-c)	21.64

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
28,07,916	Nil	-	-	Nil	-

(b) Details of CSR amount spent against ongoing projects for the financial year: **Nil**

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name	CSR registration number.
1.	Ensuing Environmental Sustainability	Environment	Yes	Karnataka	Bangalore	24,60,000	**Direct**	NA	NA
2.	Promoting Health care	Health	Yes	Karnataka	Bangalore	3,47,916	**Direct**	NA	NA
	Total					28,07,916			

(d) Amount spent in Administrative Overheads : Nil

(e) Amount spent on Impact Assessment, if applicable; Not Applicable

(f) Total amount spent for the Financial Year : Rs. 28,07,916

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	22.74
(ii)	Total amount spent for the Financial Year	28.08
(iii)	Excess amount spent for the financial year [(ii)-(i)]	5.34
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	(1.10)
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	6.24*

*includes Rs.1.10 Cr pertaining to FY 2021 & Rs 5.34 Cr pertaining to FY 2022

9. (a) Details of Unspent CSR amount for the preceding three financial years: Not Applicable

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not Applicable

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details); Not Applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5); Not Applicable

GOVIND MANIK MIRCHANDANI
Chairman- CSR Committee
DIN : 00022583

UDAYANT MALHOUTRA
CEO & Managing Director
DIN : 00053714

Place: Swindon, UK
Date: 25th May 2022

ANNEXURE 6

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 2020-21 and the percentage increase in remuneration of Directors and Key Managerial Personnel (KMP) (%) during the Financial Year 2021 -22:

Name & Designation	Category	FY 2020-21	FY 2021-22	Increase / (Decrease)	Ratio	% Increase / (Decrease)
Mr. Udayant Malhoutra, CEO & Managing Director	Dir & KMP	78,77,511	1,05,23,428	26,45,917	1:17	34
Mr. P S Ramesh, Executive Director – Group Technical services and Human Resources	Dir & KMP	85,40,734	1,00,83,276	15,42,542	1:16	18
Mr. Arvind Mishra, Executive Director, Global head of Hydraulics and Head of Home land security, India	Dir & KMP	84,47,966	1,00,83,276	16,35,310	1:16	19
Mr. Chalapathi, Chief Financial officer	KMP	62,62,035	81,49,465	18,87,430	1:13	30
Mr. Shivaram V, Head Legal, Compliance and Company Secretary (Appointed with Effect from 25th March, 2019)	KMP	30,22,259	39,78,360	9,56,101	01:06	32

Name of the Director	Sitting Fees (Rs)
Mr. Govind Mirchandani	8,50,000
Ms. Malavika Jayaram	2,00,000
Mr. Pradyumna Vyas	5,50,000
Mr. Pierre de Bausset	5,00,000

2. The percentage increase in the median remuneration of employees in this financial year: 24.5 %

3. The number of permanent employees on the rolls of company as on 31st March 2022: 950

4. 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 10%

   Average percentage increase in the managerial remuneration: 25%

5. 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.

6. 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.

7. Details of the employees drawing remuneration of Rs. 8.50 lakhs per month or Rs. 1.02 crores per annum:

EC.No.	Name	Designation	Grade	Total Monthly CTC	One Time Spl Incentive - Converted to Month	Performance Linked Pay - Monthly	Monthly CTC
561	Udayant Malhoutra	CEO & Managing Director	C1	8,40,840	83,333	-	9,24,173
1085	Arvind Mishra	ED & Global COO - Hydraulics & Head Homeland Security	C1	7,89,666	83,333	15,333	8,88,333
1372	P S Ramesh	E.D - Group Technical Services & Human Resources	C1	7,89,666	83,333	15,333	8,88,333

UDAYANT MALHOUTRA
CEO & Managing Director
DIN : 00053714
Place: Swindon, UK

PS RAMESH
ED – Group Technical Services & HR
DIN : 05205364
Place: Bengaluru, India

Date: 25th May 2022

ANNEXURE 7

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 and this initiative has resulted in Annual Savings up to Rs. 20 Lakhs

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

   Under this scheme DTL has agreed to buy 24 Lakhs kWH solar power from vendor at Rs. 5.50/Unit. Currently we are incurring average Rs. 9.80/Unit from BESCOM.

   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 : Nil

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. Dynamatic Hydraulics designs and build bespoke geared products for applications in Farm Mechanisation, Construction and Forestry, Mining, Material Handling and Industrial Machines. Most of these geared products are bespoke design using simulations of actual operating conditions of the equipment for which these are designed followed by extensive user trials. The company uses advanced software like Creo-III, Solid works, Anysys, AME SIM and has rapid prototype and validation labs in India and UK. The company holds number of patents on these products. R&D team has some of the best brains on application engineering, product design and validation, process design, material science, integrated system design working in India and UK. The engineering teams also work in collaborative way with the best government and private research labs and institutes in India, UK and US like the DSIO, IIT Kanpur, IISC, BATH University, MSOE. The Aerospace & Hydraulics units in India & the UK; Metallurgy units in Germany work together in finding best solutions to problems 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) Some of the benefits derived are product improvement, cost reduction, new 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 enhance 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): Dynamatic has inhouse Design and Engineering capabilities in India, UK and Germany. Product design and development leverages on competencies of these teams to create world class products and solutions for our customers globally. We have not imported technologies but have been involved in import substitutions and Make in India in a big way. Our efforts have been lauded by the Prime Minister himself. The company has also won several indigenisation awards and accolades along its journey.

4) Expenditure incurred on Research and Development

(Rs. in Lakhs)

Particulars	31st March 2022	31st March 2021
a. Capital	4	7
b. Revenue	206	306
Total	210	313

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars of foreign exchange earnings and outgo are as follows:

(Amount In Rs)

Particulars	31st March, 2022	31st March, 2021
a. Total Foreign Exchange Earned	**29,769**	**29,521**
Foreign Exchange Earned	29,769	29,521
b. Total Foreign Exchange Used	**4,693**	**6,513**
Import of materials, components, stores & spares, etc	2,323	6,154
Foreign Travels	35	3
Capital Expenditure	29	92
Lease Rent	344	197
Interest	1,889*	-
Others, if any	1,971	67

* Relating to FCTL, FCNR Loan

UDAYANT MALHOUTRA
CEO & Managing Director
DIN : 00053714
Place: Swindon, UK

PS RAMESH
ED – Group Technical Services & HR
DIN : 05205364
Place: Bengaluru, India

Date: 25th May 2022

CEO / CFO CERTIFICATION IN RESPECT OF FINANCIAL STATEMENTS AND CASH FLOW STATEMENT

(Pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Financial Year ended 31st March 2022)

To,
The Board of Directors
Dynamatic Technologies Limited

We, Udayant Malhoutra, Chief Executive Officer & Managing Director and Chalapathi P, Chief Financial Officer of Dynamatic Technologies Limited have reviewed the Financial Statements for the financial year ended 31st March 2022 and we hereby certify and confirm to the best of our knowledge and belief the following:

a. The Financial Statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

b. The Financial Statements together present a true and fair view of the affairs of the Company and are in compliance with existing accounting standards, applicable laws and regulations;

c. There are no transactions entered in to by the Company during the year ended 31st March 2022 which are fraudulent, illegal or violative of Company's Code of Conduct;

d. We accept responsibility for establishing and maintaining internal controls for Financial Reporting and we have evaluated the effectiveness of these internal control systems of the Company pertaining to financial reporting. Deficiencies noted, if any, are discussed with the Auditors and Audit Committee, as appropriate, and suitable actions are taken to rectify the same;

e. There have been no significant changes in the above mentioned internal controls over financial reporting during the Financial Year 2021-22

Udayant Malhoutra
CEO & Managing Director
DIN : 00053714

Chalapathi P
Chief Financial Officer

Place: Swindon, UK
Date: 25th May 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR FY2022

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, Metallurgy 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 Hydraulics has approximately 75% share of the Indian OEM tractor market and about 35% of the global tractor market. Dynamatic Technologies is a pioneer and leader, amongst the private sector, in both India 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 and Primes such as Airbus, Boeing, BEL, Bell Helicopters, Dassault Aviation, Hindustan Aeronautics Limited and Spirit Aerosystems. The Company also manufactures high precision, complex metallurgical ferrous for performance critical components such as turbochargers and exhaust manifolds and has advanced design and development capabilities to support the OEM needs.

Dynamatic Technologies' facilities located in India (Bengaluru & Coimbatore), United Kingdom (Swindon & Bristol) and Germany (Schwarzenberg), are environmentally sensitive - Green, lean, clean and aligned to our vision of CARe. 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 Metallurgy.

Dynamatic Hydraulics is one of the largest manufacturer of Hydraulic Gear Products in the world, with three state-of-art manufacturing facilities located in India and a facility each in the UK and Milwaukee, USA. This business unit designs and manufactures hydraulic gear pumps in both aluminium and cast-iron in multiple frame sizes. Range of products include high efficiency gear pumps, low noise pumps, high pressure pumps, low torque high speed hydraulic motors, plunger hand pumps, hitch control valves, rock shaft assemblies, power steering valves and mobile control valves for global OEMs . The business unit also manufactures bespoke, very high flow scavenging pumps, lube 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, aircraft ground support systems to turnkey industrial installations. The division is equipped with advanced innovation and development centres in Bengaluru (India) and Swindon (UK) and holds several patents to its credit. With rich experience in application engineering and rapid prototyping capabilities, Dynamatic Hydraulics can develop bespoke solutions for OEMs in quick time.

Dynamatic-Oldland Aerospace (DOA) is a pioneer and leader in the Indian private sector for the manufacture of high precision airframe and aerospace components. The Company has best in class infrastructure for catering to the needs of global OEMs such as Airbus, Boeing, Bell Helicopters, Dassault Aviation. Domestically, the Company is working with the defence sector PSU's such as HAL and BEL. The major products of the Aerospace & Defence segment are control surfaces such as wing, ailerons and wing flaps, fuselages and other key flight critical airframe structures such as flap track beams. Over the period, the Aerospace division has developed excellent capabilities in automated robotic machining, five axis components in aluminium, steel and titanium. The Company has also expertise in tooling capabilities.

The Metallurgy division supplies performance critical automotive parts for global passenger car and commercial vehicle manufacturers. It produces high precision, complex metallurgical ferrous castings for turbochargers, engine, brakes, transmission, and chassis applications. The Company possesses state-of-art manufacturing facility in Germany. Dynamatic Technologies can vertically integrate the competence and locational advantages of its facilities to deliver greater value to its customers.

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 in various countries including India, the USA, the UK, Germany, and other European countries. There are few patent applications pending for registration. Besides the patents mentioned above, the Company has registered 8 trademarks and applied for multiple others in various countries including India, the USA and the UK. DTL employs over 80 scientists and 600 engineers and technicians with expertise in Product Design and Validation, Simulation, Application Engineering, Mechanical Engineering, Advanced Computer Aided Engineering, Computer Aided Manufacture, Materials & Metallurgical Engineering, Fluid Dynamics and Defence & Aerospace Research. The state-of-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

2021 was a year of recovery and resilience with a changing macroeconomic dynamics across the world. The recovery was supported by robust consumer spending and uptake in investments, which had come to a halt in 2020 amidst lockdown measures worldwide. The global economy grew by 5.5% in 2021, the highest growth rate since 1976. However, the growth has been weakened considerably since the end of 2021. This weakening is on account of higher inflation due to disruptions in supply chain along with increasing demand and higher commodity prices. The recent shift in monetary policy by the central banks around the world to control the inflationary pressures has further weakened the momentum and increased uncertainty of economic recovery. According to IMF, the global economy is expected to grow at 3.6% in 2022. The geopolitical conflicts, increasing food and fuel pricing pressure and worsening supply-demand imbalance have increased overall risks to economic prospects and policy trade-offs have become more challenging. Going forward, the central bank policy rates are expected to rise further as policy makers tightened existing monetary measure which in result is exerting pressure on emerging market and developing economies. According to the IMF, the advanced economies are projected to grow at 3.3% in 2022 and 2.4% in 2023 whereas, the emerging economies are expected to post a growth rate of 3.8% in 2022 and 4.4% in 2023, respectively. [Source: IMF World Economic Outlook April 2022]

INDIAN ECONOMY

FY2022 for Indian economy started with signs of strong recovery amid rapid vaccination progress, less stringent social restrictions and supportive fiscal and monetary stances. During April-December 2021, the economy grew at 10.9% as compared to a contraction of 9.9% in same period last year. The growth was mainly driven by fixed investment, private consumption and robust exports growth. However, according to National Statistical Office (NSO), the growth has been declined in Q4 FY2022, impacted by weak rural demand, global geopolitical tension, its effects on supply chains, sharp rise in the inflation and shortage of coal, power and semiconductor. Owing to drastically altered economic environment, the Indian economy is expected to grow at 8.9% in FY2022 as compared to contraction of 6.6% in FY2021, above its pre-pandemic (2019-20) level by just 1.8%. While India's direct trade and financial exposures are modest, indirect impact from the slowing global economy, the sharp increase in commodity prices and uncertainty on account of geopolitical developments weigh heavily on the outlook. Considering the growth and inflation outcomes are at high risk, the central bank has started tapering liquidity by tightening policy rates for the first time in nearly four years. According to IMF Indian economy is expected to grow at 8.2% in 2022, while growth rate is expected to decline at 6.9% in 2023. [Source: RBI, NSO and IMF]

INDUSTRY OVERVIEW AND SEGMENT DISCUSSION:

HYDRAULICS:

Dynamatic Hydraulics is one of the world's largest manufacturers of hydraulic geared products with state-of-art manufacturing facilities located in India, the UK and the USA. This division manufactures widest range of hydraulic gear pumps in aluminium and cast iron in multipale 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:

After a buoyant 2021, the tractors volume in India marginally declined in 2022. In addition to a higher base of FY21, the second wave of Covid-19 was more pronounced in the major states of India (Uttar Pradesh, Madhya Pradesh, Rajasthan, Maharashtra and Gujarat) which collectively account for 56% of the tractors sold in India. This impacted the demand for tractor in Q1 FY2022. Unlike traditional peak period in the month of May and June, the industry could not recover from this setback. The pandemic situation along with extreme weather conditions for the domestic agriculture sector has further impacted sector demand. In addition, the segment was also impacted by manpower shortages, skilled-workforce migration, inflation, raw material availability and logistics issues.

Despite this unfavourable scenario, the industry continued to report strong demand for power steering tractors and increasing use of tractors in non-farming sector. The growth in the demand for power-steering tractors is predominantly on the back of increasing use of tractors as multi-utility vehicles, particularly in the construction activities.

For the FY2023, the industry is expected to grow at high single digit growth. The macroeconomic tailwinds mostly remain intact for the rural economy, including the normal monsoon forecast, the expectation of a strong Kharif harvest and improved rural income.

Going forward, with large room for the farm mechanisation in India, increasing use of tractors in non- agriculture activities, improving demand for Indian medium HP tractors from other countries and higher investments in infrastructure development across the world are expected to fuel the tractor industry growth in the near term.

Construction and Material Handling:

Construction equipment sales declined by ~12% in FY2022 compared to last year due to rising steel prices impacting demand. The earthmoving equipment segment which accounts for nearly three-fourths of the total construction equipment sales in India declined 14%, while road construction equipment sales were lower by 10% during FY2022. However, material handling, material processing and concrete equipment registered positive growth during the year. Exports of construction equipment also increased significantly by 60% in FY2022.

Going forward, a strong recovery is anticipated during FY2023 on the back of low base effect as well as an enhanced export potential and the government's continued thrust on infrastructure development through National Infrastructure Pipeline, Gati Shakti Masterplan, National Monetisation Plan, constitution of National Bank for Financing Infrastructure and Development (NaBFID). However, with increasing raw material prices such as steel, bitumen and cement, the industry may experience some margin pressure.

Dynamatic designs and builds pumps and motors for construction equipment sector. At present market share of the Company is very limited in this segment. Going forward, we look forward to this sector as a good opportunity to explore new products, new application and new markets

Segment Overview:

Dynamatic Hydraulic manufactures high precision hydraulic aggregates for tractors, construction equipment, material handling and machine tool industries. The Company has three state-of-art manufacturing facilities at Bengaluru for Geared Products- Pumps and Motors, Integrated Hydraulic solutions like hitch control valves, Rockshaft Assemblies and Power Units for defence applications. This manufacturing facility is supported by a very advanced design, R&D Center and a rapid prototyping laboratory.

The Company continues to enjoy a major market share of ~75% in the organized Indian tractor industry and is the partner of choice for almost all the tractor OEMs globally. It also designs and builds complete hydraulic solutions incuding hydraulic hitch control valve with draft control and complete rockshaft assembly for the agricultural tractors.

The demand for power steering tractors is expected to continue to grow faster than the volume growth in the industry in the domestic market. Additionaly, there is an increasing global demand for mid size tractors produced in India. Industry will thus witness a steady growth in exports.

Dynamatic has strategically entered into this business and enhanced its capacity further to produce pumps for the steering requirement. With a healthy share of business and increase in global foot print on geared products, the Company is now focussed on wallet share per equipment offering complete hydraulic package to its OEMs. This will continue to be our key focus in next few years.

Furthermore, with given growth potential in the construction equipment sector, Dynamatic 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. Some of these products are currently undergoing trials with various global OEMs.

During the FY2022, the Hydraulics segment recorded a robust top line growth of more than 42% compared to last year coupled with significant improvement in the profitability for the period. The margin enhancement was driven by strong demand across our product portfolio resulting in better product mix. In addition, various cost optimization measures which were undertaken during the previous year have resulted in improved efficiencies.

Dynamatic Hydraulics, Swindon, UK, recorded 25% top line growth with revenue of GBP 12.1 Million. This was driven by post pandemic recovery of the region allowing the Company to operate at optimal levels, start of new projects with full scale production, improved market and demand in the US.

Looking forward, the year 2023 is expected to report a favourable growth in India and the UK supported by increasing use of technology and automation across the industries. However, disrupted global supply chain, higher commodity prices, labour shortages are anticipated to impact margins.

In FY2022 Dynamatic Hydraulics received the following awards:

Apr 2021: Silver awards [Two] in 8th Poka Yoke Competition organised by CII

Jun 2021: Silver awards [Two] in 40th KAI-ZEN Competition organised by CII

Oct 2021:"Karnataka Best Employer Brand Awards 2021" for Promoting Health in workplace organised by World HRD congress.

Operational and Financial Performance

(Rs. in Lakhs)

Particulars	FY22	FY21	Change (%)
Revenue	42,366	29,763	42.3%
EBITDA	7,318	3,109	135.4%
Margin %	17.3%	10.4%	

The Hydraulics segment reported a robust performance during the year driven by increasing demand from agriculture and non-agriculture sector demand for tractors. EBITDA margins for the segment improved by over 683 basis points compared to last financial year. The margin enhancement was driven by strong demand across our product portfolio coupled with better product mix. In addition, various strategic initiatives undertaken during last few years such as shifting from outsourcing to in-house production for reducing dependency on third party vendors, increasing utilisation levels, minimising wastages, and enhancing cost controls, also contributed to the improvement.

AEROSPACE & DEFENCE:

Industry Overview and Outlook:

Defence Aerospace:

India's defence manufacturing sector has been growing at a CAGR of 3.9% between 2016 and 2020. The Indian government has set the defence production target at US$ 25.00 billion by 2025 (including US$ 5 billion from exports by 2025). Defence exports in India were estimated to be at US$ 1.29 billion in 2019-20. India's defence import value stood at US$ 463 million for FY2020 and is expected to be at US$ 469.5 million in FY2021. Defence exports in the country witnessed strong growth in the last two years. India targets to export military hardware worth US$ 5 billion (Rs. 35,000 crore) in the next 5 years. As of 2019, India ranked 19th in the list of top defence exporters in the world by exporting defence products to 42 countries.

In addition, Defence Acquisition Procedure (DAP) 2020 and Defence Production and Export Promotion Policy (DPEPP) 2020 provides a solid foundation to attract investments and build capabilities for the sector. This policy's support coupled with increasing Foreign Direct Investment (FDI) in defence is anticipated to drive the growth for Indian aerospace and defence industry going forward.

Commercial Aerospace:

India's civil aviation demand in FY2021 was severely impacted due to pandemic related travel restrictions across the globe. All major airlines have either cancelled or postponed their purchase plans for new aircrafts, which has resulted in significant decline in production forecasts by Airbus and Boeing. India's passenger traffic stood at 131.62 million in first nine months of FY2022. Domestic and international passenger traffic declined at a FY2016 - 21 CAGR of 9.0% and 28.6%, respectively, owing to COVID-19-related restrictions. In FY2021, airports in India recorded the domestic passenger traffic at ~105.2 million, a 61.7% YoY decline, while international passenger traffic declined by 84.8% YoY to ~10.1 million. In October 2021, the average daily domestic passenger flight departures stood at over 5,857, with average daily domestic traffic being ~7,00,000 air passengers.

Overall, the aircraft movement declined at a CAGR of 7.8% from 1.60 million in FY2016 to 1.20 million in FY2021. During the same period, domestic aircraft movement decreased at a

CAGR of 6.4% and international aircraft movement declined at a CAGR of 18.5%. India's domestic and international aircraft movements reached 1,062 thousand and 135 thousand, respectively in FY2021.

Globally, demand for the new aircraft is expected to pick-up gradually as the major economies are expected to recover from the pandemic and travel restrictions being lifted. The mass vaccination programs being run in advanced and emerging markets will further help the global tourism industry.

According to the International Air Transport Association (IATA), India is expected to overtake China and the United States as the world's third-largest air passenger market by 2030. The rising demand in the sector has resulted in higher number of airplanes operating in the sector. The number of airplanes is expected to reach 1,100 planes in India by 2027. In addition, the capital expenditure by Indian Government and introduction of various schemes such as Krishi Udaan and UDAN (Ude Desh ka Aam Naagrik) is anticipated to drive the growth of the segment in the medium to long term.

Segment Overview:

Dynamatic-Oldland Aerospace®, India, is a pioneer and a recognized leader in the Indian private sector for the development of complex aero-structures and the manufacture of aircraft parts and accessories. The Company is also 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 Dassault. Further, it also caters to domestic requirements from major OEMs like Bharath Electronics (BEL) & Hindustan Aeronautics (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 the UK deliver high value to its customers, by seamless integration of highly skilled workforce in India for assemblies and low cost of capital for manufacturing at the 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 7,000 aircraft sets till date and is working closely with Spirit Aero Systems for the re-design of the Flap Track Beam with a Monolithic structure. Dynamatic Technologies has successfully associated with Airbus on supplies of A330 program the long-range aircraft variants. The Company is a single source supplier of flap track beam in the world. Going forward, the Company is focused on developing capabilities in large aero-structural assemblies, composites and high precision aero-structure designing and manufacturing.

In FY2022, the company was recognized for its capabilities from Boeing and was tasked to execute a new project requirement for Boeing F15 EX Former Assemblies. The company was able to meet the first article production requirements in a record time despite the pandemic which was recognised by the leadership at Boeing.

In FY2022, Dynamatic Oldland-Aerospace® received industry wide recognition and won a few major awards:

JUN 2021: Won 2 Par Excellence and 2 Excellence Award in 7th National Conclave on 5S 2021 organized by QCFI

AUG 2021: Won Gold award in Poka-Yoke Competition organized by CII & TPM Club of India (Virtual)

SEP 2021: Won 12 Gold awards and 2 Silver Awards in 30th Chapter Convention on Quality Concepts (CCQC)-2021 organized by QCFI- Bangalore

NOV 2021: Won 3 Par Excellence award in International Level (ICQCC) - Competition at Hyderabad organized by QCFI

DEC 2021: Won 3 Par-Excellence awards and 3 Excellent Awards in 35th National Convention on Quality Concepts (NCQC)-2021 organized by QCFI

JAN 2022: Won Gold & Special Award in National Awards for Manufacturing Competitiveness (NAMC) - 2021 organized by International Research Institute for Manufacturing (IRIM)

During FY2022, the performance of the segment was impacted primarily due to pandemic led travel related restrictions. Various travel bans between countries and decline in passenger traffic due to the Covid-19 continued to impact the performance of the civil aviation sector. In the Defence Aerospace, the Company has won orders from the Indian Defence Public Sector Undertakings (PSUs) which has helped to mitigate the slowdown in the civil aviation sector.

(Rs. in Lakhs)

Particulars	FY22	FY21	Change (%)
Revenue	36,014	37,395	(3.7)%
EBITDA	9,899	11,131	(11.1)%
Margin %	27.5%	29.8%	

The performance of the segment was impacted by global supply chain related challenges and manpower shortage in ancillary industries. However, the outlook for the sector remains promising. We have recently been awarded an order from Boeing for manufacturing assemblies for their tactical fighter, the F-15EX Eagle II. We expect the commercial delivery for this from second half of FY2023.

Dynamatic Homeland Security®, offers cutting edge security products and technologies such as unmanned aerial vehicles, mobile surveillance vehicles and comprehensive integrated border management solutions (CIBMS). 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).

The Company has entered into two major partnerships with academia and DRDO. It signed a MOU with Indian Institute of Technology (IIT) Kanpur for design and development of unmanned solutions aimed at surveillance and reconnaissance. The Company has also signed an agreement with Central Scientific Instruments Organisation (CSIO) for advanced optical sensors and payload design and development. The partnerships are aimed at developing indigenous products and solutions for Indian Defence and Paramilitary in line with our Prime Minister's clarion call for self-reliance, Atma Nirbhar Bharat.

METALLURGY:

Industry Overview and Outlook:

The automotive industry is the largest manufacturing sector in Germany in terms of turnover. As Europe's leading market and producer, the automotive industry is also a global export powerhouse and driver of mobility innovation. The 60 companies in the passenger car and passenger car engine manufacturing generated a 16.1 % of the total industrial turnover to 295.6 billion euros in 2021. According to preliminary data from the Federal Statistical Office (Destatis), in 2021 German car exports increased by 9.9% YoY, however, as compared to 2019, there was a decline of 8.2%. The German automotive industry was impacted by the semiconductor shortage and challenges in the supply chain. The Country has exported passenger cars worth 16.7 billion euros (+14.0% YoY higher) to the China, 15.9 billion euros (+18.1% YoY) to the United States and 9.4 billion euros (-17.0% YoY) to the United Kingdom. Germany's imports of passenger cars declined by 2.4% YoY in 2021. Spain was Germany's most important trading partner in the automotive market. Germany has imported passenger cars worth 6.5 billion euros (-14.6% YoY) from Spain, 6.3 billion euros (+3.8% YoY) from the United States and 5.2 billion euros from Slovakia.

Going forward, with world-class R&D infrastructure, complete industry value chain integration, and highly qualified workforce, Germany's auto sector is expected to recover from the Covid-19 pandemic.

Segment Overview:

Eisenwerk Erla GmbH, Germany, a subsidiary of Dynamatic Technologies, is a preferred supplier of precision, complex metallurgical products for automotive engines and turbochargers to leading global automotive OEMs. The major clients of the Company in this segment are Audi, BMW, Borg Warner Turbo Emission Systems, Daimler, Volkswagen, Rotax and off-highway vehicle majors.

Eisenwerk Erla is growing in casting parts for Agriculture and Road construction vehicles which are part of the re-designing business model. 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. It will allow Eisenwerk Erla to increase its competitiveness in manufacturing high-value precision parts of BMW

Operational and Financial Performance:

(Rs. in Lakhs)

Particulars	FY22	FY21	Change (%)
Revenue	46,501	44,187	5.2%
EBITDA	2,032	1,820	11.6%
Margin %	4.4%	4.1%	

Performance excludes DML, prior period adjusted to ensure comparability

During the FY2022, the Metallurgy segment saw an increase in production after the peak of the Covid-19 pandemic. However, with the Company's continued focus on margin expansion, low-margin product rationalisation continued during the year. The automotive industry showed resilience during the second half of the year which supported the moderate top-line growth of the segment. Over the longer term, the Company expects to derive further synergies. The shift in production facilities from China to Europe will help improve the Company's product base and in turn drive business growth. Overall, Dynamatic Technologies continues to focus on a high-margin product mix, a ramp-up of existing products, performance-critical components, customer diversification 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 aerostructure portfolio had ever achieved. With this score, DOA remains at the top, amongst the list of aero-structure suppliers in Asia. In 2019, Boeing conducted extensive evaluation of DOA and awarded SILVER AWARD for Performance Excellence. In 2020, Boeing awarded 'General Performance Assessment GOLD AWARD' which is the highest any supplier in aerostructure can achieve.

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 Aero Systems, 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 and Occupational Health and Safety Management System (OHSAS) certification under ISO 45001.

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 aero structures.

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:

(Rs. in Lakhs)

Profitability Ratios	FY22	FY21	Change %	Comments
EBITDA (Consolidated)	16,923	14,901	13.57%	Better product mix, inventory management, price increases for certain products contributed to margin enhancement and effective debt dollarisation
EBITDA Margins	13.50%	13.33%	18bps	
Net Profit (Consolidated – from continuing operations)	3,206	198	nm	Supported by strong performance in hydraulic segment
Net Profit Margins	2.56%	0.18%	238bps	

Liquidity Ratios	FY22	FY21	Change %	Comments
Debt Equity	1.80	1.57	14.98%	Debt to equity ratio increased due to increase in working capital utilisation
Current Ratio	1.41	1.41	-	-
Interest Coverage Ratio	1.59	1.02	55.95%	Increase in EBIT has led to increase in the interest coverage ratio

Return Ratios	FY22	FY21	Change %	Comments
Return on Net Worth	8.5%	0.5%	nm	Profitability ratios are improved significantly as result of better margin levels
Return on Assets	2.3%	0.1%	nm	
Return on Capital Employed	9.8%	8.0%	nm	

Turnover Ratios	FY22	FY21	Change %
Creditors Turnover	2.91	2.30	26.57%
Debtors Turnover	6.13	5.15	19.03%
Inventory Turnover	2.56	2.25	14.03%

nm - Not Material

FINANCIAL CONDITION:

Share Capital

(Rs. in Lakhs)

Year Ended 31st March	FY22	FY21	Change (%)
Share Capital	634	634	-
Reserves & Surplus	37,507	36,242	3.49%

As at 31st March 2022, the Company had an authorized share capital of Rs. 2,500 lakhs, divided into 2,00,00,000 equity shares of Rs.10/- each and Rs. 500 lakhs divided into 5,00,000 redeemable cumulative preference shares of Rs.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 Rs. 37,507 lakhs, as on 31st March 2022, increased amounting to Rs. 1,265 lakhs compared to 31st March 2021

The change is attributable to:

(Rs. in Lakhs)

Particulars	Amount
Profit generated during the year	1,547
Debit balance arising on consolidation	(81)
Total	**1,466**
Other Comprehensive loss during the year	(201)
Total	(201)
Net Comprehensive Income for the year	**1,265**

Borrowings (Rs. in Lakhs)

Year Ended 31st March	FY2022	FY2021	Change (%)
Long term borrowings	37,806	42,687	(11.43)%
Short term Borrowings	16,541	15,054	9.88%
Total	**54,347**	**57,741**	**(5.88)%**
Lease Liability	14,323	16,645	(13.95)%
Total	**68,670**	**74,386**	**(7.68)%**

Fixed Assets:

(Rs. in Lakhs)

Year Ended 31st March	FY2022	FY2021	Change (%)
Property Plant and Equipment	44,399	44,534	(0.30%)
Intangible Assets	12,587	12,581	0.05%
Capital work in Progress	1,454	325	347.38%
Right-of-use assets	11,535	13,702	(15.82%)
Total	**69,975**	**71,142**	

Capital Expenditure:

During the year under review, the Company incurred capital expenditure of Rs. 3,751 lakhs for physical infrastructure and Rs. 384 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.

Inventories:

The inventories of the Company mainly comprise of raw materials of Rs. 9,822 lakhs, work in progress of Rs. 11,974 lakhs, finished goods of Rs. 2,746 lakhs and stores and spares of Rs. 996 lakhs.

OPPORTUNITIES:

Defense Sector Growth: The Indian Government is committed to make the country self-reliant and position it as one of the leading exporters for defense goods. Defence exports in the country has recorded strong growth in the last two years. India targets to export military hardware worth US$ 5.00 billion (Rs. 35,000 crore) in the next 5 years. This target can be achieved only with strong private participation. Allowing of private participation in the defense sector is anticipated to provide impetus to the indigenous manufacturing in the sector. [Source: Ministry of Defence, Government of India]

Focus on Civil Aviation: The Indian civil aviation segment has experienced significant recovery towards its pre-covid levels in both passenger and cargo segment. In addition, with further relaxation across countries it is anticipated that international travel will also get boost. Recently, India also launched seaplane services in Gujarat from 'Statue of Unity' in Narmada District to Sabarmati Riverfront in Ahmedabad. There are also plans to develop new water aerodromes across the country. Such new initiative in collaboration with existing initiatives like regional connectivity scheme is favourable for the global OEM and related manufacturers.

Support to Agriculture Sector: The Indian Government over last years has been focused on enhancing quality of people associated with the agriculture and allied sectors. Many initiatives have been undertaken to enhance productivity, reduce wastages and increase farmer's income. These initiatives coupled with focus on farm mechanisation such as establishment of custom hiring centres, farm machinery bank and high-tech hubs in different states has also been undertaken. India is among the largest global manufacturer of farm equipment like tractor, harvesters and tillers. The Government focus on the sector and farmers quality of life is expected to further drive growth of the farm equipment sector.

Preferred Sourcing Destination: Various efforts by Indian Government to enhance India's global competitiveness and improvement in ease of doing business parameters have resulted in India emerging as a preferred sourcing destination. Furthermore, 'China plus One' strategy adopted by leading global investors have also supported the trend. Various global tier-1 suppliers have also announced plans to increase their procurement from India.

Investment in R&D: With India emerging as preferred manufacturing destination, there is strong demand for setting-up R&D centres as well closer to the production site. Currently, there is trend for investments in setting-up R&D operations & laboratories to conduct activities such as analysis, simulation & engineering animations. The trend is further supported by the growth of global OEM sourcing from India & increased indigenisation by global OEMs.

Strong Technology and Manufacturing Platform: Dynamatic Technologies is always committed to enhance its existing capabilities and with that focus, 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. In addition, the expected strong momentum for hydraulics segment is also anticipated to contribute significantly in the Company's performance.

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

Regulatory changes: 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 infrastructure and agriculture sector will also help Dynamatic Technologies to capitalize on the prevailing opportunities.

RISKS & CONCERNS:

Global Economic Uncertainty: Prevailing geopolitical situation has added uncertainty to the overall global economic growth. The last few years were impacted by pandemic which restricted free movement of critical resources across countries. The ongoing tension between Russia and Ukraine and related sanctions have created demand-supply mismatch of critical resources resulted into significant inflation globally. The increase in raw material prices and high interest rate scenario has made capital expensive. Dynamatic Technologies has global operations and operates in capital intensive sectors. If the prevailing situation continues for a longer period, it may have impact on the performance of the Company.

Competition: The business environment in which the Company operates is highly competitive in nature. 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 longstanding relationship that it has with the global OEMs is an added advantage.

Technological Changes: The Company's products are technology driven and in today's era, the technology is continuously evolving resulting in smaller lifecycle of the related products. The Company is aware of the prevailing risk due to technological advancements and has always focused on R&D. Dynamatic Technologies has a dedicated R&D center of the Company which is engaged in design and prototyping of new products, improvement of existing designs and continuous improvement of existing processes. The Company ensures a close working relationship with its customers to understand their evolving needs and focus on providing suitable products to match their expectations and needs.

Foreign Currency Fluctuations: The Company has global operations and financial transactions. Given the nature and scale of the business, the Company's operations are exposed to various foreign currencies and related volatilities. 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. In addition, the Company also tries to match the revenue and expenses in the same currency to mitigate cross currency exposure and translations.

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 through risk management committee 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, Risk Management Committee 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 and 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 QMS 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-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 FY2021, 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.

During FY2022, your Company has successfully achieved the Occupational Health and Safety Management System (OHSAS) certification to ISO 45001.

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 & inspection, and chemical conversion in the current year got NADCAP for Alodine processes.

For the first time, Boeing conducted 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 GOLD rating. 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 IS0 45001 AUDIT for occupational health and safety management systems OHSAS.

Metallurgy: During the FY2022, Dynamatic Technologies has completed preparations for the AS9100 standards at Eisenwerk Erla GmbH facility. The Company completed the certification process by November 2021 and received certificate in February 2022.

The Dynamatic Quality Management System (DQMS) addresses the quality requirements set out by the global automotive OEM. 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 ('ISMS'), ISO/IEC 27001 has been certified by DQS India since March 2018 and recertified again for 3 years. 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 Dynamatic Technologies, Peenya premises.

The Company has moved from traditional on-premises mail system to a robust cloud based mail system. This has enabled users to access mails and use features such as online meetings more effectively.

To enhance effectiveness in our functional systems, SAP Infrastructure on the cloud is being implemented. Functional users can access SAP application securely over the internet.

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.

SAP IMPLEMENTATION:

In line with the strategy of continuous digital transformation and evolution, Dynamatic Technologies has successfully implemented new ERP system SAP S/4HANA for the Indian operations. The new system, once implemented globally, will help us to have better operational and cost efficiencies at group level.

SUPPLY CHAIN MANAGEMENT (SCM) AND PRODUCTIVITY:

Dynamatic Technologies supply chain have a vision to provide flexible, sustainable and an efficient services and products line delivered at right quality, right quantity, right place and on time to the Customers. Supply Chain evolves in each of the processes through continuous improvement and innovations thereby providing competitive advantage in the entire cycle of Operations.

At Dynamatic Technologies there is a continuous emphasis on digitisation of key processes thereby reducing dependencies and efforts in performing repetitive activities. Flexibility, reliability, compliance and cost efficiency are the key drivers for our Supply Chain Management practices. In the process of achieving a matured Supply Chain the skillsets at each individual levels are being enhanced by providing opportunities to an individual to lead and meet or exceed business objectives. 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 current operations into S/4 HANA ERP Systems developed.

- Supply Chain has supported multiple work transfers from Customer into your Company
- Optimisation of Inventories on hand were performed for all Projects
- Supply Chain along with the partners developed software to manage Supplier relationships effectively
- Supply Chain are designing processes to have a proactive approach for challenges foreseen
- 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

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.

ENVIRONMENT:

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 is a ISO: 14001 certified company. The company is ensuring its environment footprint which is of 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 being 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. 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.

In spite of pandemic ravaging the industries, we were still able to maintain normalcy, with pro-active measures. Testing – Tracking – Isolating – Treating – Vaccinating methodology was used to contain the spread inside the Factory premises.

All Government protocols and guidelines are adhered to in the Company, to mitigate the spread of the virus. The required devices in this regard such as masks, face shield, hand gloves, hand sanitizers are being provided to all employees. To maintain safety at the workplace, sensor-based water dispensers are provided, and air fresheners are kept across all departments.

To protect our employees and their families from the pandemic, we have organised vaccination drives. Also, being a social responsible Company, we have extended the vaccination drive to our customers, vendors and suppliers.

National Safety Week was celebrated in the plant and few events were conducted to bring awareness of safety while at work and while away from work. Special sessions were conducted to bring the awareness about Covid-19 pandemic preventive measures such as wearing PPEs, Covid-19 tests and vaccinations.

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. On site 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.

Technologies has undertaken initiatives such as conducting frequent swab tests by setting up trained medical team, enforced COVID-19 appropriate behaviours as per the Government SOPs. Additionally, Dynamatic Technologies has brought out its own COVID-19 SOPs in line with the guidelines issued by MHA to contain the spread of virus. Dynamatic Technologies has set up a sophisticated Bio-security lab approved by NABL and managed by highly qualified and skilled personnel, which helps in identifying positive cases on the same day and further containment measures to be taken.

Dynamatic Technologies has proactively initiated multiple vaccination drives to safeguard its employees and their families. Further Dynamatic Technologies has gone the extra mile to vaccinate customers, vendors, suppliers and employees of neighbouring industries and the other stake holders. The vaccination has covered 100% workforce.

In response to shocks of the recent pandemic, the Company is also allocating resources for the development of current and potential leaders to build new skills to function effectively in new work environment.

In order to bring cohesiveness among employees and having good Industrial Relations climate in the organisation, an initiative was taken to start 'Gurukul' and was inaugurated in the month of Jan-2021. This is a place for meditation, yoga, wellness and other training sessions.

An activity center was inaugurated in the month of Jan-2021, which is a center of refreshment for employees during their leisure time. This activity center is used for playing indoor games like table tennis, carrom, badminton and chess.

The Long-Term Wage Settlement which was due in this year was finalised to the mutual benefits and signed with the Union. The workmen have been extended an adequate increase, comparable with similar industries in Bangalore. This Settlement will remain in force for the next three years.

WORK CULTURE:

Human Resources (HR) at Dynamatic Technologies continued to play a pivotal role in managing, guiding and motivating the Company's workforce and as a strategic partner, the function is aligned with the business needs. The Company 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.

Dynamatic has taken on board a qualified psychoanalyst as wellness expert and has initiated one to one sessions to address concerns and apprehensions of our employees, if any. A Wellness camp was organised for all employees, wherein, topics like work-life balance, stress, interpersonal relations were covered and was well received by the employees.

Women's Day was celebrated in the month of March-22 by engaging all women employees in the campaign of 'Break the Barrier'. In line with the campaign slogan, Dynamatic Technologies invited and honoured women Auto/Taxi drivers of Bangalore city who have broken the gender barrier and are successfully making a livelihood. This inspired and added confidence to our women employees, who have already broken the barrier and are working successfully alongside men in all the departments at various ranks.

Two of our Executives from the Operations team were selected by Army War College, Indore for participating in two weeks Higher Command Course (HCC) - Industry Joint Capsule. This course brought the armed forces and the industry representatives to have face-to-face discussions and enhanced the industry's collaboration with Armed forces.

Birthday celebrations across all units were conducted to give special attention to the employees to make them feel valued and recognized. This also helps in boosting employee morale and retention.

Ayudha Pooja was traditionally celebrated in the month of October recognising the importance of maintaining tools and instruments that are used in the operations. Ayudha pooja celebration is akin to spring cleaning and housekeeping.

Lakshmi Pooja was celebrated in the month of November during Deepavali and Sankranti was celebrated in the month of January.

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

To encourage free lateral communication from our employees, MICROLAB, a small group discussion has been initiated. This is a monthly program, wherein, around 25 randomly chosen employees from different departments are invited for a discussion over a cup of coffee with the Co-COO, DOA and ED. The suggestions made during these discussions are addressed satisfactorily and closed.

Dynamatic-Oldland Aerospace® being declared as an essential manufacturing sector during lockdown was required to keep up the routines and run the operations. Accordingly, all safety measures were taken to run the factory and ensure all employees were given a safe environment to work by conducting timely RTPCR testing, quarantining primary contacts and ensuring that covid affected employees are given adequate medical care and support. Families were re-assured and supported where required. Medical insurance was extended specifically for Covid-19 treatment. Work from home was extended wherever possible. Paid leave was given to employees who were tested positive for covid and extended paid leave was given to employees with critical and hospitalised cases.

Being socially conscious, Dynamatic Technologies distributed masks, sanitizers & other essentials to police and frontline staffs working at different locations in Bangalore City during lockdown period thus recognising their tireless service. Also fruits and food packets were distributed to the needy in and around factory premises.

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

Risk management is a continuous process that is accomplished throughout the life cycle of a Company. It is an organized methodology for continuously identifying and measuring the unknowns; developing mitigation options; selecting, planning, and implementing appropriate risk mitigations; and tracking the implementation to ensure successful risk reduction. Effective risk management depends on risk management planning; early identification and analyses of risks; early implementation of corrective actions; continuous monitoring and reassessment; and communication, documentation, and coordination

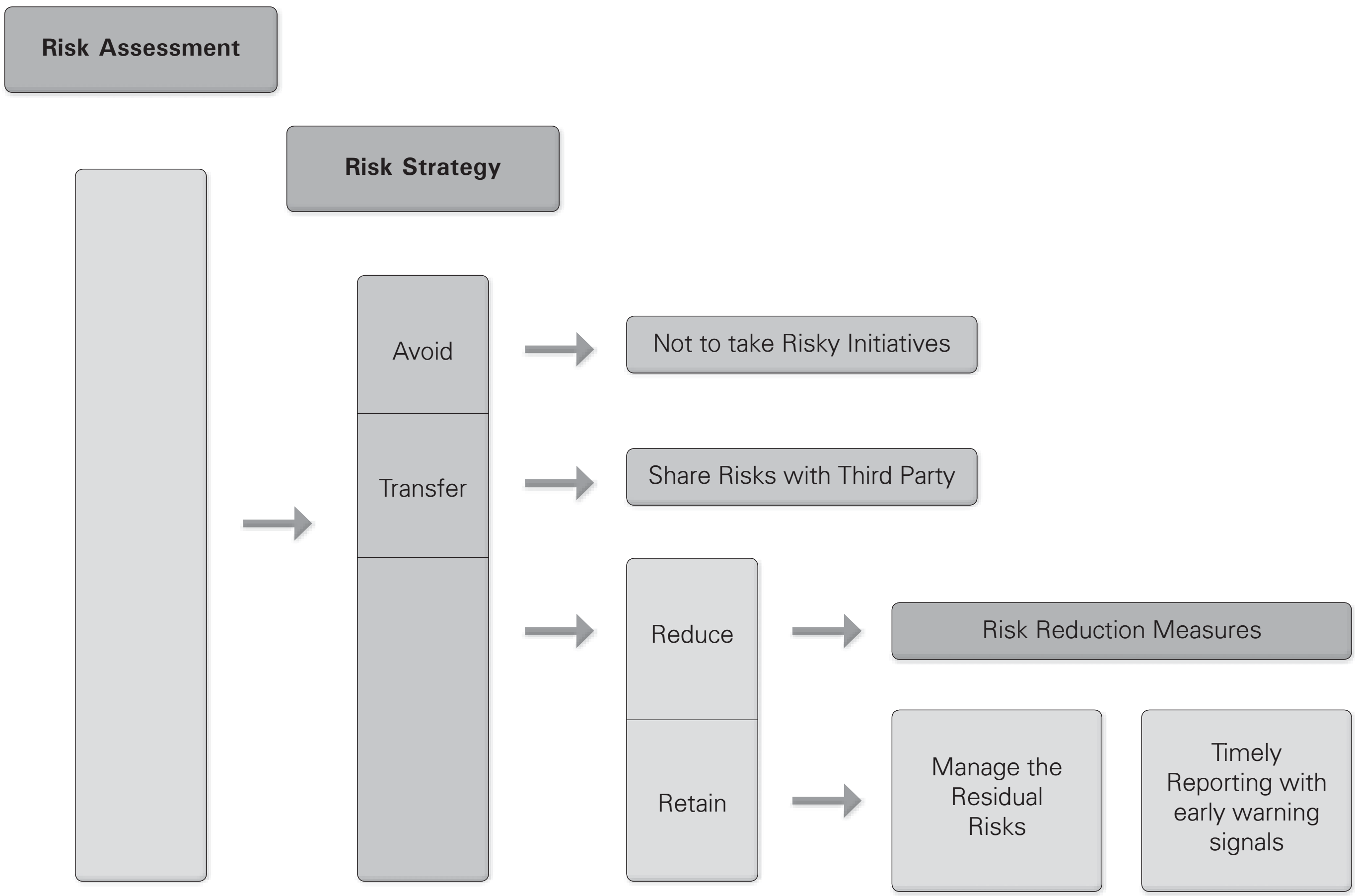
The Company has a well-defined Risk Management Policy which has been developed after taking cognizance of the relevant statutory guidelines, Company internal guidelines, empirical evidences and stakeholder feedback. Dynamatic Technologies believes that Risk Management is the culture, processes and structures 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

The Risk Scenarios for businesses are changing. As per the latest Allianz report the following are the major risks:

1 **51%**	**Cyber incidents** (e.g. Cyber crime, it failure/data breaches, fines and penalties)	↔ 2021 **56% (1)**
2 **39%**	**Pandemic outbreak** (e.g. Health and workforce issues, restraction on movements)	↑ 2021 **38% (3)**
3 **33%**	**Business interruption** (incl. supply chain disruption)	↓ 2021 **39% (2)**
4 **28%**	**Natural catastrophes** (e.g. storm, flood, earthquake, wildfire, weather events)	↑ 2021 **17% (6)**
5 **22%**	**Climate change** (e.g. physical, oparational, financial and reputational risks as a result of global warming)	↓ 2021 **24% (4)**
6 **18%**	**Market developments** (e.g. volatility, intensified, competition/new entrants, M&A, market stagnation, market fluctation)	↑ 2021 **38%(3)**
7 **15%**	**Changes in legislation and regulation** (e.g. trade wars and tariffs, economic sanctions, protectionism, Brexit, Euro- zone disintegration)	↓ 2021 **21%(5)**
8 **15%**	**Loss of reputation or brand value** (e.g. Public criticism)	↔ 2021 **11%(7)**
9 **9%**	**Product recall, Quality management, Serial defects**	↑ **New**
10 **7%**	**Shortage of skilled workforce**	↑ **New**

Dynamatic Technologies Limited Risk Management Framework

The Following framework shall be used for the implementation of the Risk Strategy

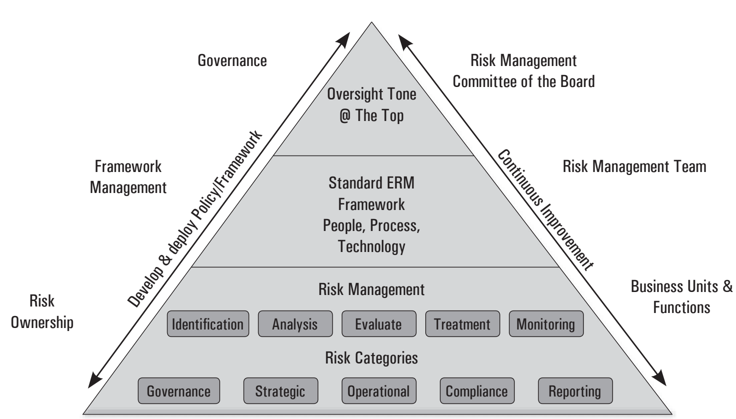


Key Business Objectives

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. Risks to 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 robust and dynamic 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 & SUSTAINABILITY REPORTING FOR THE FY 2021-22

Introduction:

Sustainability is beyond managing environmental risks and is about building resilience into the organization that is attained through Environmental, Social and Governance (ESG) agenda within and with external stakeholders.

The company is focused on executing a strong ESG plan by working with all relevant stakeholders as well as in its own operations.

Even during the pandemic, the company continued to strive towards addressing its sustainability goals internally, concurrently assisting communities to navigate the pandemic. The company is actively enabling a low-carbon society as well as working with its customers and suppliers to implement sustainable practices in line with the company's strategy and is equally committed to driving social progress in communities.

During the pandemic the company contributed towards relief efforts partnering with local government by providing equitable access to Covid-19 vaccination to its employees alongside Government efforts. Within the company, vaccination drives were also organized to aid employees and their immediate families to voluntarily get vaccinated for the Covid-19 virus.

The company's sustainability strategy is to support its customers and suppliers to reduce emissions and achieve carbon neutrality in its own operations and focus its commitment to responsible business practices.

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1. Corporate Identity Number (CIN) of the Listed Entity: L72200KA1973PLC002308
2. Name of the Listed Entity: Dynamatic Technologies Limited ('Dynamatic Technologies' or 'DTL' or 'the Company')
3. Year of incorporation: 1973
4. Registered Office Address: JKM Plaza, Dynamatic Aerotropolis, 55, KIADB Aerospace Park, Devanahalli, Bangalore – 562110 (w.e.f. 1st April 2022)
5. Corporate Address: Dynamatic Park, Peenya, Bangalore - 560 058
6. E-mail: investors.relations@dynamatics.net
7. Telephone: +91 80 2111 1223 / +91 80 2204 0535
   +91 80 2839 4933/34/35
8. Website: www.dynamatics.com
9. Financial year for which reporting is being done: 1st April 2021 to 31st March 2022
10. Name of the Stock Exchange(s) where shares are listed: BSE & NSE
11. Paid-up Capital: INR 6,34,14,430
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report:

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

13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).

    The disclosures under this report are made on Standalone basis.

II. Products/services

14. Details of business activities (accounting for 90% of the turnover):

Sl. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Dynamatic Technologies Limited designs and builds highly engineered products for Metallurgy, Aeronautic, Hydraulic and Security applications. With futuristic design, engineering and manufacturing facilities in Europe and India, the company is able to meet customers' exacting requirements on 6 continents.	**Aerospace:** Dynamatic-Oldland Aerospace® is a demonstrated leader for the development of exacting Airframe Structures and Precision Aerospace Components. **Hydraulics:** The Dynamatic Hydraulics® production facilities in Bangalore employ cutting-edge technologies and modern machinery to manufacture an extensive range of Hydraulic Gear Pumps in Cast Iron and Aluminium, that find application in Agricultural Equipment, Construction Equipment, Material Handling Equipment, Mining and Drilling Equipment and in Marine applications.	99%

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Sl. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Boeing Chinook Ramp & Pylon, P8 Power & Mission Cabinets, Control Surfaces of T-7A Red Hawk Program Bell 407 Helicopter cabins Airbus Flap Track Beams for A318, A319, A320, A321 & A330 family of aircrafts	3030	44%
2.	Hydraulic Gear Pumps and Motors, Rock Shaft Assembly & Hitch Control Valves, Lube Oil & Water Pumps	2813	55%

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	5	2	7
International	3	3	6

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	Throughout India
International (No. of Countries)	4 (Across Europe / Asia)

b. What is the contribution of exports as a percentage of the total turnover of the entity : 54%

c. A brief on types of customers

Aerospace:

Partner of choice for agencies of national importance including the Ministry of Defence and Hindustan Aeronautics Limited, as well as international aerospace majors.

Dynamatic-Oldland Aerospace® also works closely with EADS and Spirit AeroSystems to assemble Flap Track Beams for the Airbus Single Aisle A-320 Family of Aircrafts on a Single Source basis. This is the first time that a functional aero-structure of a major commercial jet is being manufactured in the Indian Private Sector.

Dynamatic-Oldland Aerospace®, has state-of-art facilities for Heat Treatment of Aluminum Alloys, Fluorescent Penetrant Inspection, Resistant Spot Welding and Measurement and Inspection (CMM, Laser Tracker and Articulated Arm) which are NADCAP accredited and Approved by Primes like Airbus, Boeing, Bell Helicopter and HAL

Hydraulics:

The Dynamatic Hydraulics® facility in Swindon, UK, has over 50 years of experience in the design and manufacture of Gear Pumps and supplies products to Agricultural, Construction and Off-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.

IV. Employees

18. Details as at the end of Financial Year: 2021-22

a. Employees and workers (including differently abled):

Sl. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
	EMPLOYEES					
1.	Permanent (D)	426	374	87.79%	52	12.21%
2.	Other than Permanent (E)	12	10	83.33%	2	16.67%
3.	Total employees (D + E)	438	384	87.67%	54	12.33%
	WORKERS					
4.	Permanent (F)	485	480	98.97%	5	1.03%
5.	Other than Permanent (G)	743	718	96.64%	25	3.36%
6.	Total workers (F + G)	1228	1198	97.50%	30	2.44%

b. Differently abled Employees and workers:

Sl. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
	DIFFERENTLY ABLED EMPLOYEES					
1.	Permanent (D)	NIL	NIL	NIL	NIL	NIL
2.	Other than Permanent (E)	NIL	NIL	NIL	NIL	NIL
3.	**Total differently abled employees (D + E)**	NIL	NIL	NIL	NIL	NIL
	DIFFERENTLY ABLED WORKERS					
4.	Permanent (F)	NIL	NIL	NIL	NIL	NIL
5.	Other than permanent (G)	NIL	NIL	NIL	NIL	NIL
6.	**Total differently abled workers (F + G)**	NIL	NIL	NIL	NIL	NIL

19. Participation/Inclusion/Representation of women

Particulars	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	9	1	11.11%
Key Management Personnel	5	-	-

20. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

Particulars	FY 2021-22 (Turnover rate in current FY)			FY 2020-21 (Turnover rate in previous FY)			FY 2019-20 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	18.58	9.80	17.57	15.37	17.65	15.61	13.44	7.48	12.77
Permanent Workers	1.86	-	1.84	3.42	-	3.39	0.20	-	0.20

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21.(a) Names of holding / subsidiary / associate companies / joint ventures

Sl. No.	Name of the holding/ subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	JKM Erla Automotive Limited	Subsidiary	99.99%	Yes
2.	JKM Research Farm Limited	Subsidiary	99.99%	Yes
3.	JKM Global Pte Limited	Subsidiary	100%	No
4.	Dynamatic Manufacturing Limited (Formerly known as JKM Ferrotech Limited)	Step Subsidiary	99.99%	Yes
5.	Dynamatic Limited, UK	Step Subsidiary	100%	No
6.	Yew Tree Investments Limited, UK	Step Subsidiary	100%	No
7.	Dynamatic US, LLC	Step Subsidiary	100%	No
8.	JKM Erla Holding GmbH	Step Subsidiary	100%	No
9.	Eisenwerk Erla GmbH	Step Subsidiary	100%	No
10.	JKM Automotive Limited	Step Subsidiary	100%	Yes

VI. CSR Details

22. i. Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

    ii. Turnover (in Lakhs) : Rs. 54,897

    iii. Net worth (in Lakhs) : Rs. 37,302

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	Current FY 2021-22			Previous FY 2020-21		
	(If Yes, then provide web-link for grievance redress policy)	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Re-marks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Re-marks
Communities	-	-	-	-	-	-	NIL
Investors (other than share holders)	-	-	-	-	-	-	NIL

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	Current FY 2021-22			Previous FY 2020-21		
	(If Yes, then provide web-link for grievance redress policy)	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Shareholders	-	-	-	-	-	-	-
Employees and workers	Yes. The grievance redressal mechanism consists of immediate reporting manager, representatives of recognized Union, Dedicated Industrial Relations Managers, Welfare officers and HR Business Partners at each factory locations.	Grievances are addressed with mutual discussion in an informal way	-	Grievances are addressed with mutual discussion in an informal way	Grievances are addressed with mutual discussion in an informal way	-	Grievances are addressed with mutual discussion in an informal way
Customers	Yes. Escalation mechanisms are defined in individual client contracts and addressed as per DTL quality policy						
Value Chain Partners	https://www.dynamatics.com/Investors/Shareholder-Information/						
Other (please specify)	https://www.dynamatics.com/Investors/Shareholder-Information/						

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

Sl. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Stakeholder engagement	Opportunity	Opportunity to engage and seek stakeholder inputs to integrate non business practices as appropriate	Have stakeholder engagement process set that is followed. The company has a continual stakeholder engagement process	Positive
2	Carbon reduction	Opportunity	Opportunity to move towards energy efficiency, fuel switching, combined heat and power, use of renewable energy, and the more efficient use and recycling of materials and address climate change	Several initiatives are underway internally to focus on carbon reduction and address efficiency and overall reduce emissions and address climate change	Positive

3	Operations environment	Opportunity	Opportunity to bring in resource conservation and reduced costs along with mitigating negative impacts of non-compliances	All environmental compliances are met through a compliance tool and operational improvements are undertaken.	Positive
4	Products Solutions and Services	Opportunity	Opportunity towards improving products and services and from the sustainability aspects, address aspects of esource conservation, energy and climate change aspects	Internalized with R&D and all aspects of product and service management aspects	Positive
5	Human Rights & labour	Risk	Responsibility to identify and manage Human Rights risks in its operation and supply chain and mitigate from adverse risks and consequential damages	Have policies and detailed process set along with due diligence procedures to evaluate Human Rights risks at all levels of operations	Negative
6	Health and Safety	Risk	Managing safety and health is an integral part of managing a business. Businesses need to do a risk assessment to find out about the hazards and risks in their workplace(s) and put measures in place to effectively control them to ensure these hazards and risks cannot cause harm to employees and workers.	Several initiatives and programs have been insisted to address all aspects of managing health and safety and closely monitored for continual improvements.	Negative
7	Diversity and Inclusion (D&I)	Opportunity	The company is powered by the diverse perspectives, skill sets and life experiences of their employees. To tap into the full potential of human diversity, the company looks at diversity and create an inclusive working culture underpinned by a fundamental sense of belonging, fairness and equity, enabling people to bring their 'full self' to work and achieve operational efficiency	The company has D&I focus with actionable plan to include diversity and inclusion in every way	Positive
8	Data privacy	Risk	Risk as non-compliance aspects. Laws global and local require strict adherence with respect to data privacy	At DTL respecting personal data protection rights are priority. DTL has adopted global data protection standards to ensure a standardized and high level of protection of Personal Data which is processed by DTL Group Companies. DTL respects personal data protection rights and is a priority.	Negative

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a.Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b.Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c.Web Link of the Policies, if available	http://www.dynamatics.com/								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4. Name of the national and international codes/ certifications labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Y	Y	Y	Y	Y	Y	Y	Y	Y
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Company has sustainability strategy that focuses on key aspects of sustainability.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Long term Sustainability Goals/ Targets have been identified and the action plan for achieving the same is tracked on a year on year basis. Performance of such principles is also reviewed periodically by the Senior Management.								
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure) DTL is committed to make the business truly sustainable and socially responsible. The ESG road map of the company is to be a well governed organization with diverse talent and inclusive work place.									
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Udyanant Malhoutra, CEO & Managing director under the guidance of the Board of directors and its committees is responsible for implementation and oversight of the business responsibility policies.								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Refer point 8 above								
10. Details of Review of NGRBCs by the Company:									

Subject for Review	**Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee**				**Frequency** **(Annually/ Half yearly Quarterly/ Any other – please specify)**				
	P 1	**P 2**	**P 3**	**P 4**	**P 5**	**P 6**	**P 7**	**P 8**	**P 9**
Performance against above policies and follow up action	As a practice, policies on Business Responsibility of the Company are reviewed periodically or on a need basis by the Senior Leadership Team. During this assessment, the efficacy of the policies is reviewed and necessary changes to policies & procedures are implemented								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The Company is in compliance with the existing regulations as applicable and a Statutory Compliance Certificate on applicable laws is provided by the CEO & MD/CFO to the Board of Directors								

	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	The Company has various policies in place which are reviewed from time to time by the Board, its Committees and Senior Management. Further, the above policies and processes may be subject to regulatory compliances and changes, as applicable.								

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated: - Not Applicable

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)	All Principles are covered by the Policies								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally, and ethically responsible.

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

The company's integrity program in line with DTL Code of Conduct is committed to fostering a culture where integrity is embedded in its people, business and processes. The company has a robust compliance and integrity program supported by processes and a zero-tolerance policy for any violations.

The company emphasizes on importance of fostering an inclusive culture that allows employees to exercise their voice and speak up when they have questions or concerns. Bribery and corruption are prohibited in all business dealings, whether with public officials or private sector business partners. Political and charitable contributions are subject to detailed internal policy and controls, Gifts, entertainment and expenses policy defines thresholds, approval processes and their documentation. Agreements with sub-contractors and consortium partners are aligned with the Company's commitment to integrity in the performance of the contract, including commitments not to violate anti-bribery laws. The Company's suppliers are required to maintain integrity standards which are satisfactory to the Company and all suppliers are to agree to DTL Supplier Code of Conduct.

The Whistleblower Policy of the company creates a safe and confidential environment for employees to make such reports and the policy governs the reporting and investigation of alleged improper or illegal activities within the Company as well as the protection afforded to those employees who report them. All reports are subject to appropriate investigation and are brought to full closure using systematic processes and tracking systems.

The Company has an Internal Complaints Committee for the prevention of sexual harassment as a part of the sexual harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013 that aims to provide protection against sexual harassment of women in the workplace and for prevention and redressal of complaints of sexual harassment and for matters connected therewith or incidents thereto. The company has constituted the Internal Complaints Committee at each location and establishments (all locations where more than 10 women are employed).

The Company, during the year, continued its efforts to communicate and provide training and awareness sessions to its employees on key Dynamatic Group policies on integrity including DTL Code of Conduct.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/ principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	Undertaken at the time of appointment and familiarized at regular intervals, in each board meeting / leadership discussion as specified in the next column.	Independent Directors of the Company at the time of their appointment are familiarized on the Company's Core Values, Code of Conduct including the purpose and the business it operates in. At each meeting of the Board/ Audit Committee, members also deliberate on key integrity matters that helps to reflect and focus on key strategies. As a part of Board, Audit and CSR agenda, members also discuss various sustainable initiatives of the Company, including regulatory and economic trends in the country.	100 %
Key Managerial Personnel	Topics pertaining to Integrity and Ethics, Core Values and Code of Conduct are familiarized. This helps the KMP's to drive the Company's values and purpose in all key business activities.		100%
Employees other than BoD and KMPs	Integrity awareness covering Code of Conduct, Anti-Trust, GDPR and Respectful workplace including training programs, awareness campaigns, leader talks, contests and more.		100%
Workers	DTL Code of Conduct is imparted to all workers across locations through face to face/classroom sessions		100%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format - NONE

   (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website)

3. Of the instancing disclosed in question 2 above, details of Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed – NONE

4. Does the entity have an anti-corruption or anti-bribery policy if yes, provide details in brief and if available please provide a weblink to the policy.

   The Company has Code of Conduct where anti-corruption or anti bribery is covered. DTL is committed to upholding the highest moral and ethical standards and does not tolerate bribery or corruption in any form. **Weblink: https://www.dynamatics.com/Investors/Shareholder-Information/**

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption

   There have been no cases involving disciplinary action taken by any law enforcement agency for the charges of bribery/corruption against directors/KMP/employees/workers that have been brought to our attention.

6. Details of complains about conflict of interest- NONE

7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/ law enforcement agencies/ judicial institutions on cases of corruption and conflicts of interest - NONE

Leadership indicators:

1. Awareness programmes conducted for value chain partners on any principles during the financial year:

   In the Company's Supplier code of Conduct and general terms and conditions, the Company has emphasized on all integrity aspects which are applicable to all suppliers. The awareness programs on DTL code of conduct, Supplier Code of Conduct, Conflict of Interest, Data Privacy, etc., will start from the forthcoming financial year.

2. Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.

   Yes. The Company receives an annual declaration from its Board members and KMP on the entities they are interested in and ensures requisite approvals as required under the statute as well as the Company's policies are in place before transacting with such entities/individuals.

PRINCIPLE 2: Business should provide goods and services in a manner that is sustainable and safe

The Company invests significantly in research and development focusing on developing and commercializing the technologies, products and solutions that are of strategic importance for the future growth of the organization. In addition to continuous product development, and order-related engineering work, DTL protects the results of its R&D by holding patents, copyrights and other appropriate intellectual property protection.

Through collaboration with business partners, the Company aims to enhance supplier relationships, ensure the highest quality standards and create a sustainable supply chain. The DTL Supplier Code of Conduct, clearly explains the requirements about areas such as Human Rights, fair labor conditions, business ethics, health & safety, and environment & material compliance, as part of DTL's general terms and conditions from its existing and potential business partners.

The Covid-19 pandemic brought uncertainties around travel, factory operations, lock downs and impacted overall supply chain in many ways. The Company adjusted its supplier assessment approach to remote assessment by using digital technology based on local situation. Continuous communication, quick response to the dynamic situation and the adaptability to the new model have helped the company to manage the overall program effectively. Adequate training and development are also being provided to suppliers who are being assessed regularly.

Essential indicators:

1. Percentage of R&D and capital expenditure (CAPEX) investments in specific technologies to improve the environmental and social impacts of products and processes total R&D and Capex investments made by the entity, respectively:

   DTL has been investing in building green campuses. All of this, along with greater use of renewable energy has helped DTL bring down its carbon footprint. The percentage of R&D and capital expenditure (CAPEX) investments in specific technologies to improve the environmental and social impacts of products and processes total R&D and Capex investments will be made available in our BRSR from fiscal 2023 onwards.

2(a) Does the entity have procedures in place for sustainable sourcing? (Yes/no)

   Yes. The responsible sourcing has been an area of focus for many years, with a series of policies and programs in place to strengthen performance and partnerships in the supply chain. Through collaboration with its business partners, the Company aims to enhance supplier relationships, ensure the highest quality standards and create a sustainable supply chain.

   (b) If yes, what percentage of inputs were sourced sustainably?

   The Company plans to carry out a sustainability assessment of key Suppliers.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

   a) **Plastics (including packaging) -** For damaged product packaging, the product is reclaimed at the depots and is returned to the respective factories for repacking. Further, the expired products are sent for incineration to an authorized agency in accordance with the Hazardous Waste Management Rules, 2016 ('the Rules')

   b) **E- waste -** A pan India based agency authorised by the Pollution Control Board is selected for ensuring safe disposal of e-waste with minimal environmental impact

   c) **Hazardous waste -** Hazardous waste is categorised as per the Rules and is sent to the authorised end users for utilising the same and converting it into useful products. The remaining hazardous waste is sent for proper disposal at Pollution Control Board's authorised facilities.

   d) **Other waste** - NA

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution

   Yes. Plastic waste generated from end products is disposed off under EPR with the help of an agency authorised by the Central Pollution Control Board (CPCB).

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for services (for service industry)? If yes, provide details in the following format?

   The Company is in process of carrying out LCA for its manufacturing unit. The Company also assesses its Carbon Footprint.

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same. – No

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry). - Nil

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format: - Not Applicable

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category. - Not Applicable

PRINCIPLE 3: Business should respect and promote the well-being of all employees including those in their value chains.

The Company 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. The facilities are also certified for ISO 45001 on Occupational Health and Safety Management System by DQS.

In spite of pandemic ravaging the industries, we were still able to maintain normalcy, with pro-active measures. Testing – Tracking – Isolating – Treating – Vaccinating methodology was used to contain the spread inside the Factory premises.

All Government protocols and guidelines are adhered to in the Company, to mitigate the spread of the virus. The required devices in this regard such as masks, face shield, hand gloves, hand sanitizers are being provided to all employees. To maintain safety at the workplace, sensor-based water dispensers are provided, and air fresheners are kept across all departments.

The Company remained focused on its priority even during the pandemic and continued its focus on established safety programs across factories, offices and among the service teams. The company assisted and encouraged employees, business teams, vendors and other stakeholders on adhering to practices for human safety and safe working conditions especially with the pandemic that hampered activities in a large way. The Company prepared Covid-19 guidelines, self-declaration forms, travel restriction rules which was constantly reviewed and communicated to its employees at regular intervals.

Vaccination of employees and contractors was a focus along with Covid appropriate behaviour to keep the workforce safe. Vaccination camps were organized at the Company's premises that enabled its employees to voluntarily opt and get themselves and their immediate family members vaccinated for Covid-19.

Health awareness and health promoting programs continued to be rendered by health professionals of the company on various platforms. During the year, they also provided frequent updates on the Covid-19 virus its strains, potential impact and Covid-19 appropriate behavior and precautions and treatment options.

National Safety Week was celebrated in the plant and few events were conducted to bring awareness of safety while at work and while away from work. Special sessions were conducted to bring the awareness about Covid pandemic preventive measures by the way of wearing PPEs, Covid tests and vaccinations.

Safety of employees was a challenge during the pandemic. Continued support from the business and strict adherence to the protocols by the teams was encouraging as there were minimal cases reported while making sure continued customer focus and business continuity.

Essential Indicators

1. **a. Details of measures for the well-being of employees:**

% of employees covered by											
Category	**Total (A)**	**Health Insurance**		**Accident Insurance**		**Maternity Benefits**		**Paternity Benefits**		**Day Care Facilities**	
		Number (B)	**% (B / A)**	**Number (C)**	**% (C / A)**	**Number (D)**	**% (D / A)**	**Number (E)**	**% (E /A)**	**Number (F)**	**% (F / A)**
Permanent Employees											
Male	369	369	100%	369	100%	0	0.00%	10	2.71%	0	0%
Female	50	50	100%	50	100%	4	8.00%	0	0.00%	4	8%
Total	419	419	100%	419	100%	4	0.95%	10	2.39%	4	1%
Other than Permanent employees											
Male	10	10	100%	10	100%	0	0.00%	0	0.00%	0	0%
Female	2	2	100%	2	100%	0	0.00%	0	0.00%	0	0%
Total	12	12	100%	12	100%	0	0.00%	0	0.00%	0	0%

b.Details of measures for the well-being of workers:

Category	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E /A)	Number (F)	% (F / A)
Permanent Employees											
Male	480	480	100%	480	100%	0	0	17	4%	0	0.0%
Female	5	5	100%	5	100%	0	0	0	0%	1	20.0%
Total	485	485	100%	485	100%	0	0	17	4%	1	0.2%
Other than Permanent employees											
Male	729	486	67%	729	100%	0	0	0	0%	0	0.0%
Female	27	14	52%	27	100%	0	0	0	0%	0	0.0%
Total	756	500	66%	756	100%	0	0	0	0%	0	0.0%

(% of employees covered by)

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2021-22 Current Financial Year			FY 2020-21 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	YES	100%	100%	YES
Gratuity	100%	100%	YES	100%	100%	YES
ESI	8.5%	42.8%	YES	4.1%	8.2%	YES
Others– please specify	-	-	-	-	-	-
	-	-	-	-	-	-

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Most of our working locations are accessible to differently abled persons

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

The Company is governed by the DTL Code of Conduct whereby all the employees and those eligible are provided with equal opportunities. The Company is committed by an inclusive work culture without any discrimination on the grounds of race, caste, religion, colour, marital status, gender, sex, age, nationality, ethnic origin, disability and such other grounds as prescribed and protected by the applicable laws. The DTL Code of Conduct can be accessed at : https://dynamatics.com/Investors/Shareholder-Information/

5. Return to work and Retention rates of permanent employees that took parental leave

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	-	-
Female	-	-	-	-
Total	100%	100%	-	-

6. Is there a mechanism available to receive and redress grievances for the following categories of employees? If yes, give details of the mechanism in brief.

Particulars	Yes/No (if yes, then give details of mechanism in brief)
Permanent Workers	Yes
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

Employees are encouraged to share their concerns with their reporting managers, the HR department and members of the Senior Leadership Team. Apart from this, an Ethics and POSH escalation mechanism is also available.

The Company, on a regular basis, sensitizes its employees on the same as well. It is mandatory for new employees to read, understand and affirm to the DTL Code of Conduct document as part of the induction program.

Employees can raise their concerns to Ethics Counsellors, POSH Committee Members and through whistleblower channel.

The concern received, if any, is investigated by the authorised persons by gathering, validating and analysing the data.

The observations and findings / recommendations are shared with the Chairman of the Audit Committee . The documentation of the action taken is filed for records. Periodically, these concerns are reviewed by the Audit Committee Members. The lessons learnt are also shared during the quarterly Employee Communication meetings.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	2021-22 (Current FY)			2020-21 (Previous FY)		
	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category, who are part of association(s) or union (B)	% (B/A)	Total employees/ workers in respective category (c)	No. of employees/ workers in respective category, who are part of association(s) or union (D)	% (D/C)
Total Permanent Employees						
Male	-	-	-	-	-	-
Female	-	-	-	-	-	-
Total Permanent Workers						
Male	480	480	100%	489	489	100%
Female	05	05	100%	05	05	100%

8. Details of training given to employees and workers:

Category	2021-22 (Current FY)					2020-21 (Previous FY)			
	Total (A)	On Health and Safety Measures		On Skill Upgradation		Total (D)	On Health and Safety Measures		On Skill Upgradation
				Employees					Due to Covid-19, high precautions were taken for social distancing and training on health and safety was given to 100% employees. Due to reduced orders in Aerospace & WFH situation, training on skill upgradation could not be conducted. However, on-the-job skill development continued for those who were working on the shop floor
Male	817	817	100%	757	92.66%	808	808	100%	
Female	77	77	100%	75	97.40%	70	70	100%	
Total	894	120	100%	832	93.06%	878	878	100%	
				Workers					
Male	480	480	100%	229	47.71%	489	489	100%	
Female	5	5	100%	1	20.00%	5	5	100%	
Total	485	485	100%	230	47.42%	494	494	100%	

9. Details of performance and career development reviews of employees and worker:

Category	2021-22 (Current FY)			2020-21 (Previous FY)		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	%(D/C)
			Employees			
Male	324	265	82%	Nil	Nil	Nil
Female	46	31	67%	Nil	Nil	Nil
Total	370	296		Nil	Nil	
			Workers			
Male	As per Wage Settlement					
Female						
Total						

10. Health and Safety Management System

    a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such a system?

       Yes. The Safety & Health Management system covers activities across all manufacturing locations, offices, research laboratories and supply chain partners and ensures the protection of environment, health & safety of its employees, contractors, visitors and all other relevant stakeholders.

    b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

       The Company has a process for Risk Management which is essential for preventing incidents, injuries, occupational disease, emergency preparedness and business continuity. There is a structured Risk Assessment & Management process which is regularly reviewed, and mitigation plans are put in place to reduce the risk.

       For all activities including routine or non-routine, hazards are identified by a trained cross functional team and risk assessment is done through Standard Operating Procedures (SOP) which is referred before starting any activity. Identified hazards and associated risks are addressed through operational control measures using a hierarchy of control approach.

    c. Whether you have processes for employees to report the work-related hazards and to remove themselves from such risks. (Y/N)

       Yes. A process for incident management exists including incident reporting, investigation and implementation of appropriate corrective measures. Employees, contractual staff and visitors are all expected to report incidents including near-miss and potential hazards in addition to accidents.

    d. Do the employees of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

       Yes. All employees are covered under the Mediclaim Insurance Policy and Group Personal Accident Policy

11. Details of safety related incidents, in the following format- Nil

12. Describe the measures taken by the entity to ensure a safe and healthy workplace

    At DTL, a culture of safety is encouraged across hierarchies by promoting behaviour-based safety, process safety and road safety as key focus areas among its workforce. DTL is taking various measures to further strengthen its process safety through enhancing automation in processes and unit operations. Safety Audit conducted at all manufacturing sites by corporate safety to identify and rectify the gaps in workplace safety.

    The company reviews and monitors the safety, health, environmental and sustainability practices, processes, standards, and activities to ensure compliance with appropriate laws and legislation. This also provides valuable direction and guidance to the Management to ensure that Safety and Sustainability implications are duly and timely addressed. All the incidents are reported to the Risk Management Committee and are investigated and analyzed to avoid any recurrence.

13. Number of Complaints on Working Conditions and Health & Safety made by employees and workers: Nil

14. Assessments for the year:

Particulars	**% of your plants and offices that were assessed (by entity or statutory authorities or third parties**
Health and safety practices	DTL locations have been certified with ISO 45001:2018, Occupational Health & Safety Standards. There were no statutory audits conducted on health and safety practices in FY 2022 for any of the offices in India
Working Conditions	DTL locations are subject to site safety inspections and reviews periodically by internal teams with the perspective of checking any health, hygiene and safety hazards and mitigating them.

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

    There were no significant risks/concerns arising from the health & safety practices and working conditions.

LEADERSHIP INDICATORS:

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N)

   Yes. DTL has a scheme in place to provide Financial Assistance to the legal dependents of the permanent employees in case of death while in service through Employee Welfare Benevolence Scheme.

   In addition to this, the employees are covered under the Group Medical Coverage (GMC) and Group Personal Accident (GPA) Policy. The GPA Policy is also being extended to the contract employees working in manufacturing units and offices.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

   The Company monitors and tracks the compliance related to statutory dues by contractors supplying third party resources as a part of regular checks while processing the invoices. Periodic audits are also conducted to ensure compliance.

3. Provide the number of employees having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment - NIL

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No) – No

5. Details of assessment of value chain partners - NIL

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners

   The Company conducts EHS, system & regulatory audits of the third parties, their warehouses and of suppliers at regular intervals to ensure compliance of various processes. Regular follow ups are being done to ensure implementation of suggested corrective / preventive actions.

PRINCIPLE 4: Businesses should respect the interests of and be responsive of all its stakeholders

The Company has a wide variety of stakeholders and engaging with them helps the company understand their needs and supports its business.

1. Describe the process for identifying key stakeholder groups:

   The Company identifies and engages with various stakeholders with the intention of understanding and addressing their expectations and developing short, medium and long-term strategies of the Company. The internal and external groups of key stakeholders identified on the basis of their immediate impact on the operations and working of the Company include Customers, Suppliers, Investors, Employees, Competitors, Regulators, Trade bodies, Local Communities & Trade Unions.

   The Company also engages with the analysts and news media from time to time.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Key identified stakeholders	Details of stakeholder interactions
Business:	
Customers	Various customer focused seminar/ events and programs
Suppliers	The SSDP and continuous ongoing interactions with vendors
Investors	Annual General Meeting, analyst call, one-to-one meetings (need basis), factory visits (on request)
Employees	Various employee welfare programs and awareness cum training sessions
Competitors	Through industry bodies, associations, seminars, exhibitions, and events
Government & Regulators & Others:	
Regulators	Meetings and interactions for compliance requirements, permits etc.
Trade bodies	Seminars, conferences and sharing good practice
Local communities	Ongoing interactions for CSR activities with the communities
Trade Unions	Right of all personnel to form and join trade unions of their choice and bargain collectively

Leadership indicators:

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated how is feedback from such consultations provided to the Board.

   The Company's management regularly interacts with key stakeholders i.e investors, customers, suppliers, employees etc. The Company has Risk Management and CSR Committees that updates the progress of actions in respect to economic, environmental, and social topics to the Board and takes inputs on a regular basis.

2. Whether stakeholder consultation is used to support the identification and management of environmental and social topics (Yes/No) If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

   Consultation with stakeholders on E, S & G topics are delegated to the departments within the organization who are also responsible for engaging with stakeholders continually. Within the domains of E, S and G, we are constantly thinking about the most important issues and preparing through these consultations.

3. Provide details of instances of engagement with and actions taken to address the concerns of vulnerable / marginalized stakeholder groups.

   Women, the elderly, adolescents, youth, and children, persons with disabilities, are some of key vulnerable group identified as they experience the highest degree of socio-economic marginalization. These groups have limited capacities and opportunities to cope and adapt and hence the Company has priority to address these groups especially rural children and gives them priority assistance under the Company's CSR policy.

PRINCIPLE 5: Businesses should respect and promote Human Rights

The Company recognizes that respect for Human Rights is an essential principle of our organization, and it is an integral part of our DTL Code of Conduct. The Company does not accept any form of discrimination, harassment or bullying within DTL or its supply chain and requires all our managers to implement processes to ensure equality of opportunity and inclusion for all DTL employees as well as for individuals employed in our supply chain. The emphasis of Human Rights is of utmost priority to DTL and the Group and has in place a range of key policies and processes that help to prevent child or force labor within its operations and its value chain.

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.

Essential Indicators

1. Employees who have been provided training on human rights issues and policy(ies) of the entity, in the following format

   All employees are provided with Human Rights training. For all new employees who are onboarded, Human Rights awareness is part of the induction session. For worker category face to face/ classroom session on DTL Code of Conduct is done which includes aspects of Human Rights.

2. Details of minimum wages paid to employees in the following format

   As both Central and State Government have authorization over fixing the wages, the State Governments fix their own scheduled employments and further release the rates of Minimum Wage along with the VDA (Variable Dearness Allowance). Wage boards are set up to review and fix minimum wages at specified intervals. The wage rates in scheduled employments differ across states, sectors, skills, regions and occupations owing to a lot of differentiating factors. Hence, there is no single uniform minimum wage rate across the country and the revision cycle differs for each state. However Minimum wages are paid and adhered to by the Company as per the Minimum Wages Act, 1948.

3. Details of remuneration/ salary/ wages, in the following format

	Male		Female	
	Number	**Median remuneration/ salary/ wages of respective category (Rs. in lakhs)**	**Number**	**Median remuneration/ salary/ wages of respective category (Rs. In lakhs)**
Board of Directors*	5	19	1	2
Key Managerial Personnel**	5	428.18	-	-
Employees other than BoD and KMP#	471	5.78	48	4.27
Workers#	488	6.47	5	7.61

*Sitting fees paid to Independent directors. However no sitting fees is paid to Non-Executive & Non-Independent directors
** Salaries paid to CEO & MD, ED's, CFO & CS
# Median Remuneration

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

   Yes. Necessary policies have been adopted by the Company and the Audit and Risk Management Committees of the Board has an oversight on the progress.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

   The Company has a process in place for addressing Human Rights. The Company is committed to maintain a safe and harmonious business environment and workplace for everyone and believes that every workplace shall be free from harassment and / or any other unsafe or disruptive conditions.

   Accordingly, the Company has in place an ethics framework comprising a team of ethics counsellors for redressal of grievances related to ethics / human rights as well as a team of POSH committee members for redressal of such related issues.

6. Number of Complaints on the following made by employees

	FY 2021-22			FY 2020-21		
	Filed during the year	**Pending resolution at the end of year**	**Remarks**	**Filed during the year**	**Pending resolution at the end of year**	**Remarks**
Sexual Harassment	-	-	-	1	1	Complaint resolved during FY 2021-22
Discrimination at workplace	-	-	-	-	-	-
Child Labour	-	-	-	-	-	-
Forced Labour/ Involuntary Labour	-	-	-	-	-	-
Wages	-	-	-	-	-	-
Other human rights related issues	-	-	-	-	-	-

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases

   I. An independent Internal Committee (IC) drawn from cross functional/location employees, follows the process/guidelines as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

   II. The Whistleblower Policy ensures that no unfair treatment will be meted out to a Whistleblower by virtue of his/her having reported a Protected Disclosure under the policy. The Company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistleblowers. Complete protection will, therefore, be given to Whistleblowers against any unfair practices like retaliation, threat or intimidation of termination/ suspension of service, disciplinary action, transfer, demotion, refusal of promotion, or the like including any direct or indirect use of authority to obstruct the Whistleblower's right to continue to perform his/her duties/functions including making further Protected Disclosure.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

   Yes, the Company has specific clauses as part of the DTL Code of Conduct included in the business agreements and contracts and purchase orders. Human rights forms part of the DTL Code of Conduct.

9. Assessments for the year

Particulars	**% of your plants and offices that were assessed (by entity of statutory authorities or third parties)**
Child labour	The Company's manufacturing plants, R&D centers and offices were assessed by the Company and/or externally by third parties, as applicable
Forced/ Involuntary labour	
Sexual Harassment	
Discrimination at Workplace	
Wages	
Others – Please Specify	

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above – Not Applicable

LEADERSHIP INDICATORS

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints - NIL
2. Details of the scope and coverage of any Human rights due diligence conducted - None
3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

   Yes, most of the locations are accessible to differently abled persons.

4. Details on assessment of Value chain partners

Particulars	% of Value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	NIL
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above – Not Applicable

Principle 6: Businesses should respect and make efforts to protect and restore the environment

The Company has embedded ethical and transparent governance where it ensures strict adherence to the laws of the land. Environment legal compliance management has been considered as a risk and opportunity and addressed with utmost importance. In order to ensure real-time monitoring of legal compliance management, the Company has been using an online monitoring tool. The Company has a robust system to regularly map the emerging regulations to ensure smooth compliance management.

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 and Devanahalli 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 is a ISO: 14001 certified company. The company is ensuring its environment footprint which is of 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 wastewater 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. This enables adoption of systematic and quantifiable approaches and techniques to minimize impact on the environment.

Essential Indicators:

1. Details of total energy consumption (in MWh) and energy intensity, in the following format: (data reported are of all DTL India manufacturing units)

Parameter	FY 2022	FY 2021
Total electricity consumption (A)	7402.614	6516.473
Total fuel consumption (B)	44425 ltr	45715 ltr
Energy consumption through other sources (C)	33.056	42.928
Total energy consumption (A+C)	7435.67	6559.40
Energy intensity per Rupee of turnover (Total energy consumption turnover in Rupees) (MWh/INR Crores)	-	-
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N). If yes, name of external agency : BMP & Co. LLP

2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) if yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken if any - Not Applicable

3. Provide details of the following disclosures related to water in the following format:

Parameter	FY 2022	FY 2021
Water withdrawal by source (in KL)		
(i) Surface Water	-	-
(ii) Ground Water	-	-
(iii) Third party water	26,971	33,667
(iv) Seawater/desalinated water	-	-
(v) Others (Rainwater use)	-	-
Total volume of water withdrawal (in KL) (i+ii+iii+iv+v)	26,971	33,667
Total volume of water consumption (in KL)	26,971	33,667
Water intensity per rupee of turnover (Water consumed/turnover) (KL/Rupees in Crores)	-	-
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N). If yes, name of external agency: BMP & Co. LLP

4. Has the entity implemented a mechanism of Zero Liquid Discharge? If yes, provide the details of its coverage and implementation.

   Yes. Company has installed highly efficient wastewater treatment systems (STP & ETPs) across all its manufacturing sites. In line with Zero Liquid discharge principle, our major units are recycling treated wastewater for irrigation, gardening as well as flushing purpose.

5. Please provide details of air emissions (other than GHG emission) by the entity, in the following format: Not Applicable

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) and its intensity in the following format - Not Applicable

7. Does the entity have any project related to reducing greenhouse gas emission? If yes, provide details.

   The Company has taken various initiatives such as installation of solar systems, green power procurement through third party Power Purchase Agreements (PPAs) along with International Renewable Energy Certificates. The Company is also strengthening its energy management systems to further reduce energy consumption and enhance the energy efficiencies of electrical equipment at its premises.

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022	FY 2021
Total waste generated (in MT)		
Plastic waste (A)	7.15	7.09
E-waste (B)	-	0.279
Bio-medical waste (C)	1.331	0.119
Construction and demolition waste (D)	-	-
Battery waste (E)	2.32	-
Radioactive waste (F)	-	-
Other hazardous waste. Please specify, if any (G) (waste consists of used oil, oil soaked cotton waste & few other hazardous waste)	20.94 (Oil-soaked cotton waste) 9.66 KLT (Used coolant)	21.42 (Oil-soaked cotton waste) 20.86 KLT (Used coolant) 0.41 KGs paint sludge
Other non-hazardous waste. Please specify, if any (H). (waste consists of wooden, metal (ferrous, Non-ferrous), paper & few other non hazardous waste)	160.556	185.637
Total (A+B+C+D+E+G+H)	192.297	214.545

For each category of waste generated total waste recovered through recycling, reusing or other recovery operations (in metric tonnes)		
Category of Waste		
(i) Recycled	NIL	NIL
(ii) Re-used		
(iii) Other recovery operations		
(iv) Total		
Category of waste		
(i) Incineration		
(ii) Landfilling		
iii) Other disposal operations		
Total		

For each category of waste generated total waste recovered through recycling, reusing or other recovery operations (in metric tonnes)

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

   Our waste management approach is based on the philosophy of Reduce, Reuse and Recycle. We seek to uphold our ambition of zero waste to landfills through active minimization combined with technology investment in recycling and streamlining systems and processes. With our efforts, we contribute to a circular economy and convert waste to resource.

   In order to offer a green product to the customers and meet various national/international regulations on material management, our organization has established a strong internal material compliance management system to reduce usage of hazardous and toxics chemicals in our products and processes. Besides our internal DTL way management system, DTL Supplier Code of Conduct (SCoC) also defines the requirements from the suppliers on environment & material compliance management.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspot, forests, coastal regulation zones etc.) where environmental approvals/ clearances are required, specify details in the following format.

    Our campuses are built on government approved land in industrial zones and do not fall within or are adjacent to protected areas or high-biodiversity areas.

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws in the current financial year – Not Applicable

12. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspot, forests, coastal regulation zones etc.) where environmental approvals/ clearances are required, specify details in the following format

    Yes, we are compliant with the applicable environmental law/regulations/guidelines in India.

Leadership Indicators:

1. Provide break-up of the total energy consumed (in Mwh) from renewable sources, in the following format:

Parameter	FY 2022	FY 2021
From renewable sources		
Total electricity consumption (A)	2280	2280
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed form renewable sources (A+B+C)#	2280	2280
From non-renewable sources		
Total electricity consumption (D)	576.519	449.974
Total fuel consumption (E)	28025 lts	26915 lts
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+F)	576.519	449.974

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N). If yes, name of external agency: BMP & Co. LLP

2. Provide the following details related to water discharged:

<table>
<tr><th>Parameter</th><th>FY 2022</th><th>FY 2021</th></tr>
<tr><td colspan="3">Water discharge by destination and level of treatment (in kilolitres)</td></tr>
<tr><td>(i) To Surface water</td><td colspan="2" rowspan="17">Wastewater generated is treated in sewage treatment plants and reused for purposes like landscaping, irrigation, gardening applications and flushing. There is no discharge in any of these categories</td></tr>
<tr><td>- No treatment</td></tr>
<tr><td>- With treatment-please specify level of treatment</td></tr>
<tr><td>(ii) To Groundwater</td></tr>
<tr><td>- No treatment</td></tr>
<tr><td>- With treatment-please specify level of treatment</td></tr>
<tr><td>(iii) To Seawater</td></tr>
<tr><td>- No treatment</td></tr>
<tr><td>- With treatment-please specify level of treatment</td></tr>
<tr><td>iv) Sent to third parties</td></tr>
<tr><td>- No treatment</td></tr>
<tr><td>- With treatment-please specify level of treatment</td></tr>
<tr><td>v) Others (municipal sewerage system after State pollution control board permission)</td></tr>
<tr><td>- No treatment</td></tr>
<tr><td>- With treatment & complying with discharge Quality & Quantity limit based on Consent to Operate</td></tr>
<tr><td>Total water discharged (in KL)</td></tr>
</table>

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N). If yes, name of external agency: BMP & Co. LLP

3. Water withdrawal consumption and discharge in the areas of water stress (in KL):

   For each facility/plant located in areas of water stress, provide the following information:

   (i) Name of the area

   (ii) Nature of operations

   (iii) Water withdrawal consumption and discharge in the following format:

   We recognize that we are working in countries which are water-stressed zones. We continue our efforts in water conservation through a combination of technology interventions, rainwater harvesting, recycling and reuse of wastewater, communication and employee engagement.

   The information on consumption provided above is a consolidation of our water consumption. Going forward, we will report details of water withdrawal and consumption in the format prescribed by the BRSR.

4. Please provide details of total Scope 3 emissions & its intensity, in the following format – Not Applicable

5. With respect to the ecologically sensitive areas reported at Question 10 of essential Indicators above, provide details of significant direct and indirect impact of the entity on bio-diversity in such areas along with prevention and remediation activities - Not Applicable

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency or reduce impact due to emission/ effluent discharge/ waste generated please provide details of the same as well as outcome of such initiatives as per the following format

Sl.No.	Initiative undertaken	Details of the initiatives (Web-link, if any, may be provided along with the summary)	Outcome of the initiative
1.	Green power procurement through Third Party PPAs	Enhancement of renewable energy utilization	CO2 emission reduction
2.	Solar power panels installation	Enhancement of renewable energy utilization	CO2 emission reduction
3.	Rainwater harvesting system implementation	The purpose is to capture maximum rainwater for recharge and reuse purposes	Water footprint reduction
4.	Single use plastic free premises establishment	Elimination of single use plastic also helped in reducing plastic waste within our premises	Waste reduction

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/weblink

   DTL has a well-established business continuity and disaster management framework and is integrated with other quality management systems for consistent deployment across the organization. The function is governed by a trained pool of subject matter experts at various levels of the organization ensuring upkeep of business continuity plans, planning and executing drills to achieve seamless resumption, in case of any disruption. The entire process is integrated with other business processes through in-house developed tools that support planning and communication with all stakeholders.

8. Disclosure any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard? NA

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts - NA

PRINCIPLE 7: Businesses, when engaging in influencing public a regulatory policy, should do so in a manner that is responsible and transparent.

The Company is a member of several industry associations and networks with other companies on various aspects of sustainability.

ESSENTIAL INDICATORS:

1. (a) Number of affiliations with trade and industry chambers/ associations

   (b) List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

Sl. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State / National)
1.	Confederation of Indian Industry (CII)	National
2.	Federation of Indian Chamber of Commerce and Industry (FICCI)	National
3.	Associated Chambers of Commerce and Industry of India (ASSOCHAM)	National
4.	MCC Chamber of Commerce & Industry	National
5.	Bangalore Chamber of Industry and Commerce (BCIC)	National
6.	US-India Business Council	International
7.	Indo American Chamber of Commerce (IACC)	International

2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities - Nil

LEADERSHIP INDICATORS:

1. Details of public policy positions advocated by the entity

   DTL's approach to achieving our government, policy and community objectives focuses on engaging in matters relating to advancement of the industry and public good in the national, regional and local levels. DTL focuses on developing and maintaining partnerships with relevant government officials, business organisations, industry associations, educational institutions, and community organisations for the purpose of developing mutually beneficial partnerships.

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

The Company's commitment is on key focal areas of access to education, diversity and inclusion and sustaining communities. Over the years, the Company has contributed towards implementing healthcare, education with focus on women's education and on local development of its communities. During the year there was a new policy CSR roll-out in line with new requirements.

The Company in line with its set Corporate Social Responsibility (CSR) policy undertook various community engagements with the intent of contributing to the vulnerable groups of the society. The pandemic during the year proved to be an extremely challenging time especially for people who are already disadvantaged in various ways. The Company was steadfast in contributing to communities during the pandemic in terms of assisting Govt. and charitable hospital providing them with needed medical and essential supplies to manage and support Covid-19 treatment and related requirements. During the year, activities were pre-dominantly around Covid-19, both financial and in-kind contributions and support that was rendered. The Company quickly mobilized its internal resources to source and supply several medical equipment-inkind support such as critical hospital ventilator accessories, customized Covid-19 kits, Personnel Protective Equipments (PPE's) that were distributed to identified hospital and organizations across the country. The need was verified and responded to by the location teams converting it into immediate response to the requests.

During the Covid-19 pandemic, DTL as a proactive measure, established an in-house Biosecurity laboratory for the purpose of carrying out RT-PCR tests regularly on all it's employees. Services of this Biosecurity lab is also extended to the stakeholders of the Company.

Dynamatic Biosecurity Laboratory situated in the JKM Science Centre, Dynamatic Park, is a NABL Certified (ISO 15189:2012) and ICMR approved Molecular Testing Laboratory. This state-of-the-art lab has the finest equipment and infrastructure and is managed by highly experienced Microbiologists, Research Scientists and Laboratory Technicians.

For Covid-19 diagnosis, the RT-PCR (Reverse Transcription Polymerase Chain Reaction) test is considered as gold standard. The nasal and throat swabs are collected by highly trained Dynamatic staff at site and these samples are moved to the biosecurity lab for testing as per standards. The lab maintains a consistent Quality Standard by appropriate knowledge documentation, defined objectives aligning with company Quality Policy to provide reliable, timely, consistent and accurate medical diagnosis through RT-PCR tests.

Monitoring health at regular intervals avoids the ignorance of early signs of possible ailments. Going forward, we have extended the scope to cover diagnostic tests which includes routine & special tests from following departments Clinical Pathology, Clinical Chemistry, Hematology, Immunoassay and Serology. The lab follows ISO 15189: 2012 & Good laboratory practice regulatory requirements & is managed by highly experienced pathologists, research scientists & laboratory technicians.

We have put together a team of efficient phlebotomists and coordinators for the convenience of our patients, clients for smooth process during home collection.

Dynamatic Biosecurity Laboratory strives for excellence in patient care with its highly efficient and accuracy-oriented processes. Our advanced hi-tech technology helps the patients in achieving a detailed and progressive inference.

Women's Day was celebrated in the month of March-22 by engaging all women employees in the campaign of 'Break the Barrier'. In line with the campaign slogan, DTL invited and honoured women Auto/Taxi drivers of Bangalore city who have broken the gender barrier and are successfully making a livelihood. This inspired and added confidence to our women employees, who have already broken the barrier and are working successfully along with men in all the departments at various ranks.

Two of our Executives form the Operations team were selected by Army War College, Indore for participating in a two weeks Higher Command Course (HCC) - Industry joint capsule. This course brought the armed forces and the industry representatives together by having face-to-face discussions and thus enhanced the industry's collaboration with Armed forces.

Essential Indicators:

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current FY 22- Not Applicable
2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity in the following format - Not Applicable
3. Describe the mechanisms to receive and redress grievances of the community

   The Company has a focused group comprising the Senior Leadership and the CSR Head interacts with the community leaders to understand and address their concerns. Further, a register is also maintained at the plant sites where grievances can be lodged by the community members. Further, the Company also has a Whistleblower Policy in place for all its stakeholders to file their grievances. Same can be accessed at https://www.dynamatics.com/Investors/Shareholder-Information/
4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Particulars	FY 2021-22	FY 2020-21
Directly sourced from MSMEs / small producers	28%	20%
Sourced directly from within the district and neighboring districts	NA	NA

Leadership Indicators:

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above) - Not Applicable
2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

   The Company puts sustainability and social development at the center of its CSR efforts. It is committed to the development of a sustainable future and actionable solutions to basic needs of the community pre-dominantly in and around its plants (and current locations do not fall under State/Aspirational districts) and projects are predominantly in and around communities close to manufacturing plants.

3

(a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No):

No. A common sourcing policy that is based on attributes, quality, costs, and capability is followed. This policy does not differentiate between sourcing groups and categories.

(b) From which marginalized /vulnerable groups do you procure? Not Applicable

(c) What percentage of total procurement (by value) does it constitute? Not Applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge: Not Applicable
5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved - Not Applicable
6. Details of beneficiaries of CSR Projects:

Sl. No	CSR Project	No of persons benefitted from CSR projects annually	% of beneficiaries from vulnerable and marginalized groups
The CSR amount spent during the year was towards ensuring Environmental Sustainabilty and Promoting Health Care. This initiative was benefited by large number of people in the vicinity including vulnerable and marginalized groups, which is difficult to quantify			

Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner.

Essential Indicators:

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

   The Company has a set process for the Customer Care Response Process, in order to address any customer issues with the Company's offering and service portfolio. Each customer concern is addressed with utmost care at all levels. DTL teams acknowledge, analyze the incidents and develop an action plan to resolve it. The team engages with the customer, to validate the action plan and regularly updates customers about the progress of action taken. Any feedback from the customer is taken positively and action plans are refined to ensure utmost customer satisfaction.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about Environmental and social parameters relevant to the product, Safe and responsible usage, Recycling and/ or safe disposal - Not Applicable

3. Number of consumer complaints in respect of data privacy, advertising, cybersecurity, delivery of essential services, restrictive trade practices, unfair trade practices.

   We do not have any consumer compliants in respect of data privacy, advertising, cybersecurity, delivery of essential services, restrictive trade practices, unfair trade practices.

4. Details of instances of product recalls on account of safety issues - Not Applicable

5. Does the entity have a framework /policy on cyber security and risks related to data privacy? (Yes/No) If available provide a web-link of the policy

   Yes. Web link: https://dynamatics.net

6. Provide details of any corrective actions taken or underway on issues relating to advertising and delivery of essential services cyber security and data privacy of customers re-occurrence of instances of product recalls penalty action taken by regulatory authorities on safety of products/services - NIL

Leadership indicators

1. Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available).

   Weblink: https://www.dynamatics.net

2. Steps taken to inform and educate consumers about safe and responsible usage of products and /or services.

   At DTL, sustainable innovation is a core part or the Company's DNA. The Company continues to work together with partners and customers to explore new ways to incorporate sustainable materials across our solutions and bring them to new markets including increased communications.

3. Mechanism in place to inform consumers of any risk of disruption/ discontinuation of essential services

   Issues that are bound to arise in any customer/supplier relationship, there is continual communication maintained with customers, this helps to identify problems before they become serious and allows both parties to work towards mutually beneficial solutions. The Company's teams focus on quality and customer service, continue to strengthen our relationship and positioned DTL as a trusted partner by having ongoing communication on all aspects.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief- Not Applicable

5. Provide the following information relating to data breachers:

a. Number of instances of data breaches along-with impact - Nil

b. Percentage of data breaches involving personally identifiable information of customers - Nil

CORPORATE GOVERNANCE

REPORT

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE FOR THE YEAR 2021-22

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 (LODR) Regulations, 2015" or "Listing Regulations"), the report containing the details of governance systems and processes at Dynamatic Technologies Limited 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 frame work within which business decisions are taken.

Effective corporate governance practices constitute the 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 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 (LODR) Regulations, 2015, 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 endeavour 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.

BOARD OF DIRECTORS:

As on 31st March 2022, the Company has nine Directors. Out 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 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 2022, 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:

7th June 2021, 23rd July 2021, 29th October 2021 and 8th February 2022. 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 previous 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 2022, 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.

A. Details of attendance of each Director at the Board Meetings and at the previous year Annual General Meeting

Name of the Directors	AGM	Date of Board Meetings				
	16th Sept 2021	7th June 2021	23rd July 2021	29th Oct 2021	8th Feb 2022	Percentage(%) of attendance
Govind Mirchandani DIN:00022583	Y	Y	Y	Y	Y	100
Malavika Jayaram DIN:02252302	-	Y	-	Y	Y	75
Pierre de Bausset DIN:07178878	Y	Y	Y	Y	Y	100
Pradyumna Vyas DIN:02359563	Y	Y	Y	Y	Y	100
Deitmar Hahn DIN:06414463	Y	Y	Y	Y	Y	100
James Tucker DIN:07093258	Y	Y	Y	Y	Y	100
Arvind Mishra DIN:07892275	Y	Y	Y	Y	Y	100
P S Ramesh DIN:05205364	Y	Y	Y	Y	Y	100
Udayant Malhoutra DIN:00053714	Y	Y	Y	Y	Y	100

B. COMPOSITION OF THE BOARD AND DIRECTORSHIPS / SHAREHOLDINGS IN THE COMPANY / MEMBERSHIP HELD BY DIRECTORS DURING THE YEAR 2021-22

Name of the Director	Category	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 DIN:00022583	Independent and Non- Executive Director	1. JKM Erla Automotive Limited	Audit Committee	-	Nil	-
		2.Dynamatic Manufacturing Limited (Formarly Known as JKM Ferrotech Limited)	Audit Committee	-	Nil	
Ms. Malavika Jayaram DIN:02252302	Independent and Non- Executive Director	-	-	-	Nil	-
Mr. Pradyumna Vyas DIN:02359563	Independent and Non- Executive Director	1.Dynamatic Manufacturing Limited	-	-	Nil	1. Titan Company Limited (Independent Director)
		2. JKM Erla Automotive Limited				2. Kirloskar Brothers Limited (Independent Director)*
Mr. Pierre de Bausset DIN:07178878	Independent and Non-Executive Director	1.Eisenwerk Erla GmbH, Germany	-	-	Nil	-
		2.Dynamatic Limited, UK	-	-		
Mr. Dietmar Hahn DIN:06414463	Non-Executive and Non-Independent Director	-	-	-	Nil	-
Mr. James Tucker DIN:07093258	Non-Executive and Non-Independent Director	-	-	-	Nil	-
Mr. P S Ramesh DIN:05205364	Executive Director & Group Technical Services and Human Resource	1.JKM Automotive Limited	-	-	Nil	-
		2.JKM Erla Automotive Limited				
		3.JKM Research Farm Limited				
		4.Dynamatic Manufacturing Limited				

*Term of Independent directorship expired on 15th May 2022

Mr. Arvind Mishra DIN:07892275	Executive Director and Global Chief Operating Officer-Hydraulics, Head of Homeland Security	1. JKM Automotive Limited	-	-	Nil	-
		2. JKM Research Farm Limited				
Mr. Udayant Malhoutra DIN:00053714	Promoter, CEO and Managing Director	1. Centrust Financial Limited	-	-		-
		2. Greenearth Biotechnologies Limited	-	-	5,23,460	-
		3. SAN Engineering and Locomotive Company Limited	-	-		

Familiarisation programme imparted to Independent Directors:

All 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 program are also available on the Company's website, at www.dynamatics.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. Pierre de Bausset, Mr. Govind Mirchandani, Ms. Malavika Jayaram, Mr. Udayant Malhoutra
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. P S Ramesh, Mr. Arvind Mishra, Mr. Udayant Malhoutra,
3	Management, Strategy, Marketing, Administration, Industrial relations and Human Resources, Technical Operations related to the Company's business	Mr. Udayant Malhoutra, Mr. P S Ramesh, Mr. Arvind Mishra,

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.

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's 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 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 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.dynamatics.com.** Separate meetings of Independent Directors of the Company without the presence of the Executive Directors & the Management Representatives were held on 7th February 2022, as required under Schedule IV to the Act (Code for Independent Directors) and Regulation 25 (3) of the Listing Regulations. At the said meeting, the Independent Directors inter alia:

a. reviewed the performance of Non-Independent Directors and the Board of Directors as a whole;

b. reviewed the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;

c. 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 except Ms. Malavika Jayaram attended the Meeting of Independent Directors held on 7th February 2022. 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 Companies Act 2013, which in any case does not exceed 2 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 Companies Act 2013, 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; information & functioning, Risk Management & Strategy, Corporate Social Responsibility, Organisational performance and structure, effectiveness of board processes, 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 etc.

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 Listing Regulations.

To ensure and drive down gender diversity across Dynamatic 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 Dynamatic's Board is well represented with experts from various realms. While ensuring continuity in the Board Management, the Nomination & Remuneration Committee endeavours 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 2022 is as follows:

(in Rs)

Name of the Director	Remuneration		Total
	Sitting Fees	Salary	
Mr. Govind Mirchandani	8,50,000	-	8,50,000
Ms. Malavika Jayaram	2,00,000	-	2,00,000
Mr. Pradyumna Vyas	5,50,000	-	5,50,000
Mr. Pierre de Bausset	5,00,000	-	5,00,000
Mr. Dietmar Hahn	-	-	-
Mr. James David Tucker	-	-	-
Mr. P S Ramesh, Executive Director & Group Technical Services and Human Resource	-	1,00,83,276	1,00,83,276
Mr. Arvind Mishra, Executive Director and Global Chief Operating Officer- Hydraulics, Head if Homeland Security	-	1,00,83,276	1,00,83,276
Mr. Udayant Malhoutra, CEO & Managing Director	-	1,05,23,428	1,05,23,428

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 Eight (8) Committees:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Risk Management Committee
4. Stakeholders' Relationship Committee
5. Corporate Social Responsibility Committee
6. Technology & Strategy Development Committee
7. Finance Committee and
8. 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 shall be one-third of its total strength or three directors, whichever is higher, including at least one independent director. The participation of the directors by video conferencing or by other audio-visual means shall also be counted for the purposes of such quorum.

AUDIT COMMITTEE:

The powers and scope of the said committee are as mentioned in part C of schedule II of the Listing Regulations. The Board reviews the scope of the Committee and its terms of reference from time to time.

The Audit Committee has met four times in the FY 2021-22 and not more than four months had elapsed between two meetings.

Objective:

The Audit 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 Committee of the Board comprises the following 2 (Two) Independent Directors and 1 (One) Executive Director as on 31st March 2022:

- **Mr. Govind Mirchandani, Chairman**
- Mr. Pierre de Bausset
- 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 Companies Act, 2013 and part C of schedule of the 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 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.
- Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary and to consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
- To consider matters with respect to the Dynamatic Technologies Code of Conduct on Director and Senior Management.

Other details:

- Four meetings of the Audit Committee were held during the year.
- 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 16th September 2021, and the same was attended by Mr. Govind Mirchandani, the 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 Committee Meetings held during the year 2021-22:

Audit Committee meetings were held on

- 7th June 2021
- 23rd July 2021
- 29th October 2021
- 8th February 2022

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. Pierre de Bausset	3
Mr. P S Ramesh	4

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 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 committee was present at the Annual General Meeting held on 16th September 2021

NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee has been constituted by the Board in compliance with the requirements of Section 178 of the Act and Regulation 19 of the 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 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.
- Evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director
- 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:

- Three Nomination and Remuneration Committee meetings were held during the year under review out of which one was circular.
- 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 16th September 2021, and was attended by Mr. Pierre de Bausset, the Chairman of the Nomination and Remuneration Committee.

Composition:

The Committee comprises 3 (three) Independent Directors as on 31st March 2022:

- **Mr. Pierre de Bausset, Chairman**
- Mr. Govind Mirchandani
- Mr. Pradyumna Vyas

Mr. Pradyumna Vyas, an Independent Director, is the Alternate Chairman to Mr. Pierre de Bausset.

In terms of Regulation 19 of the Listing Regulations read with the provisions of Section 178 of the Companies Act, 2013, all the members of the Nomination and Remuneration Committee are independent directors.

Attendance at the Nomination and Remuneration Committee Meetings held during the year 2021-22:

The Nomination and Remuneration Committee was constituted by the Board on 8th November 2013. During the FY 2021-22, the Committee had 3 (Three) meetings out of which one was circular.

Nomination and Remuneration Committee meetings were held on 7th June 2021, 1st October 2021 (Circular) & 7th February 2022

Name of the Member	No. of meetings attended
Mr. Pierre de Bausset, Chairman	2
Mr. Govind Mirchandani	2
Mr. Pradyumna Vyas	2

Performance Evaluation criteria for Directors:

Pursuant to the provisions of the Companies Act, 2013 and the applicable provisions of the Listing Regulations, the Annual Performance Evaluation was carried out for the Financial Year 2021 - 22, 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. The performance also included inputs from all the directors on the basis of criteria such as the board composition, board processes, information & functioning, Risk Management & Strategy, Corporate Social Responsibility, Organisational performance and structure, effectiveness of board processes, etc.

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:

a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors to run the Company successfully;

b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

c) 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:

(i) 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.

(ii) 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 2021-22 is as follows:

a. During the year, there was no pecuniary relationship or transactions between the Company and any of its Independent Directors apart from sitting fees.

b. 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 Rs. 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 2022.

Directors	Sitting Fees (in Rs)
Mr. Govind Mirchandani (Independent Director)	8,50,000
Ms. Malavika Jayaram (Woman Independent Director)	2,00,000
Mr. Pradyumna Vyas (Independent Director)	5,50,000
Mr. Pierre de Bausset (Independent Director)	5,00,000
Mr. Dietmar Hahn*(Non-Executive and Non-Independent Director)	Nil
Mr. James Tucker* (Non-Executive and Non-Independent Director)	Nil

* 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:

Particulars	Mr. P S Ramesh	Mr. Arvind Mishra	Mr. Udayant Malhoutra
Salary as per provisions contained in Section 17(1) of the Income Tax	82,93,272	82,93,272	86,41,836
Act, 1961	7,90,000	7,90,000	8,41,992
Allowances and perquisites	-	-	-
Contribution to			
Retrial Funds	-	-	-
Performance linked Incentive	10,00,000	10,00,000	10,00,000
Stock option	-	-	-
No. of Shares held	-	-	5,23,460
Terms of Service Contract	He is appointed for a term of 3 Years with effect from 14th November 2020 to 13th November 2023, by the members of the Company in the 45th annual general meeting held on 24th September 2020.	He is appointed for a term of 3 Years with effect from 09th August 2020 to 8th August 2023, by the members of the Company in the 45th annual general meeting held on 24th September 2020.	He is appointed for a term of 3 Years with effect from 1st October 2020 to 30th September 2023, by the members of the Company in the 45th annual general meeting held on 24th September 2020.
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

(v) Succession Plan: The Company believes that sound succession planning for the senior leadership is critical for developing bench strength to ensure growth, stability and a robust future for the Company. The NRC works along with the Head-Human Resources of the Company for a structured leadership succession plan.

(vi) Retirement Policy for Directors: As per the Company's policy.

RISK MANAGEMENT COMMITTEE

Regulation 21 of the SEBI Listing Regulations mandates top 1000 listed entities, determined on the basis of market capitalisation as at the end of the immediate previous financial year, to constitute a Risk Management Committee ('RMC'). The primary role of the RMC is that of assisting the Board of Directors in overseeing the Company's risk management processes and controls. The RMC, through Enterprise Risk Management in the Company, seeks to minimise adverse impact on the business objectives and enhance stakeholder value. During the year under review, the Risk Management Policy and Terms of Reference of RMC were amended in line with the SEBI Listing Regulations for the functioning of the RMC.

Extract of terms of Reference

The terms of reference of the RMC, as amended, inter alia, include:

- Formulate, review and recommend the Risk Management Policy or any amendments thereof for the approval of the Board at least once in two years, monitor and oversee its implementation including evaluating the adequacy of risk management systems and plan integration through training and awareness programmes
- Review and recommend to the Board periodically the process for risk identification
- To review measures for risk mitigation including systems and processes for internal control of identified risks
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company
- Set up risk strategy policies, including agreeing on risk tolerance and appetite levels, recognising contingent, inherent and residual, internal & external, financial, operational, sectoral, sustainability (particularly ESG related risks), information, cyber security risks, etc.
- To develop and review the Business Continuity Plan.
- Monitor the Company's compliance with the risk structure.
- To review and recommend to the Board major decisions affecting the risk profile or exposure and give appropriate directions
- To consider the effectiveness of the decision making process in crisis and emergency situations.
- Attend to such other matters and functions as may be prescribed from time to time

Other details

- The RMC was constituted by the Board on 7th June 2021
- Two meetings of the Risk Management Committee were held during the year under review.

Composition:

The Committee comprises 5 (Five) Directors as on 31st March 2022:

- **Mr. Govind Mirchandani, Chairman**
- Ms. Malavika Jayaram
- Mr. Pierre de Bausset
- Mr. P S Ramesh
- Mr. Udayant Malhoutra

Attendance at the Risk Management Committee Meetings (RMC) held during the year 2021-22:

RMC meeting were held on 23rd July 2021 and 18th January 2022

Name of the Member	No. of meetings attended
Mr. Govind Mirchandani, Chairman	2
Ms. Malavika Jayaram	1
Mr. Pierre de Bausset	1
Mr. P S Ramesh	2
Mr. Udyant Malhoutra	2

- The gap between two RMC Meetings did not exceed 180 days. The necessary quorum was present for both the Meetings.
- The Company Secretary acts as the Secretary to the Committee.
- The Company has a well-defined risk management framework in place. Further, details on risk management are given in the Management Discussion & Analysis which forms part of this Integrated Annual Report.

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 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 Stakeholders' Relationship Committee 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 16th September 2021, and was attended by Mr. Pradyumna Vyas the Chairman of the Stakeholders' Relationship Committee.

The Composition of the Stakeholders Relationship Committee and the details of the meetings attended by its members during the financial year ended 31st March 2022 are as under:

The Stakeholders' Relationship Committee comprises 3 (three) Directors as on 31st March 2022. They are

- **Mr. Pradyumna Vyas, Chairman**
- Mr. Govind Mirchandani
- Mr. Udayant Malhoutra

The Chairman is heading the Committee.

Attendance at the Committee Meetings held during the FY2021-22:

- 7th June 2021
- 23rd July 2021
- 29th Oct 2021
- 8th February 2022

Name of the Member	No. of meetings attended
Mr. Pradyumna Vyas	4
Mr. Govind Mirchandani	4
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 Regulations.

Investor Grievance report for the year 2021-22:

Details of complaints received and attended to during the FY2021-22 are given below:

Subject	
No. of complaints pending as on 1st April 2021	Nil
No. of complaints received during the year	Nil
No. of complaints resolved during the year	Nil
No. of complaints pending as on 31st March 2022	Nil
TOTAL	Nil

The Company has taken various investor-friendly activities viz. encouraging investors to register their email ids, option for registration of email address for the limited purpose of receiving Annual Report and e-Voting credentials for the e-AGM in view of the restrictions imposed by the Covid-19 pandemic, activities and initiatives during the e-AGM and preparation of the Digital Annual Report to enable a live feel of the Annual Report.

A communication has also been sent for updating bank account details and other details for payment of dividend and tax deducted at source related activity and communication of quarterly and half yearly financial results to the shareholders via email as some of the other investor friendly initiatives undertaken by the Company.

Pursuant to the SEBI Circulars dated 3rd November 2021 and 14th December 2021 issued for common and simplified norms for processing investor's service request and norms for furnishing PAN, KYC details and Nomination details, the Company has sent individual letters to its shareholders holding shares in physical form for furnishing the KYC details to comply with the KYC requirements.

Remuneration of Directors

The Company's Remuneration Policy is aligned with its philosophy for payment of remuneration to Directors, KMPs and all other employees based on the commitment of fostering a culture of leadership with trust.

The principles governing the Company's Remuneration Policy is provided in the Board's Report and the Policy is also uploaded on the website of the Company.

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 FY 2021-22, 30 demat requests for dematerialization covering 5,458 shares were received and processed and 3 request for share transmissions covering 1,318 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
2018-19 (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 FY2021-22, there was no transfer of unclaimed dividend nor shares to Investor Education and Protection Fund Authority (IEPF).

Details of shares transferred have been uploaded on the Company's website at **www.dynamatics.com.**

All requests/communications from Shareholders including request for annual reports, revalidation of dividend warrants, change of address, transmission of shares, deletion of name, Issue of duplicate share certificate, claim of dividend & shares from IEPF authorities etc., are received by Kfin Technologies Limited, Hyderabad, Registrars and Share Transfer Agents on behalf of the Company (RTA /Kfintech) 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.kfintech.com.**

A quarterly report of the same is submitted to the Committee for improving investor relations and services provided to them. Kfintech 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 Listing Regulations, the Company has sent reminder 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 IIFL Securities 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 Companies Act 2013 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; 11 Shareholders and 851 shares.

Number of Equity Shareholders approached the Company for transfer of shares from suspense account during the year: Nil

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' Relationship 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 2022:

- **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 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 depositary 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 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 2022.

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.

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 2022.

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.dynamatics.com. The Annual Report on CSR activities for the financial year 2021-22 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 2022 are as under:

Composition:

- **Ms. Malavika Jayaram - Chairperson**
- Mr. Govind Mirchandani
- Mr. P S Ramesh

During the financial year 2021-22, the Committee had one (1) meeting on 7th June 2021.

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

During the financial year 2021-22, the Committee had One (1) meeting on 7th February 2022.

CEO and CFO Certification:

As required by SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the CEO and CFO certification is provided in this Annual Report.

Code of Conduct:

In compliance with Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and the Companies Act, 2013, 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 2022.

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
2018-19 AGM	Taj Vivanta, Yeshwantpur, Bengaluru	9th August 2019: (10:00 AM)	• There were no special resolution passed during the meeting under review.
2019-2020 Postal Ballot*	Postal Ballot	12th June 2020	• Alter the Objective clause of Memorandum of Association of the Company
2019-2020 AGM	through Audio/ Visual means	24th September 2020	• Re-appointment of Mr. Udayant Malhoutra (DIN: 00053714) as CEO and Managing Director for the term of 3 years • Re-appointment of Mr. P S Ramesh (DIN: 05205364) as Executive Director & Group Technical service and Human resources for the term of 3 years. • Re-appointment of Mr. Arvind Mishra (DIN: 07892275) as Executive Director and Global COO – Hydraulics & Head of Homeland Security for the term of 3 years.
2020-2021 AGM	through Audio/ Visual means	16th September 2021	• There were no special resolutions passed during the meeting under review.

* The Postal Ballot exercise was carried out by BMP & Co.LLP, 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 Companies Act, 2013, 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 limited. BMP & Co, LLP, Company Secretaries in practice, 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.dynamatics.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.dynamatics.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.

With reference to the circular issued by the Ministry of Corporate Affairs ("MCA") vide Circular Nos. 20/2020 dated 05.05.2020, General Circular No. 02/ 2021 dated 13.01.2021, General Circular No. 19/2021 dated 08.02.2021 and 21/2021 dated 14.12.2021, and General Circular No 02/2022 dated 05.05.2022, it has permitted Companies to hold their Annual General Meeting ("AGM") through VC/OVAM for the calendar year 2022.

In compliance with applicable provisions of the Act, read with aforesaid MCA circulars the 47th 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 47th 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., **investors.relations@ dynamatics.net**

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 JKM Plaza, Dynamatic Aerotropolis, 55, KIADB Aerospace Park, Devanahalli, Bangalore – 562110 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 fee for the year 2021-22 to the Stock Exchanges, where the shares of the Company are listed in India.

ANNUAL GENERAL MEETING FOR THE YEAR 2021-22:

<table>
<tr><td>Date and time:</td><td colspan="2">Friday, 9th September 2022 at 11:00 AM</td></tr>
<tr><td>Venue:</td><td colspan="2">To be convened through VC / OAVM mode</td></tr>
<tr><td rowspan="7">Financial calendar:</td><td colspan="2">Our tentative calendar for declaration of results for the Financial Year 2022-23 is given below:</td></tr>
<tr><td colspan="2">Calendar for Reporting:</td></tr>
<tr><td>Quarter ended</td><td>Release of results</td></tr>
<tr><td>30th June 2022</td><td>On or before 10th August 2022</td></tr>
<tr><td>30th September 2022</td><td>On or before 11th November 2022</td></tr>
<tr><td>31st December 2022</td><td>On or before 10th February 2023</td></tr>
<tr><td>31st March 2023</td><td>On or before 26th May 2023</td></tr>
<tr><td>Date of book closure</td><td colspan="2">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 Saturday, 3rd September 2022 to Friday, 9th September 2022 (both days inclusive).</td></tr>
<tr><td>Dividend payment date</td><td colspan="2">There is no dividend declared during year under review.</td></tr>
<tr><td>Listing on Stock Exchanges and Stock Code</td><td>BSE Ltd.
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai- 400001
Phones : (022) 22721233/4, 91-22-66545695
Fax : (022) 22721919
Scrip code:505242</td><td>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</td></tr>
</table>

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 year 2021-22

Month	BSE			NSE		
	High (Rs)	Low (Rs)	Volume of shares traded	High (Rs)	Low (Rs)	Volume of shares traded
Apr-21	1,110	939	67,639	1,111	945	2,89,215
May-21	1,484	981	48,953	1,484	970	4,72,983
Jun-21	1,578	1,307	35,921	1,581	1,309	2,87,903
Jul-21	1,742	1,422	41,481	1,744	1,420	5,45,140
Aug-21	2,490	1,549	5,79,974	2,493	1,551	20,51,529
Sep-21	3,448	2,250	1,54,694	3,380	2,250	14,30,441
Oct-21	3,252	2,460	35,591	3,257	2,480	2,65,400
Nov-21	2,690	2,100	68,870	2,588	2,122	1,25,463
Dec-21	2,396	2,000	19,808	2,375	2,025	75,582
Jan-22	2,528	1,988	1,07,984	2,524	1,971	1,43,794
Feb-22	2,339	1,728	58,245	2,341	1,786	1,63,052
Mar-22	2,461	1,810	46,581	2,464	1,805	1,92,690

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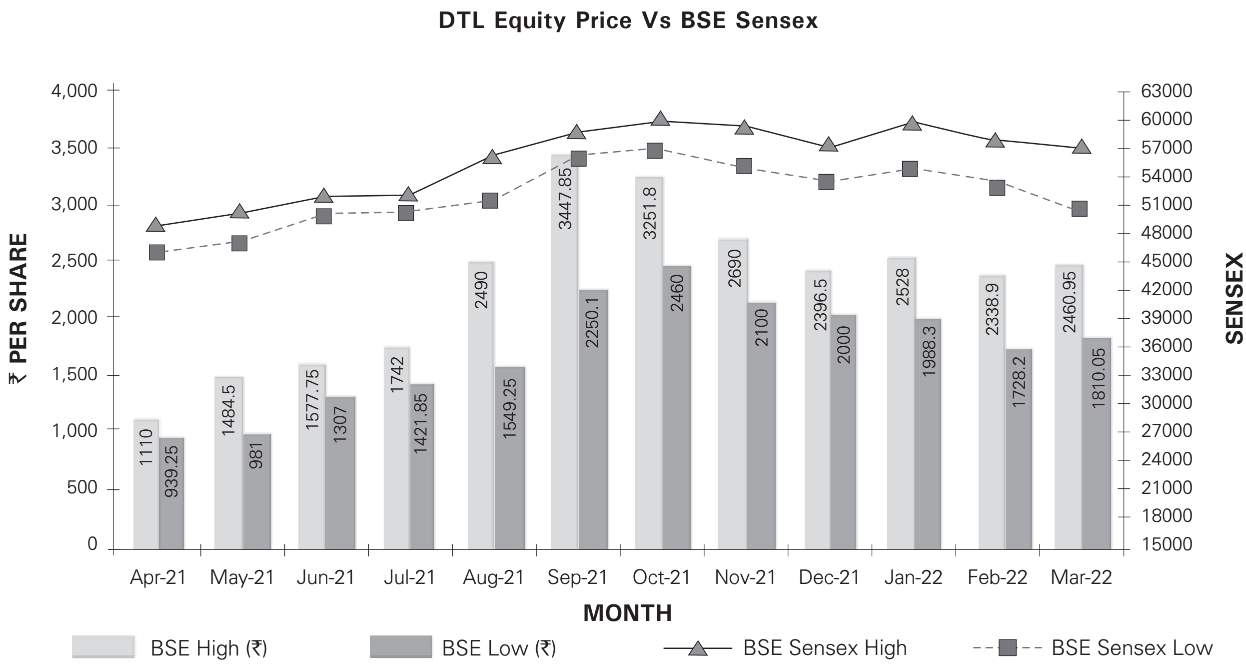
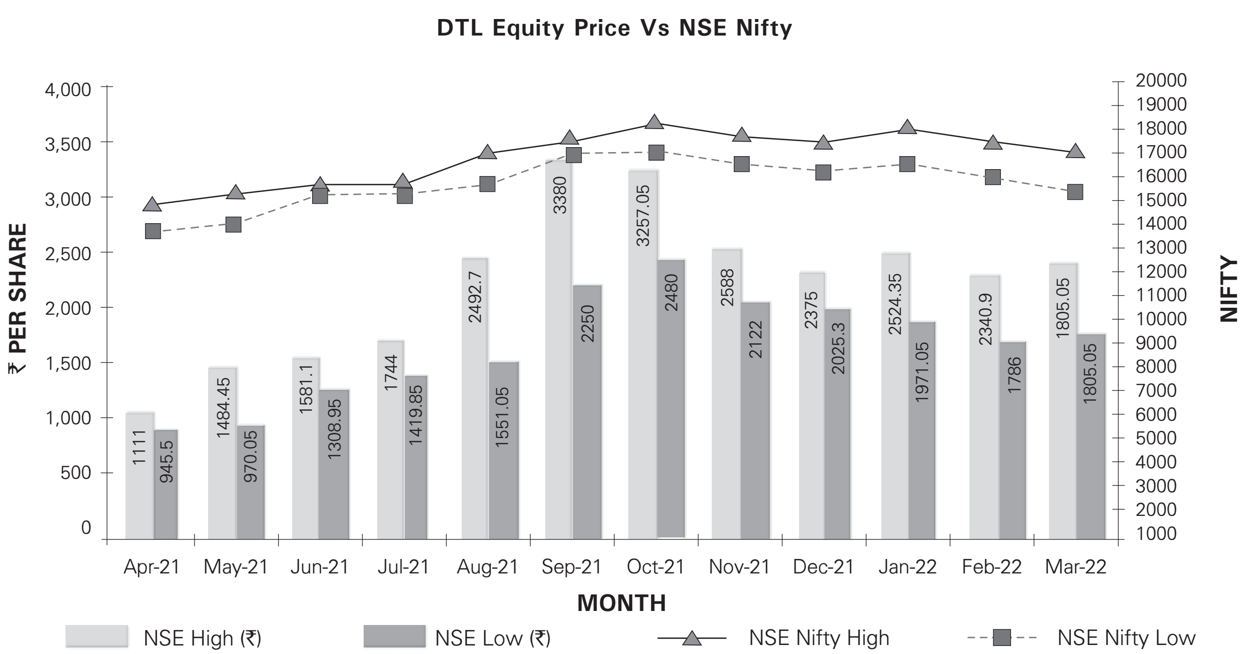
COMPARISON OF COMPANY'S SHARE PRICE MOVEMENT WITH BSE SENSEX DTL Equity Price Vs BSE Sensex



COMPARISON OF COMPANY'S SHARE PRICE MOVEMENT WITH NSE NIFTY



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 2022:

Sl. No.	Category	No. of Holders	% To Holders	Amount (₹)	% To Amount
1	1-5000	14,292	96.83	647,535	10.21
2	5,001- 10,000	233	1.58	165,518	2.61
3	10,001- 20,000	99	0.67	143,996	2.27
4	20,001- 30,000	34	0.23	83,137	1.31
5	30,001- 40,000	24	0.16	83,818	1.32
6	40,001- 50,000	12	0.08	55,218	0.87
7	50,001- 10,00,00	22	0.15	164,988	2.60
8	10,00,01& Above	44	0.30	4,997,233	78.80
	TOTAL:	**14,760**	**100**	**6,34,14,430**	**100**

SHAREHOLDING PATTERN AS ON 31st MARCH 2022

Category	No. of Shares	% of shareholding
PROMOTERS HOLDING:		
Indian Promoters:		
JKM Holdings Private Limited	1,112,538	17.54
Udayant Malhoutra	5,23,460	8.25
Udayant Malhoutra and Company Private Limited	6,42,011	10.12
Wavell Investments Private Limited	95,000	1.50
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	**28,43,245**	**44.84**
NON-PROMOTERS HOLDING		
Mutual Funds / UTI	4,34,536	6.85
Financial Institutions / Banks	383	0.01
Central Government / State Government (S)	0	0
Venture Capital Funds	0	0
Insurance Companies	0	0
Foreign Institutional Investors	6,89,648	10.88
SUB TOTAL	**11,24,567**	**17.73**
OTHERS		
Private Corporate Bodies	3,34,295	5.27
Indian Public	17,37,391	27.40
Clearing Agents	3,081	0.05
NBFC Registered with RBI	0	0
NRIs/OCBs	69,217	1.09
Trust	4,396	0.07
IEPF	48,572	0.77
Alternative Investment Fund	1,76,679	2.79
SUB TOTAL	**23,73,631**	**37.43**
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	31st March 2021		31st March 2022	
	No. of shares	% of total shares	No. of shares	% of total shares
National Securities Depository Limited	56,25,751	88.71%	55,29,281	87.19
Central Depository Services (I) Limited	6,51,481	10.28%	7,53,409	11.88
Total Dematerialized	62,77,232	98.99	62,82,690	99.07
Physical	64,211	1.01%	58,753	0.93
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 Companies Act 2013, 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 47th Annual General Meeting of the Company. Any Shareholder having any grievance on the e-voting can contact at the coordinates mentioned in the 'Investor Guide', towards the end of this report.

OTHER DISCLOSURES:

a. All transactions entered into by the Company with related parties as defined under the Act and the Listing Regulations, during the Financial Year 2021-22 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**

b. The Company has complied with the requirements of the Stock Exchanges / SEBI and Statutory Authorities. during the last three years. No penalty or strictures were imposed on the Company by any of these authorities.

c. 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**

d. 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**

e. 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**

f. 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:

   (i) The Chairman of the Board is a Non-Executive and Independent Director and his position is separate from that of the CEO & Managing Director.

   (ii) Internal auditors of the Company, make quarterly presentations to the Audit Committee on their reports.

   (iii) The auditors' report on Financial Statements of the Company are unqualified.

g. 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

h. The CEO & Managing Director and the Chief Financial Officer have certified to the Board in accordance with regulation 33 (2)(a) of the listing Regulation pertaining to CEO/CFO certification for the financial year ended 31st

March 2022. 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 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 2021-22, 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 2021-2022.

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 Listing Regulations.

n. Particulars of Directors seeking appointment / reappointment 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 2021-22** (Rs in lakhs)
Statutory audit fees	78
Certification	20
Out of pocket expenses	5
Total	**103**

p. Disclosures under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Number of complaints filed during the financial year 2021-22

Number of complaints filed during the financial year 2021-22	-NIL-
Number of complaints disposed off during the financial year 2021-22	1
Number of complaints pending as on end of the financial year.	-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 2021-22, India Ratings & Research has affirmed the Company's long term issuer rating at IND BBB+. The Outlook is 'Positive'.

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

t. Details of utilisation of funds: The Company has not raised any funds through Preferential Allotment or Qualified Institutional Placement as specified under Regulation 32 (7A) of the SEBI Listing Regulations during the year under review.

u. Loans and advances in the nature of loans to firms/ companies in which Directors are interested:

The Company and it's subsidiaries have not given any loans or advances to any firm / company in which its Directors are interested.

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. JKM Plaza, Dynamatic Aerotropolis, 55, KIADB Aerospace Park, Devanahalli, Bengaluru – 562110, Karnataka, India
7. Cheney Manor, Swindon, Wiltshire, SN2 2PZ, United Kingdom
8. Jarvis Street, Barton Hill, Bristol, BS5 9TR, United Kingdom
9. Gießereistraße 1, 08340 Schwarzenberg/Erzgeb, Germany
10. Plot No. 77-78, Industrial Estate, Peenya 2nd stage, Bengaluru 560 058, Karnataka, India
11. K-4, SIPCOT Phase II, Gummidipoondi, Thiruvallore District 601 201, Tamil Nadu, India*

Note: *This Plant was sold on 22nd July 2021

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@dynamatics.net

Registrar and Share Transfer Agents
KFin Technologies Limited
Selenium Tower B, Plot 31 & 32,
Financial District, Nanakramguda,
Serilingampally Mandal,
Hyderabad - 500 032, Telangana.
Toll free Number: 1-800-309-4001
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@dynamatics.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, 2022

UDAYANT MALHOUTRA
CEO & Managing Director
DIN No.: 00053714

Place : Swindon, UK
Date : 25th May 2022

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
JKM Plaza, Dynamatic Aerotropolis,
55 KIADB Aerospace Park,
Devanahalli Bangalore 562110

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 JKM Plaza, Dynamatic Aerotropolis, 55 KIADB Aerospace Park, Devanahalli Bangalore 562110 (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 2022 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. RatishTagde
(Proprietor)
CP.NO. 22018
FCS NO. 6162

Place: Mumbai
Date: 25th May 2022

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

The Members
Dynamatic Technologies Limited

I have examined all the relevant records of Dynamatic 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 2022. 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. RatishTagde
(Proprietor)
CP.NO. 22018
FCS NO. 6162

Place: Mumbai
Date: 25th May 2022

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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.

Every employee's RT-PCR test status is monitored and periodical testing is ensured.

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 Dynamatic 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 Dynamatic 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.

Women's Day was celebrated at Sheraton Hotel, Bangalore in the month of March 2022 by engaging all women employees in the campaign of 'Break the Bias' by strictly adhering to all protocols stipulated by the Ministry of Health and State Government authorities, in respect to Covid-19 .

- 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.).
- 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 Dynamatic 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

Honoured to receive the Platinum Award 2022 for 'Most Innovative Covid Response' from Human Resource Association India (HRAI).

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.dynamatics.com and shall also be kept open for inspection at the Registered Office of the Company during office hours.

CONSOLIDATED

FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT
To the Members of Dynamatic Technologies Limited
Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Dynamatic Technologies Limited ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 21, 2022, 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 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 March 31, 2022, and their consolidated profit, 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) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Impairment of Goodwill** Note 1B(ii), 2iii(a) and 5 to the consolidated financial statements. In the consolidated financial statements of the Group, the gross carrying value of goodwill is INR 10,009 lakhs as at March 31, 2022. The management of the Group assess the impairment of goodwill annually for each cash generating unit (CGU). 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. The key estimates and judgements used in the model for impairment assessment include future cash flows of the CGUs, the discount rate and the terminal growth rate used. The management has used the services of an expert in determining the recoverable value of goodwill and consequential impairments, if any.	**Principal audit procedure performed:** We assessed the Management's process for impairment assessment of goodwill allocated to CGU. Evaluated the design of the management's internal control around the impairment assessment process and tested its operating effectiveness. Evaluated the independence, competence, capabilities and objectivity of the management's expert. Understood the key assumptions considered in the management's estimates of future cash flows of the respective CGU. Involving our valuation specialists, we evaluated the growth rates including terminal growth rate, considered in the estimates of future cash flows and the discount rate used in the calculations. 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. 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. We assessed the adequacy of the disclosures made in the consolidated financial statements for the year ended March 31, 2022.

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 consolidated financial statements, standalone 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, 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 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 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 seven subsidiaries whose financial statements reflect total assets of Rs. Rs. 78,360 lakhs as at March 31, 2022, total revenues of Rs. 70,945 lakhs and net cash outflows amounting to Rs. 2,616 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.

(b) We did not audit the financial statements of one subsidiary whose financial statements reflect total assets of Rs. 5,564 lakhs as at March 31, 2022, total revenues of Rs. 153 lakhs and net cash outflows amounting to Rs. 29 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and 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 is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

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 and the financial statements certified by the Management.

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 of the subsidiaries referred to in the Other Matters section above we report, to the extent applicable 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 Flows 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 as on March 31, 2022 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 is disqualified as on March 31, 2022 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 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 and based on the auditor's reports of subsidiary companies incorporated in India, the remuneration paid by the Parent and such subsidiary companies to their respective 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. Refer Note 38 to the consolidated financial statements.

   ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, 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 and its subsidiary companies, incorporated in India.

   iv)

      (a) The respective Managements of the Parent and its subsidiaries, which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

      (b) The respective Managements of the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, no funds have been received by the Parent or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

      (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

   v) The Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have not declared or paid any dividend during the year and have not proposed final dividend for the year.

2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in 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)

UDIN- 22206920AJOXTJ6950

Swindon, May 25, 2022

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 March 31, 2022, we have audited the internal financial controls over financial reporting of Dynamatic Technologies Limited (hereinafter referred to as "the "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 March 31, 2022, 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 two 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- 22206920AJOXTJ6950

Swindon, May 25, 2022

CONSOLIDATED BALANCE SHEET

All amounts are in INR lakhs unless otherwise stated

Particulars	Note	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
a) Property plant and equipment	3	44,399	44,534
b) Other Intangible assets	4	2,488	2,322
c) Goodwill	5	10,099	10,259
d) Capital work in progress		1,454	325
e) Right-of-use assets	40	11,535	13,702
f) Financial assets			
(i) Investments	6	33	33
(ii) Other financial assets	7	1,109	931
g) Income tax asset (net)	8	730	1,571
h) Other non-current assets	9	907	175
Total non - current assets		**72,754**	**73,852**
Current assets			
a) Inventories	10	25,538	22,475
b) Financial assets			
(i) Trade receivables	11	21,061	19,822
(ii) Cash and cash equivalents	12	1,722	3,801
(iii) Bank balances other than cash and cash equivalents above	13	2,248	2,258
(iv) Loans	14	167	94
(v) Other financial assets	15	778	870
c) Other current assets	16	8,824	5,669
Total current assets		**60,338**	**54,989**
Assets classified as held for sale	53	5,562	14,037
Total Assets		**1,38,654**	**1,42,878**
EQUITY AND LIABILITIES			
Equity			
á) Equity share capital	17	634	634
b) Other equity	18	37,507	36,242
Total equity		**38,141**	**36,876**
Liabilities			
Non-current liabilities			
a) Financial liabilities			
(i) Borrowings	19	29,850	36,343
(ii) Lease Liabilities	40	10,467	11,776
(iii) Other financial liabilities	20	175	152

b) Provisions	21	2,921	2,537
c) Deferred tax liabilities (net)	22	653	840
d) Other non-current liabilities	23	97	99
Total non-current liabilities		**44,163**	**51,747**
Current liabilities			
a) Financial liabilities			
(i) Borrowings	24	24,497	21,398
(ii) Trade Payables	25		
(a) total outstanding dues of micro enterprises and small enterprises		1,082	482
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		20,787	19,978
(iii) Other financial liabilities	26	4,584	4,636
(iv) Lease liabilities	40	3,856	4,869
b) Provisions	27	1,104	1,019
c) Current tax liabilities (net)	28	79	1,105
d) Other current liabilities	29	361	614
Total current liabilities		**56,350**	**54,101**
Liabilities directly associated with assets classified as held for sale	53	-	154
Total liabilities		**1,00,513**	**1,06,002**
Total equity and liabilities		**1,38,654**	**1,42,878**

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)

SATHYA P KOUSHIK
Partner
Membership No. 206920
Place: Swindon, United Kingdom

for and on behalf of the Board of Directors of
Dynamatic Technologies Limited

UDAYANT MALHOUTRA
Chief Executive Officer &
Managing Director
DIN : 00053714
Place: Swindon, United Kingdom

P S RAMESH
Executive Director, Group Technical
Services & Human Resource
DIN : 05205364
Place: Bengaluru, India

CHALAPATHI P
Chief Financial Officer
Place: Swindon, United Kingdom

SHIVARAM V
Head - Legal, Compliance
& Company Secretary
Place: Swindon, United Kingdom

Date: 25 May 2022

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

All amounts are in INR lakhs unless otherwise stated except for earnings per share information

Particulars	Note	For the year ended 31 March 2022	For the year ended 31 March 2021
Continuing operations			
Income			
Revenue from operations	30	1,25,337	1,11,820
Other income	31	822	607
Total income		**1,26,159**	**1,12,427**
Expenses			
Cost of materials and components consumed	32	61,491	54,157
Change in inventory of finished goods and work-in-progress	33	13	854
Employee benefit expense	34	25,604	22,147
Finance costs	35	5,901	6,999
Depreciation and amortisation expenses	36	7,682	7,754
Other expenses	37	21,306	19,761
Total expenses		**1,21,997**	**1,11,672**
Profit from continuing operations before tax		**4,162**	**755**
Current tax	50	1,201	693
Deferred tax	50	(245)	(136)
Income tax expense		**956**	**557**
Profit from continuing operations		**3,206**	**198**
Discontinued operations			
Loss for the year from discontinued operations	53	(1,659)	(2,385)
Tax credit of discontinued operations	50	-	-
Loss after tax from discontinued operations		**(1,659)**	**(2,385)**
Profit/(Loss)for the year		**1,547**	**(2,187)**
Other Comprehensive Income			
Items that will not to be reclassified subsequently to profit and loss			
Remeasurement of defined benefit plans	43	(231)	44
Income tax relating to items that will not be reclassified to profit and loss		58	(11)

Items that will be reclassified to profit or loss			
Foreign currency fluctuations under a cash flow hedge - gain/(loss)		(28)	151
Exchange differences in translating financial statements of foreign operations		(81)	1,873
Other comprehensive income for the year, net of income tax		**(282)**	**2,057**
Total comprehensive income for the year		**1,265**	**(130)**
Earning per equity share (of INR 10 each) - Basic and diluted (in INR):	48		
Continuing operations		50.57	3.12
Discontinued operations		(26.17)	(37.62)
Discontinued & continuing operations		24.40	(34.50)
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)

SATHYA P KOUSHIK
Partner
Membership No. 206920
Place: Swindon, United Kingdom

for and on behalf of the Board of Directors of

Dynamatic Technologies Limited

UDAYANT MALHOUTRA
Chief Executive Officer &
Managing Director
DIN : 00053714
Place: Swindon, United Kingdom

P S RAMESH
Executive Director, Group Technical
Services & Human Resource
DIN : 05205364
Place: Bengaluru, India

CHALAPATHI P
Chief Financial Officer
Place: Swindon, United Kingdom

SHIVARAM V
Head - Legal, Compliance
& Company Secretary
Place: Swindon, United Kingdom

Date: 25 May 2022

CONSOLIDATED STATEMENT OF CASH FLOWS

All amounts are in INR lakhs unless otherwise stated

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Cash flow from operating activities		
Profit/(loss) before tax		
- continuing operations	4,162	755
- discontinuing operations	(1,659)	(2,385)
	2,503	**(1,630)**
Adjustments:		
Interest income	(258)	(322)
Gain on sale of property, plant and equipment (net)	(20)	(3)
Depreciation and amortisation on Property, plant and equipment	3,546	4,768
Amortisation on Right to use Assets	4,136	4,016
Finance costs	4,852	6,224
Interest on Lease liabilities	901	998
Unwinding of discount on dismantling liability	68	58
Loss allowance on financial assets (net)	295	269
Unrealised foreign exchange differences	684	(1,808)
Operating cash flow before working capital changes	**16,707**	**12,570**
Changes in operating assets and liabilities		
Changes in inventories	(1,525)	2,483
Changes in trade receivables	(1,399)	3,640
Changes in loans	(73)	(311)
Changes in other assets	(2,807)	(1,151)
Changes in trade payables	1,374	(7,027)
Changes in other financial liabilities	(218)	2,077
Changes in provisions	315	347
Changes in other current liabilities	(255)	(17)
Cash generated from operations	**12,119**	**12,611**
Income taxes paid, net of refund	(1,386)	(477)
Net cash generated from operating activities (A)	**10,733**	**12,134**
Cash flows from investing activities		
Acquisition of property, plant and equipment and intangibles	(5,805)	(1,972)
Proceeds from sale of property, plant and equipment pertaining to discontinued operations	6,495	-
Bank deposits (having original maturity of more than three months) (net)	10	441
Interest received from bank deposits	238	322
Net cash used in investing activities (B)	**938**	**(1,209)**
Cash flows from financing activities		
Proceed/(Repayment) of long term borrowings (net)	(5,207)	3,932
Proceeds/(Repayment) from short term borrowings (net)	1,458	(6,964)
Payment of Lease liabilities	(5,161)	(3,756)
Interest paid	(4,791)	(6,419)
Dividend paid	-	(2)
Net cash (used in) by financing activities (C)	**(13,701)**	**(13,209)**

Net decrease in cash and cash equivalents (A + B + C)	**(2,030)**	**(2,284)**
Cash and cash equivalents at the beginning of the year	3,801	5,598
Effect of exchange rate changes on cash and cash equivalent	(49)	487
Cash and cash equivalents at the end of the year	**1,722**	**3,801**
Components of cash and cash equivalents (Refer Note 12)		
Cash and cash equivalents		
Cash on hand	14	17
Cheque on hand	-	23
Balances with banks		
- in current accounts	1,708	3,761
Cash and cash equivalents in consolidated balance sheet	**1,722**	**3,801**

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)

SATHYA P KOUSHIK
Partner
Membership No. 206920
Place: Swindon, United Kingdom

for and on behalf of the Board of Directors of
Dynamatic Technologies Limited

UDAYANT MALHOUTRA
Chief Executive Officer &
Managing Director
DIN : 00053714
Place: Swindon, United Kingdom

P S RAMESH
Executive Director, Group Technical
Services & Human Resource
DIN : 05205364
Place: Bengaluru, India

CHALAPATHI P
Chief Financial Officer
Place: Swindon, United Kingdom

SHIVARAM V
Head - Legal, Compliance
& Company Secretary
Place: Swindon, United Kingdom

Date: 25 May 2022

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(A) Equity share capital

Balance as at 1 April 2021	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the year	Balance as at 31 March 2022
634	-	-	-	634

Balance as at 1 April 2020	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the year	Balance as at 31 March 2021
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	Reserve on amalgamation	General reserve	Securities premium	Retained Earnings	Remeasurement of the net defined benefit liability/ asset	Cash Flow Hedge Reserve	Foreign currency translation reserve	
Balance as at 1 April 2021	**15**	**240**	**154**	**3,010**	**12,072**	**18,501**	**-**	**(156)**	**2,406**	**36,242**
Profit for the year	-	-	-	-	-	1,547	-	-	-	1,547
Exchange difference on translation of foreign operations	-	-	-	-	-	-	-	-	(81)	(81)
Other comprehensive income for the year	-	-	-	-	-	-	(173)	(28)	-	(201)
Transfer to retained earnings	-	-	-	-	-	(173)	173	-	-	-
Balance as at 31 March 2022	**15**	**240**	**154**	**3,010**	**12,072**	**19,875**	**-**	**(184)**	**2,325**	**37,507**
Balance as at 1 April 2020	**15**	**240**	**154**	**3,010**	**12,072**	**20,655**	**-**	**-**	**533**	**36,679**
Foreign currency SWAP- Recognition	-	-	-	-	-	-	-	(307)	-	(307)
Loss for the year	-	-	-	-	-	(2,187)	-	-	-	(2,187)
Exchange difference on translation of foreign operations	-	-	-	-	-	-	-	-	1,873	1,873
Other comprehensive income for the year	-	-	-	-	-	-	33	151	-	184
Transfer to retained earnings	-	-	-	-	-	33	(33)	-	-	-
Balance as at 31 March 2021	**15**	**240**	**154**	**3,010**	**12,072**	**18,501**	**-**	**(156)**	**2,406**	**36,242**

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)

SATHYA P KOUSHIK
Partner
Membership No. 206920

Date: 25 May 2022

for and on behalf of the Board of Directors of **Dynamatic Technologies Limited**

UDAYANT MALHOUTRA
Chief Executive Officer & Managing Director
DIN : 00053714
Place: Swindon, United Kingdom

P S RAMESH
Executive Director, Group Technical Services & Human Resource
DIN : 05205364

CHALAPATHI P
Chief Financial Officer
Pan No : AMXPP4042L
Place: Swindon, United Kingdom

SHIVARAM V
Head Legal, Compliance & Company Secretary
Place: Swindon, United Kingdom

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 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 Estimates and Management Judgments

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.

Significant Judgements, assumptions and Estimation Uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the current year 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 50:

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 21, 27 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 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.

(e) Impairment of Financial assets- Note 6, 7, 11, 14, 15 and 44:

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 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.

(h) Estimation of uncertainties relating to the global health pandemic from COVID-19

The global pandemic COVID-19, has impacted economies across the globe and the disruption has resulted in economic slowdown worldwide. The manufacturing operations of the Group were suspended for a part of the year ended 31 March 2021 due to the nationwide lockdown announced by the jurisdictional local governments in view of COVID 19. The Group's facilities resumed operations in a phased manner, aligned with the directives announced by the jurisdictional authorities from time to time, prioritizing the health and safety of all the stakeholders across the value chain.

The Group has evaluated impact of COVID 19 in assessing the recoverability of assets, more particularly carrying value of goodwill and property, plant and equipment. Such assessment consider internal and external information, including current indicators of future economic conditions. The Group continues to focus on maintaining liquidity and expects a gradual recovery of demand and supply in future months. The ultimate eventual impact of the pandemic on the results may differ from that estimated as at the date of the approval of these results. Such changes, if any, will be prospectively recognized. The Group will continue to closely monitor any material changes to future economic conditions and assess its impact on operations.

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 note 46 of financial instruments.

1B Basis of Consolidation

These consolidated financial statements include financial statements of the Company and all its subsidiaries as disclosed in Note 51. 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

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:

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-ofuse 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 approves 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.

Derivative financial instruments and Hedge Accounting

In the ordinary course of business, the Company uses certain derivative financial instruments to reduce business risks which arise from its exposure to foreign exchange and interest rate fluctuations. The instruments are confined principally to forward foreign exchange contracts, cross currency swaps, interest rate swaps and collars. The instruments are employed as hedges of transactions included in the financial statements or for highly probable forecast transactions/ firm contractual commitments. Derivatives are initially accounted for and measured at fair value on the date the derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period.

The Company adopts hedge accounting for forward foreign exchange and interest rate contracts wherever possible. At inception of each hedge, there is a formal, documented designation of the hedging relationship. This documentation includes, inter alia, items such as identification of the hedged item and transaction and nature of the risk being hedged. At inception, each hedge is expected to be highly effective in achieving an offset of changes in fair value or cash flows attributable to the hedged risk. The effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at the inception and on an ongoing basis. The ineffective portion of designated hedges is recognised immediately in the statement of profit and loss.

The Company designates certain foreign exchange forward and options contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions. The Company determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of its forecasted cash flows. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in the Statement of Profit and Loss at the time of the hedge relationship rebalancing.

When a derivative is designated as a cash flow hedge instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedging reserve, and is transferred to the Statement of Profit and Loss upon the occurrence of the related forecast transaction.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to the statement of profit and loss for the period.

In cases where hedge accounting is not applied, changes in the fair value of derivatives are recognised in the statement of profit and loss as and when they arise.

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.

xxi Standards Issued but Not Effective

On March 23, 2022, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2022. This notification has resulted into amendments in the following existing accounting standards from April 1, 2022.

i. Ind AS 101 – First time adoption of Ind AS
ii. Ind AS 103 – Business Combination
iii. Ind AS 109 – Financial Instrument
iv. Ind AS 16 – Property, Plant and Equipment
v. Ind AS 37 –Provisions, Contingent Liabilities and Contingent Assets
vi. Ind AS 41 – Agriculture

Application of above standards are not expected to have any significant impact on the Group's financial statements.

3 Property, plant and equipment

Particulars	Owned												Leased	
	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)	Total
Gross carrying amount:														
Balance as at 1 April 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**
Additions	-	96	738	114	11	78	93	46	226	141	-	48	-	1,591
Translation adjustment	47	485	1,579	-	-	76	143	59	184	11	-	19	-	2,603
Deletion/ adjustments	-	-	(38)	-	-	-	(8)	(7)	(133)	(40)	-	-	-	(226)
Reclasssifed as "Assets held for sale". Refer Note 53(a) and 53(b)	(5,562)	(4,234)	(4,736)	-	(783)	(70)	(76)	(18)	(301)	(13)	-	-	(1,406)	(17,199)
Balance as at 31 March 2021	**3,440**	**13,821**	**24,320**	**1,119**	**933**	**1,827**	**2,966**	**961**	**4,899**	**483**	**402**	**994**	**12,705**	**68,870**
Balance as at 1 April 2021	**3,440**	**13,821**	**24,320**	**1,119**	**933**	**1,827**	**2,966**	**961**	**4,899**	**483**	**402**	**994**	**12,705**	**68,870**
Additions	-	6	2,943	47	113	98	44	82	152	65	-	201	-	3,751
Translation adjustment	(16)	(252)	(656)	-	(15)	-	(78)	(16)	(34)	(6)	-	(8)	-	(1,081)
Deletion/ adjustments	-	-	(1,198)	-	-	(17)	(19)	-	-	-	-	-	-	(1,234)
Reclassification between assets class group (Refer Note (ii) below)	-	168	(745)	194	159	(10)	504	(19)	487	193	-	(296)	3	638
Balance as at 31 March 2022	**3,424**	**13,743**	**24,664**	**1,360**	**1,190**	**1,898**	**3,417**	**1,008**	**5,504**	**735**	**402**	**891**	**12,708**	**70,944**
Accumulated depreciation:														
Balance as at 1 April 2020	**-**	**2,511**	**11,118**	**209**	**757**	**1,186**	**1,555**	**708**	**4,132**	**276**	**182**	**543**	**61**	**23,238**
Depreciation for the year	-	569	2,584	61	125	253	251	87	285	29	20	78	231	4,573
Translation adjustment	-	203	1,190	-	-	59	89	47	123	5	-	5	-	1,721
Depreciation on deletion	-	(1)	(6)	-	-	-	(8)	(3)	(1)	(36)	-	-	-	(55)
Reclasssifed as "Assets held for sale". Refer Note 53(a) and 53(b)	-	(901)	(2,997)	-	(562)	(71)	(70)	(18)	(235)	(9)	-	-	(278)	(5,141)
Balance as at 31 March 2021	**-**	**2,381**	**11,889**	**270**	**320**	**1,427**	**1,817**	**821**	**4,304**	**265**	**202**	**626**	**14**	**24,336**
Balance as at 1 April 2021	**-**	**2,381**	**11,889**	**270**	**320**	**1,427**	**1,817**	**821**	**4,304**	**265**	**202**	**626**	**14**	**24,336**
Depreciation for the year	-	424	1,739	59	129	147	339	118	363	30	18	76	-	3,442
Translation adjustment	-	(124)	(518)	-	(14)	-	(56)	(15)	(66)	(3)	-	(1)	-	(797)
Depreciation on deletion	-	-	(934)	-	-	(17)	(18)	-	-	-	-	-	-	(969)
Reclassification between assets class group (Refer Note (ii) below)	-	63	1,930	82	(278)	(192)	196	(47)	(1,080)	183	-	(324)	-	533
Balance as at 31 March 2022	**-**	**2,744**	**14,106**	**411**	**157**	**1,365**	**2,278**	**877**	**3,521**	**475**	**220**	**377**	**14**	**26,545**
Net carrying amount:														
Balance as at 31 March 2022	**3,424**	**10,999**	**10,558**	**949**	**1,033**	**533**	**1,139**	**131**	**1,983**	**260**	**182**	**514**	**12,694**	**44,399**
Balance as at 31 March 2021	**3,440**	**11,440**	**12,431**	**849**	**613**	**400**	**1,149**	**140**	**595**	**218**	**200**	**368**	**12,691**	**44,534**

Note:

1 Leasehold land aggregating INR 12,705 represents land allotted by Karnataka Industrial Areas Development Board (KIADB) for a period of 10 years on lease. As per the lease agreement dated 21 August 2014 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) The Company have implemented SAP on 5 January 2022, during the implementation process the Company have evaluated the Fixed Assets register and accordingly performed the re-classification between class of assets. Further such re-classification does not have any impact on current year depreciation.

(iii) Break up of depreciation of continued and discontinued operations is as follows:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Continuing Operations	3,442	3,529
Discontinued Operations (Refer Note 53)	-	1,044
Total	**3,442**	**4,573**

4 Intangible assets

Particulars	Owned intangible asset		Total
	Application Software	Prototype development	
Gross carrying amount:			
Balance as at 1 April 2020	**1,544**	**2,674**	**4,218**
Additions	20	53	73
Translation adjustment	22	185	207
Deletion	(364)	-	(364)
Balance as at 31 March 2021	**1,222**	**2,912**	**4,134**
Balance as at 1 April 2021	**1,222**	**2,912**	**4,134**
Additions	384	-	384
Translation adjustment	(12)	(38)	(50)
Reclassification between assets class group (Refer Note (ii) below)	(473)	(119)	(592)
Balance as at 31 March 2022	**1,121**	**2,755**	**3,876**
Accumulated amortization:			
Balance as at 1 April 2020	**1,355**	**524**	**1,879**
Amortisation for the year	100	123	223
Translation adjustment	21	46	67
Amortisation on deletion	(357)	-	(357)
Balance as at 31 March 2021	**1,119**	**693**	**1,812**
Balance as at 1 April 2021	**1,119**	**693**	**1,812**
Amortisation for the year	36	68	104
Translation adjustment	(15)	(8)	(23)
Reclassification between assets class group	(460)	(45)	(505)
Balance as at 31 March 2022	**680**	**708**	**1,388**
Net carrying amount:			
Balance as at 31 March 2022	**441**	**2,047**	**2,488**
Balance as at 31 March 2021	**103**	**2,219**	**2,322**

Note:

(i) Break up of amortisation of continued and discontinued operations is as follows:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Continuing Operations	104	209
Discontinued operations	-	14
Total	**104**	**223**

(ii) The Company have implemented SAP on 5 January 2022, during the implementation process the Company have evaluated the Fixed Assets register and accordingly performed the re-classification between class of assets. Further such re-classification does not have any impact on current year amortisation.

5 Goodwill

Particulars	As at 31 March 2022	As at 31 March 2021
Carrying value at the beginning of the year	10,259	9,719
Translation differences	(160)	540
Carrying value at the end of the year	**10,099**	**10,259**

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)	Metallurgy

The carrying value of goodwill, net of translation differences, as on 31 March 2022 and 31 March 2021 are as follows:

Entity acquired	Allocated operating segment	As at 31 March 2022	As at 31 March 2021
Dynamatic Limited, UK	Hydraulics and Aerospace	5,373	5,445
JKM Erla Holdings GmbH, Germany	Metallurgy	4,726	4,814
Total Carrying value at the end of the year		**10,099**	**10,259**

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 2022	As at 31 March 2021
Discount rate*	12.5% to 16%	12.5% to 15%
Terminal growth rate **	2%	2%

*These discount rate(s) are based on the Weighted Average Cost of Capital (WACC) of the Company.

** 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 2022, 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.

The directors believe that any reasonably possible change in the key assumptions on which the recoverable amount of the CGUs is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the related CGUs.

6 Non-current investments

Particulars	As at 31 March 2022	As at 31 March 2021
Investments in equity instruments		
332,000 (31 March 2021 : 332,000) equity shares of face value of INR 10 each fully paid of Kamachi Industries Limited	33	33
	33	**33**
Aggregate value of unquoted investments	33	33
Aggregate amount of impairment in value of investments	-	-

7 Other non- current financial assets

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good		
Security deposits	1,109	931
	1,109	**931**

8 Income tax assets (net)

Particulars	As at 31 March 2022	As at 31 March 2021
Advance income tax and tax deducted at source, net of provision	730	1,571
	730	**1,571**

9 Other non-current assets

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good		
Capital advances	907	175
	907	**175**

10 Inventories (Valued at lower of cost and net realizable value)

Particulars	As at 31 March 2022	As at 31 March 2021
Work-in-progress	11,974	12,731
Raw materials and components#	9,822	7,268
Finished goods	2,746	1,621
Stores and spares	996	855
	25,538	**22,475**

including goods in transit as on 31 March 2022: INR Nil (31 March 2021: INR 13).

11 Trade receivables

Particulars	As at 31 March 2022	As at 31 March 2021
Trade receivable		
Unsecured, considered good	21,844	21,092
Less: Allowances for credit losses	(783)	(1,270)
Net trade receivables	**21,061**	**19,822**

All trade receivables are 'current'.

Trade Receivables ageing schedule as at 31 March 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	20,461	494	272	150	467	21,844
Less: Allowances for credit loss						(783)
Net Trade receivable						**21,061**

Trade Receivables ageing schedule as at 31 March 2021

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	19,089	313	426	501	763	21,092
Less: Allowances for credit loss						(1,270)
Net Trade receivable						**19,822**

Note: There are no disputed trade receivables as at 31 March 2022 and as at 31 March 2021.

The Group's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in note 45.

12 Cash and cash equivalents

Particulars	As at 31 March 2022	As at 31 March 2021
Cash on hand	14	17
Cheque on hand	-	23
Balance with banks		
- in current accounts	1,708	3,761
	1,722	**3,801**

Cash and cash equivalents as defined in Ind AS 7 "Statements of Cash Flows"

13 Bank balances other than cash and cash equivalents above

Particulars	As at 31 March 2022	As at 31 March 2021
In deposit accounts (due to mature within 12 months from the reporting date)*	2,247	2,257
Unpaid dividend	1	1
	2,248	**2,258**

*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.

14 Current Loans

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good		
Loans to employees	167	94
	167	**94**

15 Other current financial assets

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good		
Accrued interest	20	-
Security deposit	758	870
	778	**870**

16 Other current assets

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good		
Advance for supply of goods	3,051	1,738
Unbilled revenue - Refer note below	535	-
Prepaid expenses	2,291	1,440
Balances with government authorities	2,947	2,491
	8,824	**5,669**

Unbilled revenue ageing schedule as at 31 March 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months 1 year	1-2 years	2-3 years	More than 3 years	
Unbilled revenue	535	-	-	-	-	535

17 Equity share capital

Particulars	As at 31 March 2022	As at 31 March 2021
Authorised		
Equity shares		
20,000,000 equity shares (31 March 2021: 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 2021: 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 2021: 6,341,443 equity shares) of par value of INR 10 each	634	634
	634	**634**

i. Reconciliation of shares outstanding at the beginning and at the end of the reporting period

Particulars	31 March 2022		31 March 2021	
	Number of shares	Amount (INR in lakhs)	Number of shares	Amount (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

ii. 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.

iii. **Details of shareholders holding more than 5% of equity shares in the Company**

	Particulars	31 March 2022 Number of shares	31 March 2022 % of holding	31 March 2021 Number of shares	31 March 2021 % of holding
	Equity shares of INR 10 each fully paid-up held by				
i)	Udayant Malhoutra	5,23,460	8.25%	6,20,179	9.78%
ii)	JKM Holdings Private Limited	11,12,538	17.54%	9,12,538	14.39%
iii)	Udayant Malhoutra and Company Private Limited	6,42,011	10.12%	6,42,011	10.12%
iv)	JKM Offshore India Private Limited	4,42,071	6.97%	4,42,071	6.97%
v)	Samena Special Situations Mauritius	5,55,754	8.76%	5,55,754	8.76%
vi)	Wavell Investments Private Limited	95,000	1.50%	4,48,281	7.07%
vii)	HDFC Trustee Company Limited	4,34,439	6.85%	5,69,650	8.98%

iv **Disclosure of Shareholding of Promoters**

Disclosure of shareholding of promoters as at 31 March 2022 is as follows:

Sr. No	Shares held by promoters Promoter name	As at 31 March 2022 No of Shares	As at 31 March 2022 % of total shares	As at 31 March 2021 No of Shares	As at 31 March 2021 % of total shares	% Change during the year
1	Udayant Malhoutra	5,23,460	8.25%	6,20,179	9.78%	-1.53%
2	JKM Holdings Private Limited	11,12,538	17.54%	9,12,538	14.39%	3.15%
3	Udayant Malhoutra and Company Private Limited	6,42,011	10.12%	6,42,011	10.12%	0.00%
4	JKM Offshore India Private Limited	4,42,071	6.97%	4,42,071	6.97%	0.00%
5	Wavell Investments Private Limited	95,000	1.50%	4,48,281	7.07%	-5.57%
6	Greenearth Biotechnologies Limited	22,927	0.36%	22,927	0.36%	0.00%
7	Barota Malhoutra	4,938	0.08%	4,938	0.08%	0.00%
8	Vita Private Limited	100	0.00%	100	0.00%	0.00%
9	Christine Hoden (India) Private Limited	100	0.00%	100	0.00%	0.00%
10	Primella Santiary Products Private Limited	100	0.00%	100	0.00%	0.00%
		28,43,245	**44.84%**	**30,93,245**	**48.78%**	**-3.94%**

Disclosure of shareholding of promoters as at 31 March 2021 is as follows:

Sr. No	Shares held by promoters Promoter name	As at 31 March 2021 No of Shares	As at 31 March 2021 % of total shares	As at 31 March 2020 No of Shares	As at 31 March 2020 % of total shares	% Change during the year
1	Udayant Malhoutra	6,20,179	9.78%	6,20,179	9.78%	-
2	JKM Holdings Private Limited	9,12,538	14.39%	9,12,538	14.39%	-
3	Udayant Malhoutra and Company Private Limited	6,42,011	10.12%	6,42,011	10.12%	-
4	JKM Offshore India Private Limited	4,42,071	6.97%	4,42,071	6.97%	-
5	Wavell Investments Private Limited	4,48,281	7.07%	4,48,281	7.07%	-
6	Greenearth Biotechnologies Limited	22,927	0.36%	22,927	0.36%	-
7	Barota Malhoutra	4,938	0.08%	4,938	0.08%	-
8	Vita Private Limited	100	0.00%	100	0.00%	-
9	Christine Hoden (India) Private Limited	100	0.00%	100	0.00%	-
10	Primella Santiary Products Private Limited	100	0.00%	100	0.00%	-
		30,93,245	**48.78%**	**30,93,245**	**48.78%**	**-**

18 Other equity*

Particulars	As at 31 March 2022	As at 31 March 2021
Capital reserves	15	15
Capital redemption reserve	240	240
Reserve on amalgamation	154	154
General reserve	3,010	3,010
Securities premium	12,072	12,072
Retained earnings	19,875	18,501
Foreign currency translation reserve	2,325	2,406
Cash flow hedge reserve - Currency Basis Spread	(184)	(156)
	37,507	**36,242**

* For detailed movement of reserves refer consolidated 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 avilable 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 the Companies Act, 1956. It is not freely available for distribution.

(iii) 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.

(iv) General Reserve :

General Reserve is used from time to time to transfer profits from retained earnings for appropriation purpose.

(v) 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.

(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.

(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.

(viii) Cash flow hedge reserve:

The Company has designated certain foreign currency swaps as cash flow hedges in respect of foreign exchange. The cumulative effective portion of gains or losses arising from changes in fair value of hedging instruments designated as cash flow hedges are recognised in cash flow hedge reserve. Such changes recognised are reclassified to the statement of profit and loss when the hedged item affects the profit or loss or are included as an adjustment to the cost of the related non-financial hedged item.

19 Non-current borrowings

Particulars	As at 31 March 2022	As at 31 March 2021
Secured		
Term loans		
- from banks [refer footnote (i)]	30,107	35,541
- Financial institutions [refer footnote (ii)]	5,861	6,829
Financial lease obligation [refer footnote (iii)]	1,838	317
Total Borrowings	**37,806**	**42,687**
Less: Current Maturities of long term borrowings from banks	(6,317)	(5,153)
Less: Current Maturities of long term borrowings from financial institutions	(1,213)	(1,018)
Less: Current Maturities of financial lease obligation	(426)	(173)
Net non-current borrowings	**29,850**	**36,343**

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 the non-current borrowings shown under Current Borrowing)

Details of repayment terms, interest and maturity	Nature of security
Term loan from bank aggregating to INR 19,034 (31 March 2021: INR 23,725) repayable in 32 quarterly instalments. First instalment starting from 15 October 2018 with interest rate ranging from 9.50% to 10.55% per annum for Rupee Term Loans and 5.06% per annum for Foreign Currency Loan.	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.
Working Capital Term loan under Guaranteed Emergency Credit Line from bank aggregating to INR 5,384 (31 March 2021: 4,999) repayable in 48 monthly instalments. First instalment starting from March 2022 with interest rate ranging from 8.30% to 9.15% per annum.	Second 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, present and future. Second charge over pledge of 100% shares of the subsidiaries, second charge over designated accounts and second charge over Debt Service Reserve Account (DSRA).
Term loan from bank aggregating to INR 3,455 (31 March 2021 : INR 4,897) repayable in 15 quarterly instalments. The rate of interest is EURIBOR plus 3.00% per annum.	Secured by movable and immovable fixed assets of Eisenwerk Erla GmbH, Germany subsidiary.
Term loan from bank aggregating to INR 674 (31 March 2021 : INR 686) repayable in 32 quarterly instalments. First instalment starting from Sep 2022. The rate of interest is at 3.00% per annum.	Loan availed by Eisenwerk Erla Gmbh,Germany secured by 100% Guarantee from Government to the Bank.
Term loan from bank aggregating INR 607 (31 March 2021 : INR 226) repayable in 33 monthly instalments with rate of interest Base Rate 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.
Term loan from bank aggregating INR 456 (31 March 2021 : INR 504) repayable in 24 monthly instalments. First instalment starting from Feb 2022. Term loan from bank aggregating INR 497 (31 March 2021 : INR 504) repayable as bullet payment in Janualry 2024. The rate of interest Base Rate plus 1.58% per annum for both loans.	Loan availed by Dynamatic Limited UK, secured by way of guarantee from UK Government.

(ii) From financial institutions (Including current maturities of the long term borrowings shown under Current Borrowing)

Details of repayment terms, interest and maturity	Nature of security
Term Loan from financial institutions aggregating to INR 5,861 (31 March 2021: INR 6,762) repayable in 32 quarterly instalments first instalment starting from 15 October 2018 with interest rate of 6m LIBOR + 4.75% 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 Nil (31 March 2021: INR 67) 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 1,838 (31 March 2021: INR 317) repayable in maximum 48 monthly instalments. The Leasing facility is secured by way of exclusive charge on assets financed by them and partly by corporate guarantee.

20 Other non-current financial liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Derivatives	175	152
	175	152

21 Non-current provisions

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits:		
Provision for gratuity (Refer Note 43)	1,996	1,658
Provision for compensated absences	411	390
Other provisions		
Provision for decommissioning costs (Refer Note 41(b))	514	489
	2,921	**2,537**

22 Deferred tax liabilities (net)*

Particulars	As at 31 March 2022	As at 31 March 2021
Deferred tax liabilities		
Property, plant and equipment and intangible assets	2,563	2,825
Total deferred tax liabilities (A)	**2,563**	**2,825**
Deferred tax assets		
Right of Use Assets and Lease Liabilities	705	741
Provision for gratuity and compensated absences	702	613
Provision for loss allowance	197	320
Provision for warranty	93	64
Others	213	247
Total deferred tax assets (B)	**1,910**	**1,985**
Net deferred tax liability (A - B)	**653**	**840**

* Refer Note 50

23 Other non-current liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Deferred government grant	62	62
Others	35	37
	97	**99**

24 Current borrowings

Particulars	As at 31 March 2022	As at 31 March 2021
Secured Loans		
Loans from banks repayable on demand		
Cash credit and working capital demand loans*	12,973	13,185
Current maturities of long-term borrowings (Refer Note 19)	7,956	6,344
	20,929	**19,529**
Unsecured Loans		
From banks		
Bill discounting facility from banks ##	3,568	1,869
	3,568	**1,869**
	24,497	**21,398**

* Cash credit and working capital demand loans from banks carry interest ranging between 9.25% - 11.00% per annum, computed on a monthly basis on the actual amount utilized, and are repayable on demand. Packing Credit in Foreign Curruncy loans from banks carry interest ranging between LIBOR+4.00% - LIBOR+4.25% per annum. 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 and immovable fixed assets of the Group. The overdraft facilit from the bank carries interest at base rate plus 2% per annum.

The Group has taken receivable invoice discounting facility from banks which carry interest rate of 2% per annum and is payable within 90 days from the date of bill discounted.

Information about the Group's exposure to interest rate, currency and liquidity risk are disclosed in Note 45.

25 Trade payables

Particulars	As at 31 March 2022	As at 31 March 2021
Dues of micro and small and medium enterprises	1,082	482
Other trade payables	20,787	19,978
	21,869	**20,460**

Trade Payables ageing schedule as at 31 March 2022

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	1,082	-	-	-	1,082
Others	20,175	256	202	154	20,787
Total					**21,869**

Trade Payables ageing schedule as at 31 March 2021

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	28	438	16	-	482
Others	16,883	2,656	272	167	19,978
Total					**20,460**

All trade payables are current.

The Company's exposure to currency and liquidity risk are disclosed in note 45.

26 Other current financial liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Accrued expenses	4,369	4,485
Capital creditors	64	33
Security deposits	58	60
Retention money	-	26
Interest accrued but not due	92	31
Unpaid dividend	1	1
	4,584	**4,636**

The Company's exposure to currency and liquidity risk are disclosed in note 45.

27 Current provisions

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits:		
Provision for gratuity (Refer Note 43)	338	293
Provision for compensated absences	66	96
Other provisions		
Provision for warranties (Refer Note 41(a))	368	253
Others (Refer Note 41(c))	332	377
	1,104	**1,019**

28 Current tax liabilities (net)

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for income tax	79	1,105
	79	**1,105**

29 Other current liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Advance received from customers	3	-
Statutory liabilities	358	614
	361	**614**

30 Revenue from operations

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
(A) Sale of products		
Revenue from sale of products	1,24,037	1,10,344
Total revenue from sale of products (A)	**1,24,037**	**1,10,344**
(B) Other operating revenue		
Export incentives	22	539
Scrap sales	1,278	937
Total other operating revenue (B)	**1,300**	**1,476**
Total revenue from operations (A+B)	**1,25,337**	**1,11,820**

31 Other income

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest income on financial assets carried at amortised cost	258	322
Net gain on foreign currency transactions and translation	83	90
Gain on sale of Property, plant and equipment	20	-
Miscellaneous income	461	195
	822	**607**

32 Cost of materials and components consumed

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Inventory of materials and components at the beginning of the year	7,268	8,568
Add: Purchases	64,045	52,857
Less: Inventory of materials and components at the end of the year	(9,822)	(7,268)
	61,491	**54,157**

33 Changes in inventory of finished goods and work-in-progress

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening stock		
- Finished goods	1,621	2,649
- Work-in-progress	12,731	12,144
	14,352	**14,793**
Closing stock		
- Finished goods	(2,746)	(1,621)
- Work-in-progress	(11,974)	(12,731)
	(14,720)	**(14,352)**
Add: Foreign currency translation adjustments	381	413
	13	**854**

34 Employee benefits expense

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries, wages and bonus	22,071	18,661
Contribution to provident fund and other funds	869	832
Gratuity expense (Refer Note 43)	268	263
Expenses related to compensated absence	54	71
Staff welfare expenses	2,342	2,320
	25,604	**22,147**

35 Finance costs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest expense on financial liabilities at amortised cost*	4,590	5,902
Interest expense on lease liabilities (Refer Note 40)	901	998
Unwinding of discount on dismantling cost	68	58
Interest on delayed payment of taxes	80	-
Other borrowing cost	262	41
	5,901	**6,999**

* Includes realised and unrealised foreign exchange loss of INR 338 Lakhs (31 March 2021: INR Nil) on re-statement of foreign currency loans.

36 Depreciation and amortisation expense

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation on property, plant and equipment (Refer Note 3)	3,442	3,529
Depreciation of Right-of-use assets (Refer Note 40)	4,136	4,016
Amortization of intangible assets (Refer Note 4)	104	209
	7,682	**7,754**

37 Other expense

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Consumption of stores, loose tools and spare parts	1,985	2,167
Subcontractor charges	4,145	3,960
Power and fuel	5,863	4,774
Rent	557	487
Repairs and maintenance:		
- buildings	230	191
- plant and machinery	1,419	1,341
- others	775	654
Legal and professional fees	1,268	1,272
Rates and taxes	308	347
Net loss on foreign currency transactions and translation	-	403
Allowances for doubtful receivable (net)	295	269
Freight outward	806	582
Travelling and conveyance	520	259
Insurance	769	714
Security charges	383	389
Packing expenses	479	467
Directors sitting fees	21	27
Printing and stationery	177	235
Communication	120	131
Membership and subscriptions	207	169
Bank charges	284	218
Corporate social responsibility expenses	175	125
Miscellaneous	520	580
	21,306	**19,761**

38 Contingent Liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Claims agianst the group not acknowledge as debts#		
Income tax matters	1,722	1,224
Indirect tax related matters	592	599

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.

39 Capital and Other commitments

Particulars	As at 31 March 2022	As at 31 March 2021
Capital Commitment		
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	2,549	591

There are no other material commitments.

40 Leases

(i) Following are the change in the carrying value of right to use of assets for the year ended 31 March 2022:

Particulars	Category of ROU assets			Total
	Plant & Machinery	Building	Vehicles	
Balance as at 1 April 2021	6,781	6,846	75	13,702
Addition/Modification	1,752	340	79	2,171
Amortisation	(2,590)	(1,501)	(45)	(4,136)
Translation adjustment	(124)	(74)	(4)	(202)
Balance as at 31 March 2022	**5,819**	**5,611**	**105**	**11,535**

(i) Following are the change in the carrying value of right to use of assets for the year ended 31 March 2021:

Particulars	Category of ROU assets			Total
	Plant & Machinery	Building	Vehicles	
Balance as at 1 April 2020	6,437	5,218	68	11,723
Addition/Modification	2,536	2,843	49	5,428
Amortisation	(2,630)	(1,345)	(41)	(4,016)
Translation adjustment	438	130	(1)	567
Balance as at 31 March 2021	**6,781**	**6,846**	**75**	**13,702**

(ii) The following is the break up of current & non-current liabilities:

Particulars	As at 31 March 2022	As at 31 March 2021
Non- Current	10,467	11,776
Current	3,856	4,869
	14,323	**16,645**

(iii) The following is the movement of lease liabilities during the year ended:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Balance at the beginning of the year	16,645	13,533
Addition/Modification	2,171	5,428
Finance cost during the year	901	998
Lease payment/adjustment during the year	(5,161)	(3,756)
Translation adjustment	(233)	442
	14,323	**16,645**

(iv) The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at 31 March 2022	As at 31 March 2021
Payable within 1 year	4,676	5,310
Payable between 1-5 years	7,872	9,453
Payable later than 5 years	4,889	5,574
Total	**17,437**	**20,337**

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 for the year is INR 557 (31 March 2021 : INR 487).

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 2022	As at 31 March 2021
Opening balance	**253**	**354**
Provisions recognized	226	61
Provisions utilized / reversed during the period*	(111)	(162)
Closing balance	**368**	**253**

(b) Provision for asset decommissioning

Particulars	As at 31 March 2022	As at 31 March 2021
Opening balance	**489**	**431**
Utilised during the year	(43)	-
Unwinding of discount	68	58
Closing balance	**514**	**489**

(c) Other provision

Particulars	As at 31 March 2022	As at 31 March 2021
Opening balance	**377**	**230**
Provisions utilized / reversed during the period*	(45)	147
Closing balance	**332**	**377**

* includes foreign currency translation adjustments

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 & aluminium castings, aerospace and others. 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.
• Aerospace	Engaged in the activity of manufacturing airframe structures and precision aerospace components.
• Metallurgy	Engaged in the activity of manufacturing case front, intake manifolds and exhaust manifold.
• Others	Comprising Homeland division and Medical division which offers cutting edge security products, technologies and manufacturing of medical kit respectively and Wind farm division which is into generation of power through wind energy (Land relating to wind farm division has been classified as held for sale).

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 2022 and 31 March 2021 is as follows:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Segment revenue		
a) Hydraulics	42,366	29,763
b) Aerospace	36,014	37,395
c) Metallurgy	46,501	44,187
d) Others	456	475
Revenue from operations (continuing operations)	**1,25,337**	**1,11,820**
e) From discontinued operations (Refer Note 53)	2,011	9,235
Total revenue from operations (continuing and discontinued operations)	**1,27,348**	**1,21,055**
Segment results (profit/ (loss) before finance costs, other income and tax from each segment)		
a) Hydraulics	6,057	1,855
b) Aerospace	5,645	7,813
c) Metallurgy	407	(20)
d) Others	(997)	(1,125)
e) Unallocated	(1,871)	(1,376)
Total (continuing operations)	**9,241**	**7,147**
e) From discontinued operations (Refer Note 53)	(1,659)	(2,385)
Total (continuing and discontinued operations)	**7,582**	**4,762**

Unallocable		
- Finance costs	(5,901)	(6,999)
- Other income	822	607
Profit before tax (continuing and discontinued operations)	**2,503**	**(1,630)**

Particulars	As at 31 March 2022	As at 31 March 2021
Segment assets		
a) Hydraulics	36,344	30,089
b) Aerospace	59,643	57,433
c) Metallurgy	27,294	29,528
d) Others	3,752	3,112
e) Unallocated	6,059	8,679
Segment assets from continuing operations	**1,33,092**	**1,28,841**
f) Relating to discontinued operation (Refer Note 53)	-	8,475
g) Other assets classified as held for sale (Refer Note 53)	5,562	5,562
Segment assets (continuing and discontinued operations)	**1,38,654**	**1,42,878**
Segment liabilities		
a) Hydraulics	19,698	15,375
b) Aerospace	13,403	13,789
c) Metallurgy	10,555	15,697
d) Others	859	420
e) Unallocated	55,998	60,567
Segment liabilities from continuing operations	**1,00,513**	**1,05,848**
f) Relating to discontinued operation (Refer Note 53)	-	154
Segment liabilities (continuing and discontinued operations)	**1,00,513**	**1,06,002**

Information about reportable segments for the period from 1 April 2021 to 31 March 2022 is as follows:

Particulars	Hydraulics	Aerospace	Metallurgy	Discontinued operations	Others	Unallocated	Total
Depreciation and amortisation expense	1,261	4,254	1,991	-	97	79	7,682
Capital expenditure	1,159	2,292	201	-	60	423	4,135

Information about reportable segments for the period from 1 April 2020 to 31 March 2021 is as follows:

Particulars	Hydraulics	Aerospace	Metallurgy	Discontinued operations	Others	Unallocated	Total
Depreciation and amortisation expense	1,452	3,913	2,117	1,058	195	77	8,812
Capital expenditure	222	970	287	119	37	27	1,662

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		Non current assets*	
	For the year ended		As at	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
India #	32,434	30,688	27,268	28,055
Europe (other than UK)	58,178	47,249	17,654	17,755
United Kingdom	16,854	16,111	25,403	24,085
United States	11,504	21,167	-	-
Canada	4,512	4,959	-	-
Rest of the world	3,866	881	-	-
Total	**1,27,348**	**1,21,055**	**70,325**	**69,895**

*Non-current assets excludes financial assets.

Includes revenue from discontinued operations of INR 2,011 (31 March 2021: INR 9,235)

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 2022	31 March 2021
Customer 1*	-	-

*None of the customers of the Group have revenue which is more than 10% of Group total revenue in current financial year.

43 Assets and liabilities relating to employee benefits

Particulars	As at 31 March 2022	As at 31 March 2021
Net defined benefit liability, gratuity plan*	2,334	1,951
Liability for compensated absences	477	486
Total employee benefit liability	**2,811**	**2,437**
Gratuity		
Current	338	293
Non-current	1,996	1,658
	2,334	**1,951**
Compensated absences		
Current	66	96
Non-current	411	390
	477	**486**

* Excludes provision for discontinued operations amounting to INR Nil (31 March 2021: 154).

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 2022-23.

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 2022	As at 31 March 2021
Obligation at the beginning of the year	2,036	2,071
Interest cost	140	136
Current service cost	134	135
Liability transferred on account of discontinued operations (Refer Note 53)	-	(79)
Benefits paid	(109)	(171)
Actuarial (Gains)/Losses on Obligations recognised in Other Comprehensive Income (OCI)		
- Changes in demographic assumptions	(1)	
- Changes in financial assumptions	(54)	(3)
- Experience adjustments	278	(53)
Obligation at the end of the year	**2,424**	**2,036**

(ii) Reconciliation of present value of plan assets

Particulars	As at 31 March 2022	As at 31 March 2021
Plan assets at the beginning of the year, at fair value	85	168
Interest income on plan assets	6	7
Contributions	116	123
Asset transferred on account of discontinued operations (Refer Note 53)	-	(30)
Benefits paid	(109)	(171)
Return on plan assets, excluding interest income recognised in OCI	(8)	(12)
Plan assets at the end of the year, at fair value	**90**	**85**
Net defined benefit liability	**2,334**	**1,951**

C (i) Expense recognized in Statement of profit and loss

Particulars	For the year ended	
	31 March 2022	31 March 2021
Current service cost	134	135
Interest cost	134	136
Interest income	-	(7)
Net gratuity cost	**268**	**264**

(ii) Remeasurement recognized in other comprehensive income

Particulars	For the year ended	
	31 March 2022	**31 March 2021**
Actuarial loss/(gain) on defined benefit obligation	223	(56)
Return on plan assets, excluding interest income	8	12
Total loss/(gain) recognised in other comprehensive income	**231**	**(44)**

D Plan assets

Particulars	As at 31 March 2022	As at 31 March 2021
Insurance fund	90	85
	90	**85**

E Defined benefit obligation

(i) Actuarial assumptions

Particulars	For the year ended	
	31 March 2022	**31 March 2021**
Rate of return on planned assets	7.15%	6.85%
Discounting rate	7.15%	6.85%
Future salary growth	6.00%	6.00%
Attrition rate	5.00%	5.00%
Mortality Rate	Indian Assured Lives Mortality (2012-14) Urban	Indian Assured Lives Mortality (2006-08) Ultimate
Weighted average duration of defined benefit obligation (in years)	9	9
Average Expected Future Service	11	12
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 Group'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 31 March 2022	As at 31 March 2021
Projected Benefit Obligation on Current Assumptions (Gross)	2,424	2,036
Impact of change in discount rate by +1%	(167)	(144)
Impact of change in discount rate by -1%	191	165
Impact of change in salary rate by +1%	184	159
Impact of change in salary rate by -1%	(164)	(142)
Impact of change in employee turnover rate by +1%	16	10
Impact of change in employee turnover rate by -1%	(18)	(12)

Defined contribution plan

The Group's contribution to Provident Fund aggregating to INR 499 (31 March 2021: INR 832) 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 15 (31 March 2021: INR 49) 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 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:

a) Recognized and measured at fair value

b) 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 2022	Level 1	Level 2	Level 3	
Financial assets not measured at fair value					
Loans (current and non - current)	167	-	-	-	-
Trade receivables, net of loss allowance	21,061	-	-	-	-
Cash and cash equivalents	1,722	-	-	-	-
Bank balances other than cash and cash equivalents	2,248	-	-	-	-
Other financial assets (current and non - current)	1,887	-	-	-	-
Financial assets measured at fair value					-
Investments in equity shares	33	-	-	33	33
Total financial assets	**27,118**	**-**	**-**	**33**	**33**
Financial liabilities not measured at fair value					
Borrowings (current and non - current)	54,347	-	-	-	-
Lease Liabilities (current and non - current)	14,323	-	-	-	-
Trade payables	21,869	-	-	-	-
Other financial liabilities (current and non - current)*	4,759	-	175	-	175
Total financial liabilities	**95,298**	**-**	**175**	**-**	**175**

Particulars	Carrying amount	Fair value			Total
	31 March 2022	Level 1	Level 2	Level 3	
Financial assets not measured at fair value					
Loans (current and non - current)	94	-	-	-	-
Trade receivables, net of loss allowance	19,822	-	-	-	-
Cash and cash equivalents	3,801	-	-	-	-
Bank balances other than cash and cash equivalents	2,258	-	-	-	-
Other financial assets (current and non - current)	1,801	-	-	-	-
Financial assets measured at fair value					-
Investments in equity shares	33	-	-	33	33
Total financial assets	**27,809**	**-**	**-**	**33**	**33**
Financial liabilities not measured at fair value					
Borrowings (current and non - current)	57,741	-	-	-	-
Lease Liabilities (current and non - current)	16,645	-	-	-	-
Trade payables	20,460	-	-	-	-
Other financial liabilities (current and non - current)*	4,788	-	152	-	152
Total financial liabilities	**99,634**	**-**	**152**	**-**	**152**

* Current maturities of long term borrowings aggregating INR 7,956 and INR 6,344 as at 31 March 2022 and 31 March 2021 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.

(iii) Derivative financial instruments:

Derivative instruments used by the Company include forward exchange contracts, interest rate swaps, currency swaps, options and interest rate caps and collars. These financial instruments are utilised to hedge future transactions and cash flows and are subject to hedge accounting under Ind AS 109 "Financial Instruments" wherever possible. The Company does not hold or issue derivative financial instruments for trading purposes. All transactions in derivative financial instruments are undertaken to manage risks arising from underlying business activities.

The following table sets out the exposure and the fair value of derivatives held by the Company as at the end of each reporting period:

Particulars	31 March 2022		
	Exposure in INR	Fair Value - Assets	Fair Value - Liabilites
Derivatives designated as cashflow hedges			
Currency Swaps for receivables including firm commitments and highly probable forecasted transactions	6,659	-	175

Particulars	31 March 2021		
	Exposure in INR	Fair Value - Assets	Fair Value - Liabilites
Derivatives designated as cashflow hedges			
Currency Swaps for receivables including firm commitments and highly probable forecasted transactions	7,645	-	152

45 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.

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 2022 and 31 March 2021 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 2022 amounting to INR 21,061 (31 March 2021: INR 19,822). 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 2022	As at 31 March 2021
Balance as at the beginning of the year	1,270	1,456
Amounts written off	(782)	(607)
Net measurement of loss allowance	295	421
Balance as at the end of the year	**783**	**1,270**

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 30,648 (31 March 2021: INR 35,541) out of which, INR 19,034 (31 March 2021: INR 23,725) is repayable in 32 quarterly instalments first instalment starting from 15 October 2018 with interest rate ranging from 9.85% to 10.45% per annum, Working Capital Term loan under Guaranteed Emergency Credit Line from bank aggregating to INR 5,384 (31 March 2021: INR 4,999) repayable in 48 monthly instalments. First instalment starting from March 2022 with interest rate ranging from 8.25% to 9.25% per annum. INR 3,455 (31 March 2021: INR 4,897) is repayable in 15 quarterly instalments at EURIBOR plus 5.50% per annum,Term loan from bank aggregating to INR 674 (31 March 2021 : INR 686) repayable in 32 quarterly instalments. First instalment starting from Sep 2022. The rate of interest is at 3.00% per annum, INR 607 (31 March 2021: INR 226) is repayable in 33 monthly instalments at base rate plus 2.50% per annum, Term loan from bank aggregating INR 456 (31 March 2021 : INR 504) repayable in 24 monthly instalments, Term loan from bank aggregating INR 497 (31 March 2021 :INR 504) repayable as bullet payment in Janualry 2024. The rate of interest Base Rate plus 1.58% per annum for both loans.

Term Loan from financial institutions aggregating to INR 5,861 (31 March 2021: INR 6,829) out of which INR 65,861 (31 March 2021: INR 6,762) is repayable in 32 quarterly instalments first instalment starting from 15 October 2018 with interest rate of 9.80% per annum., INR Nil (31 March 2021: INR 67) 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 1,838 (31 March 2021: INR 317) repayable in maximum 48 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 9.35% - 12.00% 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 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% and LIBOR+4.00% per annum for period ranging 120 days. The overdraft facilit from the bank carries interest at base rate plus 2% per annum.

(e) The Group has taken receivable bill discounting facility from banks which carry interest rate of 2% 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 2022 and 31 March 2021. The amounts are gross and undiscounted contractual cash flow and includes contractual interest payment and exclude netting arrangements:

As at 31 March 2022

Particulars		Contractual cash flows			
	Carrying amount	Total	0-1 years	1-5 years	5 years and above
Borrowings*	54,347	54,347	24,495	29,662	190
Lease liabilities	14,323	17,437	4,676	7,872	4,889
Trade payables	21,869	21,869	21,869	-	-
Derivatives	175	(247)	148	(395)	-
Other financial liabilities (current and non - current)	4,584	4,584	4,584	-	-
Total	**95,298**	**97,990**	**55,772**	**37,139**	**5,079**

As at 31 March 2022

Particulars	Contractual cash flows				
	Carrying amount	Total	0-1 years	1-5 years	5 years and above
Borrowings*	57,741	57,741	21,418	34,770	1,553
Lease liabilities	16,645	20,337	5,310	9,453	5,574
Trade payables	20,460	20,460	20,460	-	-
Derivatives	152	267	(257)	444	80
Other financial liabilities (current and non - current)	4,636	4,636	4,636	-	-
Total	**99,634**	**1,03,441**	**51,567**	**44,667**	**7,207**

* Including current maturities of long term borrowings.

As disclosed in note 19 and 24, 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 2022		As at 31 March 2021	
		Amount in foreign currency in Lakhs	Amount in INR	Amount in foreign currency in Lakhs	Amount in INR
Trade receivables	USD	126	9,454	126	9,207
	EURO	1	86	1	122
	GBP	20	1,954	13	1,261
Other current financial assets	USD	7	536	9	687
Trade payables	USD	18	1,344	3	293
	EURO	2	211	16	1,203
	GBP	2	194	2	231
Current borrowings	GBP	3	308	15	1,488
	USD	171	12,947	35	2,584
	EURO	5	419	12	1,011
Other financial liabilities	USD	88	6,659	102	7,465

The following significant exchange rates have been applied

Currency	Year end spot rate	
	31 March 2022	31 March 2021
USD/INR	75.79	73.11
EURO/INR	85.78	85.78
GBP/INR	99.42	100.77

Sensitivity analysis

A reasonably possible strengthening/ (weakening) of the USD, EURO and GBP against INR at 31 March 2022 and 31 March 2021 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		Impact on other component of Equity		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening	Strengthening	Weakening
31 March 2022						
USD (3% movement)	(127)	127	(200)	200	(245)	245
EURO (3% movement)	(15)	15	-	-	(11)	11
GBP (3% movement)	45	(45)	-	-	34	(34)
31 March 2021						
USD (3% movement)	213	(213)	(224)	224	(8)	8
EURO (3% movement)	(69)	69	-	-	(52)	52
GBP (3% movement)	(12)	12	-	-	(9)	9

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 2022	31 March 2021
Financial Assets		
Fixed rate instruments		
Bank Deposits	2,248	2,258
Total	**2,248**	**2,258**
Financial Liabilities		
Variable rate borrowings (including current maturities of long term borrowings)	49,384	54,316
Fixed rate borrowings (including current maturities of long term borrowings)	4,963	3,425
Total borrowings	**54,347**	**57,741**

(b) **Sensitivity**

Particulars	Profit and loss		Equity, net of tax	
	1% increase	1% decrease	1% increase	1% decrease
31 March 2022				
Variable rate borrowings	(494)	494	(370)	370
31 March 2021				
Variable rate borrowings	(543)	543	(406)	406

46 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 2022	31 March 2021
Borrowings (current and non-current)	54,347	57,741
Less: Cash and cash equivalents	(1,722)	(3,801)
Adjusted net debt	**52,625**	**53,940**
Total equity	38,141	36,876
Net debt to equity ratio	**1.38**	**1.46**

47 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	
Mr. Vivek Malani	Relative of Promotor Group
Ms. Ahilya Malhoutra	Daughter of Mr. Udayant Malhoutra (Promotor) (Joined with effective from 06 September 2021)
Key executive management personnel	**Designation**
Udayant Malhoutra	Chief Executive Officer and Managing Director
P.S. Ramesh	Executive Director, Group Technical Services and Human Resource
Arvind Mishra	Executive Director and Global Chief Operating Officer - Hydraulics & Head - Homeland Security
Chalapathi P	Chief Financial Officer
Shivaram V	Head Legal, Compliance & Company Secretary

(ii) **List of subsidiaries (including step subsidiaries)**

Name of the entity	Subsidiary/ Step Subsidiary	Country of domicile	Holding as at	
			31 March 2022	31 March 2021
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%
Dynamatic Manufacturing Limited (formerly known as JKM Ferrotech Limited) ("DML")	Step Subsidiary	India	99.99%	99.99%
Dynamatic Limited ("DLUK")	Step Subsidiary	United Kingdom	100%	100%
Yew Tree Investments Limited ("YTIL")	Step Subsidiary	United Kingdom	100%	100%
Dynamatic 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 2022	31 March 2021
Purchase of raw materials	Wavell Investments Private Limited	577	455
Rent expense	JKM Holdings Private Limited	4	4
	Mr. Vivek Malani	10	-
Trade advances given	Wavell Investments Private Limited	250	301
Security Deposits	Mr. Vivek Malani	17	-
Remuneration	Ms. Ahilya Malhoutra	4	-

(iv) **Balance receivable from and payable to related parties as at the balance sheet date:**

Particulars	Related Parties	As at 31 March 2022	As at 31 March 2021
Trade advance receivable	Wavell Investments Private Limited	1,017	768
Trade payables	Wavell Investments Private Limited	296	247
Rent Payable	Mr. Vivek Malani	2	-
Security deposits provided	JKM Holding Private Limited	35	35
	Mr. Vivek Malani	17	-

(v) **Compensation of key managerial personnel***

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Udayant Malhoutra	105	79
P.S. Ramesh	101	85
Arvind Mishra	101	84
Chalapathi P	81	63
Shivaram V	40	30
	428	**341**

*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.

48 Earnings per share

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Net profit for the year attributable to equity shareholders:		
From continuing operations	3,206	198
From discontinued operations	(1,659)	(2,385)
Total profit/(Loss) for the year	**1,547**	**(2,187)**

Reconciliation of basic and diluted shares used in computing earnings per share:

Particulars	As at 31 March 2022	As at 31 March 2021
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 2022	For the year ended 31 March 2021
Basic and Diluted earnings per share:		
From continuing operations	50.57	3.12
From discontinued operations	(26.17)	(37.62)
Total basic and diluted earnings per share	**24.40**	**(34.50)**

49 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.

50 Income tax

A Amount recognized in statement of profit and loss

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Current income tax:		
Current income tax charge- continuing operations	1,201	693
Current income tax charge- discontinued operations	-	-
	1,201	693
Deferred tax:		
Attributable to-		
Origination and reversal of temporary differences- continuing operations	(245)	(136)
Origination and reversal of temporary differences- discontinued operations	-	-
	(245)	**(136)**
Income tax expense reported in the statement of profit and loss	**956**	**557**

B **Income tax recognized in other comprehensive income**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Net gain / (loss) on remeasurement of defined benefit liability / (assets)	(231)	44
Foreign currency fluctuations under a cash flow hedge - gain/(loss)	(28)	151
Income tax expense/ (credit) to OCI	**58**	**(11)**

C **Reconciliation of effective tax rate**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Accounting profit before income tax	2,503	(1,630)
Tax using the Holding Company's domestic tax rate 25.17% (31 March 2021: 25.17%)	630	(410)
Effect of deferred tax on fair value impact of investment in subsidiaries	-	(195)
Current year losses on which deferred tax was not recognised	-	2,385
Impact of non - deductible expenses for tax purposes	326	(1,223)
Income tax expense	**956**	**557**

D **Deferred tax**

Deferred tax relates to the following:

Particulars	As at 1 April 2021	Recognized in profit or loss	Recognized in OCI	As at 31 March 2022
Deferred tax assets / (liabilities)				
Property, plant and equipment and intangible assets	(2,825)	262	-	(2,563)
Right of Use Assets & Lease Liabilities	741	(36)	-	705
Provision for gratuity and compensated absences	613	147	(58)	702
Provision for loss allowance	320	(123)	-	197
Provision for warranty	64	29	-	93
Others	247	(34)	-	213
Deferred tax assets / (liabilities)	**(840)**	**245**	**(58)**	**(653)**

Particulars	As at 1 April 2020	Recognized in profit or loss	Recognized in OCI	As at 31 March 2021
Deferred tax assets / (liabilities)				
Property, plant and equipment and intangible assets	(2,100)	(725)	-	(2,825)
Right of Use Assets & Lease Liabilities	(9)	750	-	741
Provision for gratuity and compensated absences	615	9	(11)	613
Provision for loss allowance	181	139	-	320
Provision for warranty	32	32	-	64
Others	305	(58)	-	247
Deferred tax assets / (liabilities)	**(976)**	**147**	**(11)**	**(840)**

*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 subsidiary can use the benefits therefrom.

Particulars	31 March 2022	31 March 2021
Carry forward of business losses	1,934	7,411
Carry forward of unabsorbed depreciation	6,478	11,160
Total brought forward losses	**8,412**	**18,571**
Potential tax benefit @ 25.17*	2,117	4,674
Deferred tax on losses created to the extent of deferred tax liabilities in the books of the subsidiary	-	426
Unrecognised deferred tax asset	**2,117**	**4,248**

*The business losses expire in 2023-30. The deductible temporary differences do not expire under current tax legislation.

51 Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements:

31 March 2022

Name of the Subsidiary	Consolidated net assets		Consolidated profit or loss		Consolidated OCI		Consolidated total Comprehensive income	
	Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount
Dynamatic Technologies Limited Standalone	96%	36,734	256%	3,965	71%	(201)	298%	3,764
Foreign Subsidiaries								
Dynamatic Limited UK*	41%	15,558	-32%	(493)	-	-	-39%	(493)
Eisenwerk Erla GmbH #	45%	17,119	8%	118	-	-	9%	118
JKM Global Pte Limited, Singapore	12%	4,593	4%	57	-	-	5%	57
Indian Subsidiaries								
JKM Erla Automotive Limited	35%	13,252	0%	(5)	-	-	0%	(5)
Dynamatic Manufacturing Limited (formerly known as JKM Ferrotech Limited)	4%	1,710	348%	5,382	-	-	425%	5,382
JKM Research Farm Limited	7%	2,603	2%	27	-	-	2%	27
JKM Automotive Limited	-	-	-	-	-	-	-	-
Consolidated adjustments	-140%	(53,428)	-486%	(7,504)	29%	(81)	-600%	(7,585)
Total	**100%**	**38,141**	**100%**	**1,547**	**100%**	**(282)**	**100%**	**1,265**

31 March 2021

Name of the Subsidiary	Consolidated net assets		Consolidated profit or loss		Consolidated OCI		Consolidated total Comprehensive income	
	Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount
Dynamatic Technologies Limited Standalone	91%	33,537	-129%	2,825	9%	184	-2315%	3,009
Foreign Subsidiaries								
Dynamatic Limited UK*	44%	16,287	77%	(1,677)	-	-	1290%	(1,677)
Eisenwerk Erla GmbH #	56%	20,661	34%	(749)	-	-	576%	(749)
JKM Global Pte Limited, Singapore	12%	4,564	1%	(20)	-	-	15%	(20)

Indian Subsidiaries								
JKM Erla Automotive Limited	36%	13,257	1%	(15)	-	-	12%	(15)
Dynamatic Manufacturing Limited (formerly known as JKM Ferrotech Limited)	-10%	(3,679)	108%	(2,385)	-	-	1835%	(2,385)
JKM Research Farm Limited	7%	2,577	-1%	26	-	-	-20%	26
JKM Automotive Limited	-	-	-	-	-	-	-	-
Consolidated adjustments	-136%	(50,328)	9%	(192)	91%	1,873	-1293%	1,681
Total	**100%**	**36,876**	**100%**	**(2,187)**	**100%**	**2,057**	**100%**	**(130)**

* includes results of Yew Tree Investments Limited, UK and Dynamatic US LLC

includes results of JKM Erla Holdings GmbH, Germany

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 2022 and 31 March 2021 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 2022

Particulars	Hydraulics	Aerospace	Metallurgy	Others	Total	Discontinued operation	Grand Total
Market or type of customer							
Government	153	712	-	-	865	-	865
Non-government	42,213	35,302	46,501	456	1,24,472	2,011	1,26,483
Total revenue from contract with customers#	**42,366**	**36,014**	**46,501**	**456**	**1,25,337**	**2,011**	**1,27,348**
Timing of revenue recognition							
Goods or services transferred at point in time	42,366	36,014	46,501	456	1,25,337	2,011	1,27,348
Total revenue from contract with customers#	**42,366**	**36,014**	**46,501**	**456**	**1,25,337**	**2,011**	**1,27,348**

For the year ended 31 March 2021

Particulars	Hydraulics	Aerospace	Metallurgy	Others	Total	Discontinued operation	Grand Total
Market or type of customer							
Government	139	453	-	-	592	-	592
Non-government	29,624	36,942	44,187	475	1,11,228	9,235	1,20,463
Total revenue from contract with customers#	**29,763**	**37,395**	**44,187**	**475**	**1,11,820**	**9,235**	**1,21,055**
Timing of revenue recognition							
Goods or services transferred at point in time	29,763	37,395	44,187	475	1,11,820	9,235	1,21,055
Total revenue from contract with customers#	**29,763**	**37,395**	**44,187**	**475**	**1,11,820**	**9,235**	**1,21,055**

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.

Reconciling the amount of revenue recognised with contract and reportable segment:

Particulars	31 March 2022	31 March 2021
Revenue from contract with customers (Continued and discontinued operations)	1,26,048	1,19,579
Export incentive	22	539
Scrap sales	1,278	937
Revenue from reportable segment (Refer Note 42)	**1,27,348**	**1,21,055**

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.

53 Discontinued operations and assets held for sale

a) 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. The assets relating to these businesses were classified as held for sale and the related liabilities were also separately classified in the balance sheet pursuant to the provisions of Ind AS 105 "Non-Current Assets Held for Sale and Discontinued Operations".

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 management's current strategy, the aforesaid Windfarm Land has been presented in the balance sheet at 31 March 2022 and 31 March 2021 as "Assets classified held for sale"

Carrying value of assets and liabilities classified as held for sale:

Particulars	As at 31 March 2022	As at 31 March 2021
Assets classified as held for sale		
Property plant & equipment	5,562	5,562
Current assets	-	-
Assets of disposal group held for sale	**5,562**	**5,562**
Liabilities directly associated with assets classified as held for sale		
Current Liabilities	-	-
Liabilities of disposal group held for sale	-	-

b) The Board of Directors of Dynamatic Manufacturing Limited (formerly known as JKM Ferrotech Limited)('DML'), a subsidiary of the Company, vide its meeting dated 1 February 2021 approved the term sheet and plan for sale of its foundry business assets (which consists of Property, plant and equipment (including land and building), raw materials and spare parts inventory and other financial assets identified as per the term sheet dated 1 February 2021 along with certain identified liabilities) to Danblock Brakes India Private Limited (DBIPL). The operations of DML were located out at SIPCOT Industrial Complex, Gumidipoondi, Thiruvallur, Tamil Nadu. The aforesaid assets and liabilities of DML relating to the India operations of the Automotive and Metallurgy segment had been presented in the balance sheet as at 31 March 2021 as "Assets classified as held for sale" and "Liabilities directly associated with Assets classified as held for sale" respectively. Subsequently DML and DBIPL executed Assets Purchase Agreement on 7 April 2021. All closing conditions have been met and DML received a net consideration of INR 7,041 lakhs during the year. Pursuant to the consummation of the aforesaid transaction, the management has carried out a detailed review of the residual assets and liabilities of the discontinued business and has, during the year, accrued for certain provisions, transactional costs and exchange fluctuation losses on restatement of off-shore trade advance payable to one of the subsidiaries.

(i) Carrying value of assets and liabilities classified as held for sale:

Particulars	As at 31 March 2022	As at 31 March 2021
Assets classified as held for sale		
Property plant & equipment	-	6,496
Non current investment	-	1
Current assets	-	1,978
Assets of disposal group held for sale	**-**	**8,475**
Liabilities directly associated with assets classified as held for sale		
Current Liabilities	-	154
Liabilities of disposal group held for sale	**-**	**154**

(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 2022	For the year ended 31 March 2021
Revenue	2,011	9,235
Expenses	3,670	11,620
Loss before tax	**(1,659)**	**(2,385)**
Income tax credit	-	-
Loss from discontinued operations after tax	**(1,659)**	**(2,385)**

(iv) Cash flows from/ (used in) discontinued operations

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Net cash used in operating activities	(4,649)	818
Net cash from investing activities	5,764	(128)
Net cash from financing activities	(1,063)	(497)
Net cash flow for the year	**52**	**193**

The published figures for the prior periods have been recast pursuant to the business referred to in Note 53(b) classified as discontinued operations in line with the requirements of Ind AS 105.

c) Disclosures relating to Discontinued operations and Disposal groups

	Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
(i)	**Net Loss from discontinued operations and disposal group disclosed in the Statement of Profit and Loss:**		
	Losses relating to the foundry business [refer Note 53(b)(ii)]	(1,659)	(2,385)
(ii)	**Assets and liabilities held for disposal**		
	Assets relating to the business [refer Note 53(a)] - Windfarm land	5,562	5,562
	Assets relating to the Foundry business [refer Note 53(b)(i)]	-	8,475
	Liabilities relating to the Foundry business [refer Note 53(b)(i)]	-	154

54 In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of Cash Flows'. These amendments are in accordance with the amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of Cash Flows'. The below disclosure is in line with such amendments suggested:

	Particulars	1 April 2021	Cash flows	Non Cash Changes		31 March 2022
				Interest Expense	Foreign exchange movement	
1	**Non- Current Borrowings**					
i)	**Secured**					
a)	Term loan from banks*	35,541	(5,760)	-	326	30,107
b)	Term loan from financial institutions*	6,829	(968)	-	-	5,861
c)	Finance lease obligation *	317	1,521	-	-	1,838
2	**Current Borrowings**					
i)	**Secured**					
a)	Cash credit and working capital demand loans	13,185	(241)	-	29	12,973
ii)	**Unsecured**					
a)	Bill discounting facility from banks	1,869	1,699	-	-	3,568
b)	Interest accrued but not due on borrowings	31	(4,791)	4,852	-	92
		57,772	**(8,540)**	**4,852**	**355**	**54,439**

	Particulars	1 April 2020	Cash flows	Non Cash Changes		31 March 2021
				Interest Expense	Foreign exchange movement	
1	**Non- Current Borrowings**					
i)	**Secured**					
a)	Term loan from banks*	30,793	4,748	-	-	35,541
b)	Term loan from financial institutions*	7,592	(763)	-	-	6,829
c)	Finance lease obligation *	370	(53)	-	-	317
2	**Current Borrowings**					
i)	**Secured**					
a)	Cash credit and working capital demand loans	20,033	(6,871)	-	23	13,185
ii)	**Unsecured**					
a)	Bill discounting facility from banks	1,962	(93)	-	-	1,869
b)	Interest accrued but not due on borrowings	168	(7,318)	7,181	-	31
	Total liabilities from financing activities	**60,918**	**(10,350)**	**7,181**	**23**	**57,772**

* includes current maturities of long term borrowings

55 Additional regulatory information not disclosed elsewhere in the financial statements

(i) As per section 248 of the Companies Act, 2013, there are no balances outstanding or transactions with struck off companies.

(ii) The Group has not traded / invested in Crypto currency or virtual currency.

(iii) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(iv) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall,

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(v) The Group has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(vi) The Group has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, except as disclosed in the financial statements.

(vii) The Group is not a declared willful defaulter by any bank or financial institution or other lender.

(viii) The Group does not have any Capital-work-in progress whose completion is overdue or has exceeded its cost compared to its original plan

56 The consolidated financial statements were approved for issue by the board of directors on 25 May 2022.

for and on behalf of the Board of Directors of

Dynamatic Technologies Limited

UDAYANT MALHOUTRA
Chief Executive Officer &
Managing Director
DIN : 00053714
Place: Swindon, United Kingdom

P S RAMESH
Executive Director, Group Technical
Services & Human Resource
DIN : 05205364
Place: Bengaluru, India

CHALAPATHI P
Chief Financial Officer
Place: Swindon, United Kingdom

SHIVARAM V
Head - Legal, Compliance
& Company Secretary
Place: Swindon, United Kingdom

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STANDALONE

FINANCIAL STATEMENTS

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 March 31, 2022, 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 March 31, 2022, and its profit, total comprehensive income, 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 accordance 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.

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.

Sr. No.	Key Audit Matter	Auditor's Response
	Impairment of investments in subsidiaries Refer Note 2(m) and 4 to the standalone financial statements of the Company. In the standalone financial statements of the Company, the carrying value of investments in subsidiaries is INR 33,809 lakhs net of cumulative impairment provision of INR 14,948 lakhs as at March 31, 2022. 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. 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 terminal growth rate used. The management has used the services of an expert in determining the recoverable value of investments in subsidiaries and consequential impairments, if any.	**Principal audit procedures performed:** • We assessed the Management's process for identifying the impairment indicators and impairment assessment of investments in subsidiaries. • Evaluated the design of the management's internal control around the impairment assessment process and tested its operating effectiveness. • Evaluated the independence, competence, capabilities and objectivity of the management's expert. • Understood the key assumptions considered in the management's estimates of future cash flows of the respective subsidiaries. • Involving our valuation specialists, we evaluated the growth rates including terminal growth rate, considered in the estimates of future cash flows and the discount rate used in the calculations. • 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. • 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. • We assessed the adequacy of the disclosures made in the standalone financial statements for the year ended March 31, 2022.

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 consolidated financial statements, standalone 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.

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 relevant 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 March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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. Refer Note 35 to the standalone financial statements.

   ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, 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 Company.

   iv.

      (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

      (b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

      (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

   v. The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

2. As required by the Companies (Auditor's Report) Order, 2020 ("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- 22206920AJOXPU7691

Swindon, May 25, 2022

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 March 31, 2022 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 March 31, 2022, 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- 22206920AJOXPU7691

Swindon, May 25, 2022

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)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i)

a.

A. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, capital-work-in-progress, and relevant details of right-of-use assets.

B. The Company has maintained proper records showing full particulars of intangible assets.

b. The Company has a program of verification of property, plant and equipment, capital work-in-progress and right-of-use assets so to cover all the items once every 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, no such assets were due for physical verification during the year. Since no physical verification of property, plant and equipment was due during the year the question of reporting on material discrepancies noted on verification does not arise.

c. Based on our examination of the title deeds and approved building plan provided to us, we report that the title deeds of all the immovable properties of freehold land and buildings disclosed in the financial statements included in property, plant and equipment and capital work in progress 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 guarantees, 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.

d. The Company has not revalued any of its property, plant and equipment (including right-of-use assets) and intangible assets during the year.

e. No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii)

a. The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with the books of account.

b. According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs.5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising stock statements and book debt statements filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters and no material discrepancies have been observed.

(iii) The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause (iii) of the Order is not applicable.

(iv) The Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence reporting under clause (v) of the Order is not applicable.

(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 books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) In respect of statutory dues:

a. Undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees’ State Insurance, Income-tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities in all cases during the year. There were no undisputed amounts payable in respect of Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

b. Details of statutory dues referred to in sub-clause (a) above which have not been deposited on account of disputes as on March 31, 2022 on account of disputes are given below:

Name of the Statue	Nature of the Dues	Amount (Rs. Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	32	AY 2017-18	The Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	361	AY 2018-19	The Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	12	AY 2019-20	Assessing Officer
Customs Act, 1962	Customs Duty	16	FY 2013-14	The Commissioner of Customs (Appeals)
Central Goods & Service Tax Act, 2017	Service Tax	1	October 2009 – March 2011	The Commissioner of Central Excise (Appeals)
Central Goods & Service Tax Act, 2017	Excise Duty	3	FY 2010-11 and FY 2011-12	The Customs Excise and Service Tax Appellate Tribunal (Appeals)
Central Goods & Service Tax Act, 2017	Excise Duty	57	FY 2012-13 and FY 2013-14	The Customs Excise and Service Tax Appellate Tribunal (Appeals)
Central Goods & Service Tax Act, 2017	Excise Duty	0.4	FY 2001-02	The Commissioner of Central Excise (Appeals)
Central Goods & Service Tax Act, 2017	Excise Duty	1	FY 2009-10	The Commissioner of Central Excise (Appeals)
Central Goods & Service Tax Act, 2017	GST	259	FY 2017-18	The Commissioner of Central Excise (Appeals)

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix)

a. Loans amounting to Rs. 11,986 lakhs outstanding as at March 31, 2022 are repayable on demand and terms and conditions for payment of interest thereon have not been stipulated. According to the information and explanations given to us, such loans and interest thereon have not been demanded for repayment during the financial year. Considering the above, in our opinion, the Company has not defaulted in the repayment of loans or other borrowings, or in the payment of interest thereon to any lender during the year.

b. The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

c. To the best of our knowledge and belief, in our opinion, term loans availed by the Company were applied by the Company during the year for the purposes of which the loans were obtained.

d. On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the financial year for long-term purposes by the Company.

e. The Company has not made any investment in or given any new loan or advances to its subsidiaries during the year and hence, reporting under clauses (ix)(e) of the Order is not applicable. The Company does not have any associates or joint ventures.

f. The Company has not raised loans during the year on the pledge of securities held in its subsidiaries. The Company does not have any associates or joint ventures.

(x)

a. The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

b. During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.

(xi)

a. To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

b. To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

c. As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable not applicable to the Company.

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, 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)

a. In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.

b. We have considered, the internal audit reports issued to the Company during the year and covering the period upto December 2021 and the final internal audit reports where issued after the balance sheet date covering the period of January to March 2022 for the period under audit.

(xv) In our opinion, during the year the Company has not entered into any non-cash transactions with its directors or directors of its Holding Company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi)

a. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.

b. The Group does not have any CIC as part of the group and accordingly, reporting under clause (xvi)(d) of the Order is not applicable

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

for **Deloitte Haskins & Sells LLP**

Chartered Accountants

Firm's Registration No. 117366W/W-100018

SATHYA P KOUSHIK

Partner

(Membership No. 206920)

UDIN- 22206920AJOXPU7691

Swindon, May 25, 2022

STANDALONE BALANCE SHEET

All amounts are in INR lakhs unless otherwise stated

Particulars	Note	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
a) Property, plant and equipment	3	21,004	21,770
b) Intangible assets	3	372	93
c) Capital work in progress	3	1,138	322
d) Right-of-use assets	38	2,097	3,342
e) Financial assets			
(i) Investments	4	33,809	33,809
(ii) Other financial assets	5	758	719
f) Income tax assets (net)	6	645	1,551
g) Other non-current assets	7	899	59
Total non-current assets		**60,722**	**61,665**
Current assets			
a) Inventories	8	10,160	10,388
b) Financial assets			
(i)Trade receivables	9	14,222	13,105
(ii) Cash and cash equivalents	10	667	347
(iii) Bank balances other than cash and cash equivalents above	11	2,248	2,204
(iv) Loans	12	90	1,067
(v) Other financial assets	13	1,538	1,991
c) Other current assets	14	5,465	4,574
Total current assets		**34,390**	**33,676**
d) Assets classified as held for sale	52	5,562	5,562
Total Assets		**1,00,674**	**1,00,903**
EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	15	634	634
b) Other equity	16	36,668	32,904
Total equity		**37,302**	**33,538**
Liabilities			
Non-current liabilities			
a) Financial liabilities			
(i) Borrowings	17	24,546	30,927
(ii) Lease liabilities	38	1,171	1,989
(iii) Other financial liabilities	18	175	156

b) Provisions	19	2,921	2,537
c) Deferred tax liabilities (net)	20	3,897	3,966
Total non-current liabilities		**32,710**	**39,575**
Current liabilities			
a) Financial liabilities			
(i) Borrowings	21	17,719	16,585
(ii) Trade Payables	22		
(a) total outstanding dues of micro enterprises and small enterprises		1,082	28
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		7,849	6,266
(iii) Lease liabilities	38	1,451	1,993
(iv) Other financial liabilities	23	1,327	1,286
b) Provisions	24	381	351
c) Current income tax liabilities (net)	25	639	1,131
d) Other current liabilities	26	214	150
Total current liabilities		**30,662**	**27,790**
Total Liabilities		**63,372**	**67,365**
Total Equity and Liabilities		**1,00,674**	**1,00,903**

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
Place: Swindon, United Kingdom

for and on behalf of the Board of Directors of

Dynamatic Technologies Limited

UDAYANT MALHOUTRA
Chief Executive Officer &
Managing Director
DIN : 00053714
Place: Swindon, United Kingdom

P S RAMESH
Executive Director, Group Technical
Services & Human Resource
DIN : 05205364
Place: Bengaluru, India

CHALAPATHI P
Chief Financial Officer
Place: Swindon, United Kingdom

SHIVARAM V
Head - Legal, Compliance
& Company Secretary
Place: Swindon, United Kingdom

Date: 25 May 2022

STANDALONE STATEMENT OF PROFIT AND LOSS

All amounts are in INR lakhs unless otherwise stated except for earnings per share information

Particulars	Note	For the year ended 31 March 2022	For the year ended 31 March 2021
Income			
Revenue from operations	27	54,897	51,374
Other income	28	1,124	440
Total Income		**56,021**	**51,814**
Expenses			
Cost of materials and components consumed	29	23,625	22,551
Change in inventory of finished goods and work-in-progress	30	1,417	299
Employee benefits expense	31	9,130	8,008
Finance costs	32	4,734	5,776
Depreciation and amortisation expense	33	3,032	3,191
Other expenses	34	8,787	8,262
Total expenses		**50,725**	**48,087**
Profit before tax		**5,296**	**3,727**
Current tax	50	1,342	1,014
Deferred tax	50	(11)	(112)
Income tax expense		**1,331**	**902**
Profit/ (Loss) for the year		**3,965**	**2,825**
Other Comprehensive Income			
Items that will not to be reclassified subsequently to profit and loss			
Remeasurement of defined benefit plans		(231)	44
Income tax relating to items that will not be reclassified to profit and loss		58	(11)
Items that will be reclassified subsequently to profit and loss			
Foreign currency fluctuations under a cash flow hedge - gain/(loss)		(28)	151
Other comprehensive income for the year, net of income tax		**(201)**	**184**
Total comprehensive income for the year		**3,764**	**3,009**
Earning per equity share			
Basic and diluted (in INR):	47	62.54	44.56
Number of shares used in computing earnings per share		**63,41,443**	**63,41,443**

See accompanying notes to the standalone financial statements

In terms of our report attached

for **Deloitte Haskins & Sells LLP**

Chartered Accountants

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Head - Legal, Compliance
& Company Secretary
Place: Swindon, United Kingdom

Date: 25 May 2022

STANDALONE STATEMENT OF CASH FLOWS

All amounts are in INR lakhs unless otherwise stated

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit before tax	5,296	3,727
Adjustments:		
Depreciation on Property, plant & equipment	1,450	1,542
Amortisation of Right-of-use assets	1,582	1,649
Finance costs	3,907	5,196
Interest on lease liabilities	417	522
Loss arising out of capital reduction approved by NCLT in respect of Investment in Dynamatic Manufacturing Limited (DML) [formerly known as JKM Ferrotech Limited]	5,593	-
Reversal of provision for impairment for Dynamatic Manufacturing Limited (DML) [formerly known as JKM Ferrotech Limited]	(5,593)	-
Gain on sale of property, plant and equipment, net	(576)	(3)
Interest income	(227)	(233)
Interest on loans/advance given to related parties	(62)	(45)
Financial guarantee obligation income	(4)	(6)
Unwinding of discount on dismantling liability	68	58
Loss allowance on financial assets, net	288	267
Unrealised foreign exchange differences	264	(213)
Operating cash flow before working capital changes	**12,403**	**12,461**
Changes in operating assets and liabilities		
Changes in inventories	228	1,058
Changes in trade receivables	(1,278)	3,016
Changes in loans	977	(989)
Changes in other financial assets	434	(11)
Changes in other assets	(889)	(1,116)
Changes in trade payables	2,637	(6,383)
Changes in other financial liabilities	(12)	318
Changes in provisions	183	193
Changes in other current liabilities	64	(61)
Cash generated from operations	**14,747**	**8,486**
Income taxes paid, net of refund	(928)	(453)
Net cash generated from operating activities (A)	**13,819**	**8,033**
Cash flows from investing activities		
Expenditure on property, plant and equipment and intangibles	(2,769)	(780)
Proceeds from sale of property, plant and equipment	668	-
Proceeds from sale of subsidiaries investment	1	(440)
Bank deposits (having original maturity of more than three months), net	(44)	444
Interest received from bank deposits	207	233

Net cash used in investing activities (B)	**(1,937)**	**(543)**
Cash flows from financing activities		
Proceed/(Repayment) of long term borrowings, net	(5,600)	3,091
Proceeds/(Repayment) from short term borrowings, net	(2)	(4,577)
Payment of Lease liabilities	(2,114)	(1,573)
Interest paid	(3,846)	(5,329)
Dividend paid	-	(2)
Net cash used in financing activities (C)	**(11,562)**	**(8,390)**
Net increase/(decrease) in cash and cash equivalents (A + B +C)	320	(900)
Cash and cash equivalents at the beginning of the year	347	1,247
Cash and cash equivalents at the end of the year	**667**	**347**
Components of cash and cash equivalents (Refer note 10)		
Cash and cash equivalents		
Cash on hand	1	4
Balance with banks		
- in current accounts	666	343
Cash and cash equivalents in standalone balance sheet	**667**	**347**

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
Place: Swindon, United Kingdom

for and on behalf of the Board of Directors of

Dynamatic Technologies Limited

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Chief Financial Officer
Place: Swindon, United Kingdom

SHIVARAM V
Head - Legal, Compliance
& Company Secretary
Place: Swindon, United Kingdom

Date: 25 May 2022

STANDALONE STATEMENT OF CHANGES IN EQUITY

All amounts are in INR lakhs unless otherwise stated

(A) Equity Share Capital

Balance as at 1 April 2021	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the year	Balance as at 31 March 2022
634	-	-	-	634

Balance as at 1 April 2020	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the year	Balance as at 31 March 2022
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	Reserve on amalgamation	General reserve	Securities premium	Retained Earnings	Remeasurement of the net defined benefit liability/asset	Cash Flow Hedge Reserve	
Balance as at 01 April 2021	**15**	**240**	**154**	**3,138**	**17,410**	**12,103**	**-**	**(156)**	**32,904**
Profit for the year	-	-	-	-	-	3,965	-	-	3,965
Other comprehensive income for the year	-	-	-	-	-	-	(173)	(28)	(201)
Transfer to retained earnings	-	-	-	-	-	(173)	173	-	-
Balance as at 31 March 2022	**15**	**240**	**154**	**3,138**	**17,410**	**15,895**	**-**	**(184)**	**36,668**
Balance as at 01 April 2020	15	240	154	3,138	17,410	9,245	-	-	30,202
Foreign currency SWAP- Recognition	-	-	-	-	-	-	-	(307)	(307)
Profit for the year	-	-	-	-	-	2,825	-	-	2,825
Other comprehensive income for the year	-	-	-	-	-	-	33	151	184
Transfer to retained earnings	-	-	-	-	-	33	(33)	-	-
Balance as at 31 March 2021	**15**	**240**	**154**	**3,138**	**17,410**	**12,103**	**-**	**(156)**	**32,904**

See accompanying notes to the standalone financial statements

In terms of our report attached

for and on behalf of the Board of Directors of **Dynamatic Technologies Limited**

for **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

SATHYA P KOUSHIK
Partner
Membership No. 206920

Date: 25 May 2022

UDAYANT MALHOUTRA
Chief Executive Officer & Managing Director
DIN : 00053714
Place: Swindon, United Kingdom

P S RAMESH
Executive Director, Group Technical Services & Human Resource
DIN : 05205364

CHALAPATHI P
Chief Financial Officer
Pan No : AMXPP4042L
Place: Swindon, United Kingdom

SHIVARAM V
Head Legal, Compliance & Company Secretary
Place: Swindon, United Kingdom

1 Reporting entity

Dynamatic Technologies Limited ("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 Company is in the business of manufacturing highly engineered products for the Aerospace 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.

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 estimates and management judgments

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.

Significant Judgements, 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 50:

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 19, 24 and 35 :

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 42 :

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, 9, 12, 13 and 43 :

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 38:

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 52:

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 global pandemic COVID-19, has impacted economies across the globe and the disruption has resulted in economic slowdown worldwide. The Company's manufacturing operations were suspended for a part of the year ended 31 March 2021 due to the nationwide lockdown announced by the Government of India in view of COVID 19. The Company's facilities resumed operations in a phased manner, aligned with the directives announced by the jurisdictional authorities from time to time, prioritizing the health and safety of all the stakeholders across the value chain.

The Company has evaluated impact of COVID 19 in assessing the recoverability of assets, more particularly carrying value of property, plant and equipment and investments. Such assessment consider internal and external information, including current indicators of future economic conditions. The Company continues to focus on maintaining liquidity and expects a gradual recovery of demand and supply in future months. The ultimate eventual impact of the pandemic on the results may differ from that estimated as at the date of the approval of these results. Such changes, if any, will be prospectively recognized. The Company will continue to closely monitor any material changes to future economic conditions and assess its impact on operations.

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 44: 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.

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 :

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-ofuse 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.

The Company as a lessor

Leases for which the Company 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 Company 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.

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 comparision 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.

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.

Derivative financial instruments and Hedge Accounting

In the ordinary course of business, the Company uses certain derivative financial instruments to reduce business risks which arise from its exposure to foreign exchange and interest rate fluctuations.

The instruments are confined principally to forward foreign exchange contracts, cross currency swaps, interest rate swaps and collars. The instruments are employed as hedges of transactions included in the financial statements or for highly probable forecast transactions/ firm contractual commitments. Derivatives are initially accounted for and measured at fair value on the date the derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period.

The Company adopts hedge accounting for forward foreign exchange and interest rate contracts wherever possible. At inception of each hedge, there is a formal, documented designation of the hedging relationship. This documentation includes, inter alia, items such as identification of the hedged item and transaction and nature of the risk being hedged. At inception, each hedge is expected to be highly effective in achieving an offset of changes in fair value or cash flows attributable to the hedged risk. The effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at the inception and on an ongoing basis. The ineffective portion of designated hedges is recognised immediately in the statement of profit and loss.

The Company designates certain foreign exchange forward and options contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions.

The Company determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of its forecasted cash flows. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes.Any hedge ineffectiveness is calculated and accounted for in the Statement of Profit and Loss at the time of the hedge relationship rebalancing.

When a derivative is designated as a cash flow hedge instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedging reserve, and is transferred to the Statement of Profit and Loss upon the occurrence of the related forecast transaction.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to the statement of profit and loss for the period.

In cases where hedge accounting is not applied, changes in the fair value of derivatives are recognised in the statement of profit and loss as and when they arise.

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 aluminium castings (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.

ab Standards Issued but Not Effective

On March 23, 2022, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2022. This notification has resulted into amendments in the following existing accounting standards from April 1, 2022.

i. Ind AS 101 – First time adoption of Ind AS

ii. Ind AS 103 – Business Combination

iii. Ind AS 109 – Financial Instrument

iv. Ind AS 16 – Property, Plant and Equipment

v. Ind AS 37 –Provisions, Contingent Liabilities and Contingent Assets

vi. Ind AS 41 – Agriculture

Application of above standards are not expected to have any significant impact on the Company's financial statements.

3 Property, plant and equipment and Intangible assets

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 2020	5,562	2,086	7,684	1,005	415	789	360	180	2,270	167	402	772	12,705	**34,397**
Additions	-	16	74	114	11	69	27	13	179	49	-	27	-	**579**
Deletion	-	-	(9)	-	-	-	-	-	-	(40)	-	-	-	**(49)**
Reclassified as Assets held for disposal (Refer Note 52)	(5,562)	-	-	-	-	-	-	-	-	-	-	-	-	**(5,562)**
Balance as at 31 March 2021	**-**	**2,102**	**7,749**	**1,119**	**426**	**858**	**387**	**193**	**2,449**	**176**	**402**	**799**	**12,705**	**29,365**
Balance as at 1 April 2021	-	2,102	7,749	1,119	426	858	387	193	2,449	176	402	799	12,705	**29,365**
Additions	-	-	410	47	58	98	23	50	94	20	-	10	-	**810**
Deletion	-	-	(622)	-	-	(17)	(16)	-	-		-	-	-	**(655)**
Reclassification between assets class group (Refer Note (ii) below)	-	168	(745)	194	159	(10)	504	(19)	487	193	-	(296)	3	**638**
Balance as at 31 March 2022	**-**	**2,270**	**6,792**	**1,360**	**643**	**929**	**898**	**224**	**3,030**	**389**	**402**	**513**	**12,708**	**30,158**
Accumulated depreciation:														
Balance as at 1 April 2020	-	179	1,428	210	349	585	268	104	2,196	167	181	507	-	**6,174**
Depreciation for the year	-	56	972	61	28	91	25	11	134	8	20	62	-	**1,468**
Depreciation on deletion	-	-	(7)	-	-	-	-	(3)	(1)	(36)	-	-	-	**(47)**
Balance as at 31 March 2021	**-**	**235**	**2,393**	**271**	**377**	**676**	**293**	**112**	**2,329**	**139**	**201**	**569**	**-**	**7,595**
Balance as at 1 April 2021	-	235	2,393	271	377	676	293	112	2,329	139	201	569	-	**7,595**
Depreciation for the year	-	71	598	59	32	147	120	27	293	5	18	62	-	**1,432**
Depreciation on deletion	-	-	(374)	-	-	(17)	(15)	-	-	-	-	-	-	**(406)**
Reclassification between assets class group (Refer Note (ii) below)	-	63	1,930	82	(278)	(192)	196	(47)	(1,080)	183	-	(324)	-	**533**
Balance as at 31 March 2022	**-**	**369**	**4,547**	**412**	**131**	**614**	**594**	**92**	**1,542**	**327**	**219**	**307**	**-**	**9,154**
Net carrying amount:														
As at 31 March 2022	**-**	**1,901**	**2,245**	**948**	**512**	**315**	**304**	**132**	**1,488**	**62**	**183**	**206**	**12,708**	**21,004**
As at 31 March 2021	**-**	**1,867**	**5,356**	**848**	**49**	**182**	**94**	**81**	**120**	**37**	**201**	**230**	**12,705**	**21,770**

Notes:

(i) Leasehold land aggregating INR 12,705 represents land allotted by Karnataka Industrial Areas Development Board (KIADB) for a period of 10 years on lease. As per the lease agreement dated 21 August 2014 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) The Company has implemented SAP in current year and during the implementation process, the Company has evaluated the Fixed Assets register and accordingly performed the re-classification between class of assets. Further such re-classification does not have any impact on current year depreciation.

(iii) There are no proceedings which have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988.

3.2 Capital work-in-progress

Ageing for capital work-in-progress as at 31 March 2022 is as follows:

Particulars	Less than 1 Year	1-2 years	2-3 years	More than 3 year	Total
Bulding expansion at Aerotropolis	1,138	-	-	-	1,138

Ageing for capital work-in-progress as at 31 March 2021 is as follows:

Particulars	Less than 1 Year	1-2 years	2-3 years	More than 3 year	Total
SAP - Software	96	-	-	-	96
Plant & machinery	226	-	-	-	226

3.2 Intangible assets

Particulars	Application Software	Prototype development	Total
Gross carrying amount:			
Balance as at 1 April 2020	881	66	947
Additions	13	53	66
Deletion	(364)	-	(364)
Balance as at 31 March 2021	**530**	**119**	**649**
Balance as at 1 April 2021	**530**	**119**	**649**
Additions	384	-	384
Deletion	-	-	-
Re-classification of assets class (Refer Note (i) below)	(473)	(119)	(592)
Balance as at 31 March 2022	**441**	**-**	**441**
Accumulated amortisation:			
Balance as at 1 April 2020	**818**	**21**	**839**
Amortisation for the year	50	24	74
Amortisation on deletion	(357)	-	(357)
Balance as at 31 March 2021	**511**	**45**	**556**
Balance as at 1 April 2021	**511**	**45**	**556**
Amortisation for the year	18	-	18
Re-classification of assets class (Refer Note (i) below)	(460)	(45)	(505)
Balance as at 31 March 2022	**69**	**-**	**69**
Net carrying amount:			
As at 31 March 2022	**372**	**-**	**372**
As at 31 March 2021	**19**	**74**	**93**

(i) The Company has implemented SAP in current year and during the implementation process, the Company has evaluated the Fixed Assets register and accordingly performed the re-classification between class of assets. Further such re-classification does not have any impact on current year amortisation.

4 Non-current investments

Particulars		As at 31 March 2022	As at 31 March 2021
Unquoted equity shares			
Investment in subsidiaries carried at cost less provision for other than temporary diminution in value			
i)	4,999,930 equity shares (31 March 2021: 4,999,930 equity shares) of face value of INR 10 each fully paid up of JKM Research Farm Limited	2,448	2,448
ii)	17,652,937 equity shares (31 March 2021: 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	1,900	1,900
		18,105	18,105
iii)	107,914,994 equity shares (31 March 2021: 107,914,994 equity shares) of face value of INR 10 each fully paid of JKM Erla Automotive Limited	26,221	26,221
	Less: Provision for impairment	13,048	13,048
		13,173	13,173
iv)	8,25,761 equity shares (31 March 2021: 55,000,000 equity shares) of face value of INR 10 each fully paid of Dynamatic Manufacturing Limited (formerly known as JKM Ferrotech Limited) ('DML')**	83	5,676
	Less: Provision for impairment	-	5,593
		83	83
		33,809	**33,809**
	Aggregate value of unquoted investments	48,757	54,350
	Aggregate amount of impairment in value of investments	14,948	20,541
	*Includes investment in form of financial guarantee provided to banks	800	800

Includes Corporate guarantee amounting INR 191 (31 March 2021: INR 191) represents financial guarantee given to Dynamatic Limited, UK (wholly owned subsidiary of JKM Global Pte Limited).

**Pursuant to a capital reduction approved by the NCLT vide its order dated 6 April 2021, the number of equity shares held in the entity has reduced from 55,000,000 to 825,761 equity shares. Further, pursuant to the above, the provision of INR 5,593 lakhs carried against the investment in DML has been set off against the gross value of the investment.

Further, on 25 May 2022, the Company's Board of Directors have approved internal reorganisation under which the parent entity Dynamatic Technologies Limited ('DTL') will acquire 42.35% and 24.62% equity shares of Dynamatic Manufacturing Limited (formerly known as JKM Ferrotech Limited) from JKM Erla Automotive Limited and Eisenwerk Erla GmbH respectively. On completion of the aforesaid transaction, Dynamatic Manufacturing Limited will be a wholly owned subsidiary of DTL. Both JKM Erla Automotive Limited and Eisenwerk Erla GmbH are existing subsidiaries of DTL.

5 Other non-current financial assets

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good		
Security deposits	758	719
	758	**719**

6 Income tax assets (net)

Particulars	As at 31 March 2022	As at 31 March 2021
Advance income tax and tax deducted at source, net of provision	645	1,551
	645	**1,551**

7 Other non-current assets

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good		
Capital advances	899	59
	899	**59**

8 Inventories (Valued at lower of cost and net realizable value)

Particulars	As at 31 March 2022	As at 31 March 2021
Raw materials and components#	4,577	3,604
Work-in-progress	3,886	5,510
Finished goods	701	494
Stores and spares	996	780
	10,160	**10,388**

includes goods in transit INR Nil (31 March 2021: INR 13 lakhs)

9 Trade receivables

Particulars	As at 31 March 2022	As at 31 March 2021
Trade receivables		
Trade receivable considered goods	14,379	13,738
Less: Allowance for credit loss	(157)	(633)
Total trade receivables	**14,222**	**13,105**

(i) All trade receivables are 'current'.

Of the above, trade receivables from related parties are as below:

Particulars	As at 31 March 2022	As at 31 March 2021
Trade receivables from related parties (Refer Note 46)	727	254
Net trade receivables	**727**	**254**

Trade Receivables ageing schedule as at 31 March 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	13,777	318	89	120	75	14,379
Less: Allowances for credit loss						(157)
Net Trade receivable						**14,222**

Trade Receivables ageing schedule as at 31 March 2021

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	12,285	217	388	499	349	13,738
Less: Allowances for credit loss						(633)
Net Trade receivable						**13,105**

Note: There are no disputed trade receivables as at 31 March 2022 and as at 31 March 2021.

The Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in note 44.

10 Cash and cash equivalents

Particulars	As at 31 March 2022	As at 31 March 2021
Cash on hand	1	4
Balance with banks		
- in current accounts	666	343
	667	**347**
Cash and cash equivalents as defined in Ind AS 7 "Statements of Cash Flows"	**667**	**347**

11 Bank balances other than cash and cash equivalents above

Particulars	As at 31 March 2022	As at 31 March 2021
In deposit accounts-held as margin money (due to mature within 12 months from the reporting date)*	2,247	2,203
Unpaid dividend	1	1
	2,248	**2,204**

*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.

12 Current Loans

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good		
Loan to related parties (Refer Note 46)	-	973
Loans to employees	90	94
	90	**1,067**

13 Other current financial assets

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good		
Management fee receivable from related parties (Refer Note 46)	1,016	1,525
Security deposits	502	466
Accrued interest	20	-
	1,538	**1,991**

14 Other current assets

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good		
Advances for supply of goods	1,498	782
Unbilled revenue	310	-
Trade advance to related parties (Refer Note 46)	1,017	1,289
Prepaid expense	175	159
Balances with government authorities	2,465	2,344
	5,465	**4,574**

Unbilled revenue ageing schedule as at 31 March 2022

Particulars	Outstanding for following periods from date of transaction					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Unbilled revenue	310	-	-	-	-	310

15 Equity share capital

Particulars	As at 31 March 2022	As at 31 March 2021
Authorised		
Equity shares		
20,000,000 equity shares (31 March 2021: 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 2021: 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 2021: 6,341,443 equity shares) of par value of INR 10 each	634	634
	634	**634**

i. **Reconciliation of shares outstanding at the beginning and at the end of the reporting period**

Particulars	31 March 2022		31 March 2021	
	Number of shares	Amount (INR in lakhs)	Number of shares	Amount (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

ii. **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.

iii. **Details of shareholders holding more than 5% of equity shares in the Company**

	Particulars	31 March 2022		31 March 2021	
		Number of shares	% of holding	Number of shares	% of holding
	Equity shares of INR 10 each fully paid-up held by				
i)	Udayant Malhoutra	5,23,460	8.25%	6,20,179	9.78%
ii)	JKM Holdings Private Limited	11,12,538	17.54%	9,12,538	14.39%
iii)	Udayant Malhoutra and Company Private Limited	6,42,011	10.12%	6,42,011	10.12%
iv)	JKM Offshore India Private Limited	4,42,071	6.97%	4,42,071	6.97%
v)	Samena Special Situations Mauritius	5,55,754	8.76%	5,55,754	8.76%
vi)	Wavell Investments Private Limited	95,000	1.50%	4,48,281	7.07%
vii)	HDFC Trustee Company Limited	4,34,439	6.85%	5,69,650	8.98%

iv **Disclosure of Shareholding of Promoters**

Disclosure of shareholding of promoters as at 31 March 2022 is as follows:

Sr. No	Shares held by promoters	As at 31 March 2022		As at 31 March 2021		% Change during the year
	Promoter name	No of Shares	% of total shares	No of Shares	% of total shares	
1	Udayant Malhoutra	5,23,460	8.25%	6,20,179	9.78%	-1.53%
2	JKM Holdings Private Limited	11,12,538	17.54%	9,12,538	14.39%	3.15%
3	Udayant Malhoutra and Company Private Limited	6,42,011	10.12%	6,42,011	10.12%	0.00%
4	JKM Offshore India Private Limited	4,42,071	6.97%	4,42,071	6.97%	0.00%
5	Wavell Investments Private Limited	95,000	1.50%	4,48,281	7.07%	-5.57%
6	Greenearth Biotechnologies Limited	22,927	0.36%	22,927	0.36%	0.00%
7	Barota Malhoutra	4,938	0.08%	4,938	0.08%	0.00%
8	Vita Private Limited	100	0.00%	100	0.00%	0.00%
9	Christine Hoden (India) Private Limited	100	0.00%	100	0.00%	0.00%
10	Primella Santiary Products Private Limited	100	0.00%	100	0.00%	0.00%
		28,43,245	**44.84%**	**30,93,245**	**48.78%**	**-3.94%**

Disclosure of shareholding of promoters as at 31 March 2021 is as follows:

Sr. No	Shares held by promoters	As at 31 March 2021		As at 31 March 2020		"% Change during the year"
	Promoter name	**No of Shares**	**% of total shares**	**No of Shares**	**% of total shares**	
1	Udayant Malhoutra	6,20,179	9.78%	6,20,179	9.78%	-
2	JKM Holdings Private Limited	9,12,538	14.39%	9,12,538	14.39%	-
3	Udayant Malhoutra and Company Private Limited	6,42,011	10.12%	6,42,011	10.12%	-
4	JKM Offshore India Private Limited	4,42,071	6.97%	4,42,071	6.97%	-
5	Wavell Investments Private Limited	4,48,281	7.07%	4,48,281	7.07%	-
6	Greenearth Biotechnologies Limited	22,927	0.36%	22,927	0.36%	-
7	Barota Malhoutra	4,938	0.08%	4,938	0.08%	-
8	Vita Private Limited	100	0.00%	100	0.00%	-
9	Christine Hoden (India) Private Limited	100	0.00%	100	0.00%	-
10	Primella Santiary Products Private Limited	100	0.00%	100	0.00%	-
		30,93,245	**48.78%**	**30,93,245**	**48.78%**	**-**

16 Other equity*

Particulars	As at 31 March 2022	As at 31 March 2021
Capital reserves	15	15
Capital redemption reserve	240	240
Reserve on amalgamation	154	154
General reserve	3,138	3,138
Securities premium	17,410	17,410
Retained earnings	15,895	12,103
Cash flow hedge reserve - Currency Basis Spread	(184)	(156)
Total other equity	**36,668**	**32,904**

* For detailed movement of reserves refer Standalone Statement of Changes in Equity.

16

(i) Capital reserve:

Capital reserve was created on account of subsidy received during the year ended 31 March 2005 and is not freely avilable for dividend distribution.

(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 Section 69 of the Companies Act, 1956. It is not freely available for dividend distribution.

(iii) 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.

(iv) General reserve:

General reserve is used from time to time to transfer profits from retained earnings for appropriation purpose.

(v) 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.

(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.

(vii) Cash flow hedge reserve:

The cumulative effective portion of gains or losses arising from changes in fair value of hedging instruments designated as cash flow hedges are recognised in cash flow hedge reserve. Such changes recognised are reclassified to the statement of profit and loss when the hedged item affects the profit or loss or are included as an adjustment to the cost of the related non-financial hedged item.

The Company has designated certain foreign currency swaps as cash flow hedges in respect of foreign exchange.

17 Non-current borrowings

Particulars	As at 31 March 2022	As at 31 March 2021
Secured loans		
Term loans		
- from banks [Refer footnote (i)]	24,418	28,724
- from financial institutions [Refer footnote (ii)]	5,861	6,829
Total borrowings	**30,279**	**35,553**
Less: Current maturities of long term borrowing	(5,733)	(4,626)
	24,546	**30,927**

Information about the Company's exposure to interest rate, currency and liquidity risk are disclosed in note 44.

(i) From banks (including current maturities of non - current borrowings shown under current borrowing):

Details of repayment terms, interest and maturity	Nature of Security
Term loan from bank aggregating to INR 19,034 (31 March 2021: INR 23,725) repayable in 32 quarterly instalments. First instalment starting from 15 October 2018 with interest rate ranging from 9.50% to 10.55% per annum for Rupee Term Loans and 5.06% per annum for Foreign Currency Loan.	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.
Working Capital Term loan under Guaranteed Emergency Credit Line from bank aggregating to INR 5,384 (31 March 2021: 4,999) repayable in 48 monthly instalments. First instalment starting from March 2022 with interest rate ranging from 8.30% to 9.15% per annum.	Second 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, present and future. Second charge over pledge of 100% shares of the subsidiaries, second charge over designated accounts and second charge over Debt Service Reserve Account (DSRA).

(ii) From financial institutions (including current maturities of non - current borrowings shown under other current borrowing):

Details of repayment terms, interest and maturity	Nature of Security
Term Loan from financial institutions aggregating to INR 5,861 (31 March 2021: INR 6,762) repayable in 32 quarterly instalments first instalment starting from 15 October 2018 with interest rate of 6m LIBOR + 4.75% 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 Nil (31 March 2021: INR 67) 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.

18 Other non-current financial liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Finance guarantee obligation	-	4
Derivatives	175	152
	175	**156**

19 **Non-current provisions**

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits		
Provision for gratuity (Refer Note 42)	1,996	1,658
Provision for compensated absences	411	390
Other provisions		
Provision for decommissioning costs (Refer Note 39(b))	514	489
	2,921	**2,537**

20 **Deferred tax liabilities (net)***

Particulars	As at 31 March 2022	As at 31 March 2021
Deferred tax liabilities		
Property, plant and equipment's and intangible assets	1,752	1,863
Fair value impact on investment in subsidiaries (Refer Note 4)	3,232	3,332
Total deferred tax liabilities (A)	**4,984**	**5,195**
Deferred tax assets		
Provision for gratuity and compensated absences	702	600
Right of Use Assets & Lease Liabilities	132	161
Provision for loss allowance	40	159
Others	213	309
Total deferred tax assets (B)	**1,087**	**1,229**
Net deferred tax liability (A - B)	**3,897**	**3,966**

***Refer Note 50**

21 **Current borrowings**

Particulars	As at 31 March 2022	As at 31 March 2021
Secured Loans		
Loans from banks repayable on demand		
- Cash credit and working capital demand loans*	11,986	11,959
Current maturities of long-term borrowings (Refer Note 17)	5,733	4,626
	17,719	**16,585**

* Cash credit and working capital demand loans from banks carry interest ranging between 9.25% - 11.00% per annum, computed on a monthly basis on the actual amount utilized, and are repayable on demand. Packing Credit & Working Capital Demand loans in Foreign Curruncy from banks carry interest ranging between LIBOR+4.00% -LIBOR+4.25% per annum. 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 and immovable fixed assets of the Company.

Information about the Company's exposure to interest rate, currency and liquidity risk are disclosed in note 44.

22 **Trade payables**

Particulars	As at 31 March 2022	As at 31 March 2021
Dues of micro, small and medium enterprises (Refer Note 41)	1,082	28
Dues to creditors other than micro and small enterprises	7,849	6,266
	8,931	**6,294**

Trade Payables ageing schedule as at 31 March 2022

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	1,082	-	-	-	1,082
Others	7,257	255	201	136	7,849
Total					**8,931**

Trade Payables ageing schedule as at 31 March 2021

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	28	-	-	-	28
Others	5,605	372	212	77	6,266
Total					**6,294**

All trade payables are current.

The Company's exposure to currency and liquidity risk are disclosed in note 44.

Related party balance are disclosed in note 46.

23 Other current financial liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Accrued expenses	1,122	1,189
Security deposits	58	60
Interest accrued but not due	92	31
Capital creditors	54	3
Finance guarantee obligation	-	2
Unpaid dividend	1	1
	1,327	**1,286**

The Company's exposure to currency and liquidity risk are disclosed in note 44.

24 Current provisions

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits:		
Provision for gratuity (Refer Note 42)	338	293
Provision for compensated absences	43	38
Others		
Provision for warranties (Refer Note 39 (a))	-	20
	381	**351**

25 Current tax liabilities (net)

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for income tax	639	1,131
	639	**1,131**

26 **Other current liabilities**

Particulars	As at 31 March 2022	As at 31 March 2021
Advance from customers	3	12
Statutory liabilities	211	138
	214	**150**

27 **Revenue from operations**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Sale of products		
Revenue from sale of products (Refer Note 51)	54,302	50,458
Total revenue from sale of products (A)	**54,302**	**50,458**
Other Operating revenue		
Management fees (Refer Note 46 and 51)*	7	11
Export Incentive	22	539
Scrap sales	566	366
Total other operating revenue (B)	**595**	**916**
Total revenue from operations (A+B)	**54,897**	**51,374**

* 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 2022	For the year ended 31 March 2021
Interest income on financial assets carried at amortised cost	227	233
Interest on trade advance/ loan to related party (Refer Note 46)	62	45
Gain on sale of Property, plant and equipment	576	3
Net gain on foreign currency transactions and translation	172	90
Guarantee income	4	6
Miscellaneous income	83	63
	1,124	**440**

29 **Cost of materials and components consumed**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Inventory of materials and components at the beginning of the year	3,604	4,472
Add: Purchases	24,598	21,683
Less: Inventory of materials and components at the end of the year	(4,577)	(3,604)
	23,625	**22,551**

30 **Changes in inventory of finished goods and work-in-progress**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Opening stock		
- Finished goods	494	1,016
- Work-in-progress	5,510	5,287
	6,004	**6,303**
Closing stock		
- Finished goods	(701)	(494)
- Work-in-progress	(3,886)	(5,510)
	(4,587)	**(6,004)**
	1,417	**299**

31 **Employee benefits expense**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries, wages and bonus	7,787	6,702
Contribution to provident fund and other funds (Refer Note 42)	499	461
Gratuity expense (Refer Note 42)	268	262
Expenses related to compensated absence	54	71
Staff welfare expenses	522	512
	9,130	**8,008**

32 **Finance costs**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest expense on financial liabilities at amortised cost*	3,907	5,159
Interest expense on lease liabilities (Refer Note 38)	417	522
Unwinding of discount on dismantling liability	68	58
Other borrowing cost	262	37
Interest on delayed payment of taxes	80	-
	4,734	**5,776**

* Interest expense consists of realised & unrealised Forex exchange loss of INR 338 Lakhs (31 March 2021: INR Nil) on re-statement of foreign currency loans.

33 **Depreciation and amortisation expense**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation on property, plant and equipment (Refer Note 3.1)	1,432	1,468
Amortisation of Right-of-use assets (Refer Note 38)	1,582	1,649
Amortisation of intangible assets (Refer Note 3.3)	18	74
	3,032	**3,191**

34 Other expenses

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Consumption of stores, loose tools and spare parts	1,328	1,422
Subcontractor charges	2,269	2,328
Power and fuel	897	823
Legal and professional fees	751	595
Payment to Auditors (Refer Note 37)	103	118
Packing expenses	479	467
Rent	187	171
Repairs and maintenance:		
- buildings	24	50
- plant and machinery	304	303
- others	428	412
Rates and taxes	137	181
Reversal of provision for impairment for Dynamatic Manufacturing Limited (DML) [formerly known as JKM Ferrotech Limited] (Refer Note 4)	(5,593)	-
Loss arising out of capital reduction approved by NCLT in respect of Investment in Dynamatic Manufacturing Limited (DML) (Refer Note 4)	5,593	-
Travelling and conveyance expenses	351	173
Allowances for doubtful receivables (net)	288	267
Manegement fee written off	134	-
Security charges	256	234
Insurance	185	184
Freight outward	261	156
Subscription and advertisement	131	100
Printing and stationery	53	60
Communication expenses	36	37
Directors sitting fees	21	27
Bank charges	33	47
Corporate social responsibility expenses (Refer Note 53)	33	10
Miscellaneous expenses	98	97
	8,787	**8,262**

35 **Contingent Liabilities**

Particulars	As at 31 March 2022	As at 31 March 2021
Corporate guarantee given as security for loans taken by related parties*	272	731
Claims against the Company not acknowledged as debts #		
Income tax	405	32
Indirect tax	338	345

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 2021	Given during the financial year	Settled /expired during the financial year	As at 31 March 2022
Dynamatic Limited, UK	576	-	(304)	272
Dynamatic Manufacturing Limited (formerly known as JKM Ferrotech Limited) ('DML')	155	-	(155)	-
Total	**731**	**-**	**(459)**	**272**

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 2020	Given during the financial year	Settled /expired during the financial year	As at 31 March 2021
Dynamatic Limited, UK	711	-	(135)	576
Dynamatic Manufacturing Limited (formerly known as JKM Ferrotech Limited) ('DML')	489	300	(634)	155
Total	**1,200**	**300**	**(769)**	**731**

36 **Capital commitments**

Particulars	As at 31 March 2022	As at 31 March 2021
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	2,549	591

There are no other material commitments.

37 **Payment to statutory auditors (excluding goods and service tax) :**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Statutory audit fees of standalone and consoldiated financial statements (including quarterly limited reviews)	78	63
Certification services	20	22
Other services	-	23
Out of pocket expenses	5	5
Total	103	113

* Other services includes fee of INR Nil (31 March 2021: INR 11) towards non-audit services provided by the network firms of statutory auditors to the Company (including components controlled by the Company).

38 Leases

(i) Following are the change in the carrying value of Right-of-use (ROU) assets for the year ended 31 March 2022:

Particulars	Category of ROU assets		Total
	Plant & Machinery	Land and building	
Opening Balance as at 1 April 2021	1,793	1,549	3,342
Addition/Modification (net)	(3)	340	337
Amortisation	(479)	(1,103)	(1,582)
Balance as at 31 March 2022	**1,311**	**786**	**2,097**

Following are the change in the carrying value of right to use of assets for the year ended 31 March 2021:

Particulars	Category of ROU assets		Total
	Plant & Machinery	Land and building	
Opening Balance as at 1 April 2020	1,965	3,079	5,044
Addition/Modification (net)	507	(560)	(53)
Amortisation	(679)	(970)	(1,649)
Balance as at 31 March 2021	**1,793**	**1,549**	**3,342**

(ii) The following is the break up of current & non-current lease liabilities:

Particulars	As at 31 March 2022	As at 31 March 2021
Non- Current	1,171	1,989
Current	1,451	1,993
	2,622	**3,982**

(iii) The following is the movement of lease liabilities:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Balance at the beginning of the year	3,982	5,033
Addition/Modification	337	(70)
Finance cost during the year	417	522
Lease payment during the year	(2,114)	(1,503)
	2,622	**3,982**

(iv) The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at 31 March 2022	As at 31 March 2021
Payable within 1 year	1,637	1,993
Payable between 1-5 years	1,327	2,625
Payable later than 5 years	42	-
Total	**3,006**	**4,618**

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 for the current financial year was INR 187 (31 March 2021: INR 171).

39 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 2022	As at 31 March 2021
Opening balance	**20**	**20**
Provisions recognized	-	-
Reversals/ utilizations	(20)	-
Closing balance	**-**	**20**

(b) Provision for asset decommissioning

Particulars	As at 31 March 2022	As at 31 March 2021
Opening balance	**489**	**431**
Utilised during the year	(43)	-
Unwinding of discount	68	58
Closing balance	**514**	**489**

40 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,and 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 Homeland division and Medical division which offers cutting edge security products, technologies and manufacturing of medical kit respectively and Wind farm division which is into generation of power through wind energy (Land relating to wind farm division has been classified as held for sale).

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 expenses, 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 2022	For the year ended 31 March 2021
Segment revenue		
a) Hydraulics	30,621	20,884
b) Aerospace	24,235	30,004
c) Others	41	486
Revenue from operations	**54,897**	**51,374**
Segment results (profit/ (loss) before finance costs, other income tax from each segment)		
a) Hydraulics	5,634	1,773
b) Aerospace	6,002	9,321
c) Others	(859)	(614)
d) Unallocated	(1,871)	(1,417)
Total	**8,906**	**9,063**
Unallocable		
- Finance costs	(4,734)	(5,776)
- Other income	1,124	440
Profit before tax	**5,296**	**3,727**

Particulars	As at 31 March 2022	As at 31 March 2021
Segment assets		
a) Hydraulics	16,586	12,554
b) Aerospace	38,294	40,241
c) Others	546	514
d) Unallocated	39,686	42,032
Segment assets	**95,112**	**95,341**
e) Assets classified as held for sale (Refer Note 52)	5,562	5,562
Total assets	**1,00,674**	**1,00,903**
Segment liabilities		
a) Hydraulics	10,094	7,249
b) Aerospace	5,157	6,385
c) Others	630	548
d) Unallocated	47,491	53,183
Segment liabilities	**63,372**	**67,365**

Information about reportable segments for the period from 1 April 2021 to 31 March 2022 is as follow

Particulars	Hydraulics	Aerospace	Others	Unallocated	Total
Depreciation and amortisation expense	846	2,009	177	-	3,032
Capital expenditure	456	255	60	423	1,194

Information about reportable segments for the period from 1 April 2020 to 31 March 2021 is as follow

Particulars	Hydraulics	Aerospace	Others	Unallocated	Total
Depreciation and amortisation expense	962	2,144	85	-	3,191
Capital expenditure	129	430	86	-	645

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 2022	31 March 2021	31 March 2022	31 March 2021
India	28,522	21,406	26,155	27,137
United States	10,939	16,332	-	-
Canada	3,103	4,959	-	-
United Kingdom	7,003	5,228	-	-
Europe (other than UK)	4,512	2,985	-	-
Rest of world	818	464	-	-
Total	**54,897**	**51,374**	**26,155**	**27,137**

*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 2022	For the year ended 31 March 2021
Customer 1	10,572	15,403
Customer 2	8,333	5,963
Customer 3	5,347	4,431

41 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 2022	31 March 2021
(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	1,082	28
Interest	45	31
(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	45	31
(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.	45	31
Total	**1,127**	**59**

42 Assets and liabilities relating to employee benefits

Particulars	As at 31 March 2022	As at 31 March 2021
Net defined benefit liability, gratuity plan *	2,334	1,951
Liability for compensated absences *	454	428
Total employee benefit liability	**2,788**	**2,379**

a) Gratuity		
Current	338	293
Non-current	1,996	1,658
	2,334	**1,951**

b) Compensated absences		
Current	43	38
Non-current	411	390
	454	**428**

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 2022-2023.

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 2022	As at 31 March 2021
Obligation at the beginning of the year	2,036	1,992
Interest cost	140	136
Current service cost	134	135
Benefit paid	(109)	(171)
Actuarial (Gains)/Losses on Obligations recognised in Other Comprehensive Income (OCI)		
- Changes in demographic assumptions	(1)	
- Changes in financial assumptions	(54)	(3)
- Experience adjustments	278	(53)
Obligation at the end of the year	**2,424**	**2,036**

(ii) Reconciliation of present value of plan assets

Plan assets at the beginning of the year, at fair value	85	136
Interest income on plan assets	6	9
Contributions	116	123
Benefits paid	(109)	(171)
Return on plan assets, excluding interest income recognised in OCI	(8)	(12)
Plan assets at the end of the year, at fair value	**90**	**85**
Net defined benefit liability	**2,334**	**1,951**

C (i) Expense recognised in the Statement of profit and loss

Particulars	For the year ended	
	31 March 2022	31 March 2021
Current service cost	134	135
Interest cost	134	127
Net gratuity cost	**268**	**262**

(ii) Remeasurement recognised in other comprehensive income

Particulars	For the year ended	
	31 March 2022	31 March 2021
Actuarial (gain)/ loss on defined benefit obligation	223	(56)
Return on plan assets, excluding interest income	8	12
Total (gain)/ loss recognised in other comprehensive income	**231**	**(44)**

D Plan assets

Particulars	As at 31 March 2022	As at 31 March 2021
Insurance fund	90	85
	90	**85**

E Defined benefit obligation

(i) Actuarial assumptions

Particulars	For the year ended	
	31 March 2022	31 March 2021
Rate of return on planned assets	7.15%	6.85%
Discounting rate	7.15%	6.85%
Future salary growth	6.00%	6.00%
Attrition rate	5.00%	5.00%
Mortality Rate	Indian Assured Lives Mortality (2012-14) Urban	Indian Assured Lives Mortality (2006-08) Ultimate
Weighted average duration of defined benefit obligation (in years)	9	9
Average Expected Future Service	11	12
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 31 March 2022	As at 31 March 2021
Projected Benefit Obligation on Current Assumptions (Gross)	2,424	2,036
Impact of change in discount rate by +1%	(167)	(144)
Impact of change in discount rate by -1%	191	165
Impact of change in salary rate by +1%	184	159
Impact of change in salary rate by -1%	(164)	(142)
Impact of change in employee turnover rate by +1%	16	10
Impact of change in employee turnover rate by -1%	(18)	(12)

Defined contribution plan

The Company's contribution to Provident Fund aggregating to INR 499 (31 March 2021: INR 428) has been recognised in the Statement of Profit and Loss under the head employee benefit expense.

43 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:

The section explains the judgement and estimates made in determining the fair values of the financial instruments that are:

a) recognised and measured at fair value

b) 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 2022	Level 1	Level 2	Level 3	Total
Financial assets measured at amortised cost					
Loans (current and non - current)	90	-	-	-	-
Trade receivables, net of loss allowance	14,222	-	-	-	-
Cash and cash equivalents	667	-	-	-	-
Bank balances other than cash and cash equivalents	2,248	-	-	-	-
Other financial assets (current and non - current)	2,296	-	-	-	-
Total financial assets	**19,523**	**-**	**-**	**-**	**-**
Financial liabilities measured at amortised cost					
Borrowings (current and non - current)	42,265	-	-	-	-
Lease liabilities (current and non - current)	2,622	-			-
Trade payables	8,931	-	-	-	-
Other financial liabilities (current and non - current)	1,502	-	175	-	175
Total financial liabilities	**55,320**	**-**	**175**	**-**	**175**

Particulars	Carrying amount	Fair value			
	31 March 20221	Level 1	Level 2	Level 3	Total
Financial assets measured at amortised cost					
Loans (current and non - current)	1,067	-	-	-	-
Trade receivables, net of loss allowance	13,105	-	-	-	-
Cash and cash equivalents	347	-	-	-	-
Bank balances other than cash and cash equivalents	2,204	-	-	-	-
Other financial assets (current and non - current)	2,710	-	-	-	-
Total financial assets	**19,433**	**-**	**-**	**-**	**-**
Financial liabilities measured at amortised cost					
Borrowings (current and non - current)	47,512	-	-	-	-
Lease liabilities (current and non - current)	3,982	-	-	-	-
Trade payables	6,294	-	-	-	-
Other financial liabilities (current and non - current)	1,442	-	152	-	152
Total financial liabilities	**59,230**	**-**	**152**	**-**	**152**

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: It 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.

(iii) Derivative financial instruments: Derivative instruments used by the Company include forward exchange contracts, interest rate swaps, currency swaps, options and interest rate caps and collars. These financial instruments are utilised to hedge future transactions and cash flows and are subject to hedge accounting under Ind AS 109 "Financial Instruments" wherever possible. The Company does not hold or issue derivative financial instruments for trading purposes. All transactions in derivative financial instruments are undertaken to manage risks arising from underlying business activities.

The following table sets out the exposure and the fair value of derivatives held by the Company as at the end of each reporting period:

Particulars	31 March 2022		
	Exposure in INR	Fair Value - Assets	Fair Value - Liabilites
Derivatives designated as cashflow hedges			
Currency Swaps for receivables including firm commitments and highly probable forecasted transactions	6,659	-	175

Particulars	31 March 2022		
	Exposure in INR	Fair Value - Assets	Fair Value - Liabilites
Derivatives designated as cashflow hedges			
Currency Swaps for receivables including firm commitments and highly probable forecasted transactions	7,465	-	152

44 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 2022 and 31 March 2021 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 2022 amounting to INR 14,222 (31 March 2021: INR 13,105). 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 2022	As at 31 March 2021
Balance as at beginning of the year	633	976
Amounts written off	(764)	(610)
Net measurement of loss allowance	288	267
Balance as at end of the year	**157**	**633**

ii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligation as the 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) Term loan from bank aggregating to INR 19,034 (31 March 2021: INR 23,725) repayable in 32 quarterly instalments. First instalment starting from 15 October 2018 with interest rate ranging from 9.50% to 10.55% per annum for Rupee Term Loans and 5.06% per annum for Foreign Currency Loan.

Term Loan from financial institutions aggregating to INR 5,861 (31 March 2021: INR 6,762) repayable in 32 quarterly instalments first instalment starting from 15 October 2018 with interest rate of 6m LIBOR + 4.75% per annum. These are secured by 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, present and future. Pledge of the shares of subsidiaries and personal guarantee issued by the promoter.

(ii) Working Capital Term loan under Guaranteed Emergency Credit Line from bank aggregating to INR 5,384 (31 March 2021: 4,999) repayable in 48 monthly instalments. First instalment starting from March 2022 with interest rate ranging from 8.30% to 9.15% per annum. Second 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, present and future. Second charge over pledge of 100% shares of the subsidiaries, second charge over designated accounts and second charge over DSRA.

(iii) Term Loan from financial institutions aggregating to INR Nil (31 March 2021: INR 67) 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.

(iv) Cash credit and working capital demand loans from banks carry interest ranging between 9.25% - 11.00% per annum, computed on a monthly basis on the actual amount utilized, and are repayable on demand. Packing Credit & Working Capital Demand loans in Foreign Curruncy from banks carry interest ranging between LIBOR+4.00% -LIBOR+4.25% per annum. 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 and immovable fixed assets of the Company.

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2022 and 31 March 2021. The amounts are gross and undiscounted contractual cash flow and includes contractual interest payment and exclude netting arrangements:

As at 31 March 2022

Particulars	Contractual cash flows				
	Carrying amount	Total	0-1 years	1-5 years	5 years and above
Borrowings*	42,265	42,265	17,719	24,546	-
Lease liabilities	2,622	3,006	1,637	1,327	42
Trade payables	8,931	8,931	8,931	-	-
Derivatives	175	(247)	148	(395)	-
Other financial liabilities (current and non - current)	1,327	1,327	1,327	-	-
Total	**55,320**	**55,282**	**29,762**	**25,478**	**42**

As at 31 March 2021

Particulars	Carrying amount	Contractual cash flows			
		Total	0-1 years	1-5 years	5 years and above
Borrowings*	47,512	47,512	16,605	29,718	1,189
Lease liabilities	3,982	4,618	1,993	2,625	-
Trade payables	6,294	6,294	6,294	-	-
Derivatives	152	267	(257)	444	80
Other financial liabilities (current and non - current)	1,290	1,290	1,290	-	-
Total	**59,230**	**59,981**	**25,925**	**32,787**	**1,269**

* Includes current maturities of long term borrowings.

As disclosed in note 17 and 21, 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 2022		As at 31 March 2021	
		Amount in foreign currency in lakhs	Amount in INR	Amount in foreign currency in lakhs	Amount in INR
Trade receivables	USD	108	8,218	112	8,157
	EURO	0.89	75	0.43	36
	GBP	20	1,954	13	1,261
Other current financial assets	GBP	10	1,016	10	1,022
	EURO	-	-	5	502
Trade payables	EURO	0.06	5	0.21	18
	USD	15	1,127	15	1,091
	GBP	2	194	2	231
Borrowings	GBP	3	308	15	1,488
	USD	171	12,947	30	2,193
Other financial liabilities	USD	88	6,659	102	7,465

The following significant exchange rates have been applied :

Currency	Year end spot rate	
	31 March 2022	31 March 2021
USD/INR	75.79	73.11
EURO/INR	84.20	85.78
GBP/INR	99.42	100.77

Sensitivity analysis

A reasonably possible strengthening /(weakening) of the USD, EURO, GBP, SGD and CAD against INR as at 31 March 2022 and 31 March 2021 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		Impact on other component of Equity		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening	Strengthening	Weakening
31 March 2022						
USD (3% movement)	(176)	176	(200)	200	(281)	281
EURO (3% movement)	2	(2)	-	-	2	(2)
GBP (3% movement)	74	(74)	-	-	56	(56)
31 March 2021						
USD (3% movement)	146	(146)	(224)	224	(61)	61
EURO (3% movement)	15	(15)	-	-	11	(11)
GBP (3% movement)	17	(17)	-	-	12	(12)

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 financial assets and finaicial liabilities to interest rate changes at the end of the reporting period are as follows:

Particulars	As at 31 March 2022	As at 31 March 2021
Financial Assets		
Fixed rate instruments		
Bank deposits	2,247	2203
Total	**2,247**	**2,203**
Financial Liabilities		
Variable rate borrowings ((including current maturities of long term debts)	37,302	45,245
Fixed rate borrowings (including current maturities of long term debts)	4,963	2,267
Total	**42,265**	**47,512**

(b) Sensitivity

Particulars	Profit and loss		Equity, net of tax	
	1% increase	1% decrease	1% increase	1% decrease
31 March 2022				
Variable rate borrowings	(373)	373	(279)	279
31 March 2021				
Variable rate borrowings	(452)	452	(339)	339

45 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 31 March 2022	As at 31 March 2021
Borrowings (current and non-current)	42,265	47,512
Less: Cash and cash equivalents	(667)	(347)
Adjusted net debt	**41,598**	**47,165**
Total equity	37,302	33,538
Net debt to equity ratio	**1.12**	**1.41**

46 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	
Dynamatic Manufacturing Limited (formerly known as 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	
Mr. Vivek Malani	Relative of Promotor Group
Ms. Ahilya Malhoutra	Daughter of Mr. Udayant Malhoutra (Promotor) (Joined with effective from 06 September 2021)

Key executive management personnel	Designation
Udayant Malhoutra	Chief Executive Officer and Managing Director
P.S. Ramesh	Executive Director, Group Technical Services and Human Resource
Arvind Mishra	Executive Director and Global Chief Operating Officer - Hydraulics & Head - Homeland Security
Chalapathi P	Chief Financial Officer
Shivaram V	Head Legal, Compliance & Company Secretary

(ii) Related party transactions during the current year and previous year as follow:

Nature of transactions	Related Parties	For the year ended 31 March 2022	31 March 2021
Revenue from operations	Dynamatic Limited, UK	617	182
Purchase of raw materials	Dynamatic Limited, UK	303	733
	Dynamatic Manufacturing Limited	-	250
	Wavell Investments Private Limited	577	455
Management fees income	Dynamatic Limited, UK	7	11
Management fees received	Eisenwerk Erla GmbH, Germany	465	-
Rent expense	JKM Research Farm Limited	48	48
	JKM Holdings Private Limited	4	4
	Dynamatic Limited, UK	310	197
	Mr. Vivek Malani	10	-
Investment made	JKM Erla Automotive Limited	-	440
Interest income	Dynamatic Manufacturing Limited	62	45
Trade advances given	Dynamatic Manufacturing Limited	-	514
	Wavell Investments Private Limited	250	301
Loan provided	Dynamatic Manufacturing Limited	795	1,088
Sale of Property, Plant and Equipment	Dynamatic Manufacturing Limited	667	-
Capital reduction (Investment)	Dynamatic Manufacturing Limited	5,593	-
Security Deposits	Mr. Vivek Malani	17	-
Remuneration	Ms. Ahilya Malhoutra	4	-
Reimbursement of expenses	Dynamatic Manufacturing Limited	107	159
	Dynamatic Limited, UK	35	-
Corporate guarantee released/ (settled), net	Dynamatic Limited, UK	(304)	(135)
	Dynamatic Manufacturing Limited	(155)	(334)

(iii) Balance receivable from and payable to related parties as at the balance sheet date:

Particulars	Related Parties	As at 31 March 2022	As at 31 March 2021
Trade receivables	Dynamatic Limited, UK	727	254
Trade payables	Dynamatic Limited, UK	51	129
	Wavell Investments Private Limited	296	247
	JKM Research Farm Limited	172	153
Security deposits provided	JKM Holding Private Limited	35	35
	Mr. Vivek Malani	17	-
Management Fee Receivable	Dynamatic Limited, UK	1,016	1,022
	Eisenwerk Erla GmbH, Germany	-	502
Loan Receivable	Dynamatic Manufacturing Limited	-	973
Rent Payable	Mr. Vivek Malani	2	-
Trade advance receivable	Dynamatic Manufacturing Limited	-	1,289
	Wavell Investments Private Limited	1,017	768
Corporate guarantee	Dynamatic Limited, UK	272	576
	Dynamatic Manufacturing Limited	-	155

(iv) **Compensation of key managerial personnel***

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Short-term benefits:		
Udayant Malhoutra	105	79
P.S. Ramesh	101	85
Arvind Mishra	101	84
Chalapathi P	81	63
Shivaram V	40	30
	428	**341**

*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.

47 Earnings per share

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Net profit for the year attributable to equity shareholders	3,965	2,825

Reconciliation of basic and diluted shares used in computing earnings per share:

Particulars	As at 31 March 2022	As at 31 March 2021
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 2022	For the year ended 31 March 2021
Basic and Diluted earnings per share	62.54	44.56

48 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

Subsidiaries	Face value per unit	As at 1 April 2021	Purchased during the year	Sold during the year	As at 31 March 2022
JKM Research Farm Limited	INR 10	2,448	-	-	2,448
		(49,99,930)*	-	-	(49,99,930)*
JKM Global Pte Limited, Singapore	SGD 1	20,005	-	-	20,005
		(1,76,52,937)*	-	-	(1,76,52,937)*
JKM Erla Automotive Limited	INR 10	26,221	-	-	26,221
		(10,79,14,994)*	-	-	(10,79,14,994)*
Dynamatic Manufacturing Limited (formerly known as JKM Ferrotech Limited)	INR 10	5,676	-	5,593	83
		(5,50,00,000)*	-	5,41,74,250)*	(8,25,750)*
Total		**54,350**	**-**	**5,593**	**48,757**

Subsidiaries	Face value per unit	As at 1 April 2020	Purchased during the year	Sold during the year	As at 31 March 2021
JKM Research Farm Limited	INR 10	2,448	-	-	2,448
		(49,99,930)*			(49,99,930)*
JKM Global Pte Limited, Singapore	SGD 1	20,005	-	-	20,005
		(1,76,52,937)*			(1,76,52,937)*
JKM Erla Automotive Limited	INR 10	25,781	440	-	26,221
		(10,61,54,994)*	(17,60,000)*		(10,79,14,994)*
Dynamatic Manufacturing Limited (formerly known as JKM Ferrotech Limited)	INR 10	5,676	-	-	5,676
		(5,50,00,000)*			(5,50,00,000)*
Total		**53,910**	**440**	**-**	**54,350**

* The amounts in parenthesis represents number of shares

49 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.

50 Income tax

A Amount recognised in statement of profit and loss

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Current income tax:		
Current income tax charge for the year	1,342	1,014
Deferred tax:		
Attributable to - origination and reversal of temporary differences	(11)	(112)
Income tax expense reported in the statement of profit and loss	**1,331**	**902**

B Income tax recognised in other comprehensive income

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Net gain / (loss) on remeasurement of defined benefit liability / (assets)	58	(11)
Foreign currency fluctuations under a cash flow hedge - gain/(loss)	-	-
Income tax expense/ (credit) to OCI	**58**	**(11)**

C Reconciliation of effective tax rate

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Accounting profit before income tax	5,296	3,727
Tax using the Company's domestic tax rate 25.17% (31 March 2021: 25.17%)	1,333	938
Impact of non - deductible expenses for tax purposes	56	(47)
Income tax expense	**1,389**	**891**

D **Deferred tax**

Deferred tax relates to the following:

Particulars	As at 31 March 2021	Recognised in profit and loss	Recognised in OCI	As at 31 March 2022
Deferred tax assets / (liabilities)				
Property, plant and equipment's and intangible assets	(1,863)	(111)	-	(1,752)
Fair value impact on investment in subsidiaries	(3,332)	(100)	-	(3,232)
Provision for gratuity and compensated absences	600	(44)	(58)	702
Provision for loss allowance	159	119	-	40
Leases	161	29	-	(132)
Others	309	96	-	213
Deferred tax assets / (liabilities)	**(3,966)**	**(11)**	**(58)**	**(4,161)**

Particulars	As at 31 March 2020	Recognised in profit and loss	Recognised in OCI	As at 31 March 2021
Deferred tax assets / (liabilities)				
Property, plant and equipment's and intangible assets	(2,079)	216	-	(1,863)
Fair value impact on investment in subsidiaries	(3,137)	(195)	-	(3,332)
Provision for gratuity and compensated absences	565	46	(11)	600
Provision for loss allowance	246	(87)	-	159
Leases	(3)	164	-	161
Others	341	(32)	-	309
Deferred tax assets / (liabilities)	**(4,067)**	**112**	**(11)**	**(3,966)**

51 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 2022 and 31 March 2021 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 2022

Particulars	Hydraulics	Aerospace	Others	Grand Total
Market or type of customer				
Government	172	742	-	914
Non-government	30,449	23,493	41	53,983
Total revenue from contract with customers#	**30,621**	**24,235**	**41**	**54,897**
Timing of revenue recognition*				
Goods or services transferred at point in time	30,621	24,235	41	54,897
Goods or service transferred over time	-	-	-	-
Total revenue from contract with customers#	**30,621**	**24,235**	**41**	**54,897**

For the year ended 31 March 2021

Particulars	Hydraulics	Aerospace	Others	Grand Total
Market or type of customer				
Government	139	453	-	592
Non-government	20,745	29,551	486	50,782
Total revenue from contract with customers#	**20,884**	**30,004**	**486**	**51,374**
Timing of revenue recognition*				
Goods or services transferred at point in time	20,884	30,004	486	51,374
Total revenue from contract with customers#	**20,884**	**30,004**	**486**	**51,374**

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 40 - 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 2022	For the year ended 31 March 2021
Revenue from contract with customers	54,302	50,458
Other Operating revenue		
Management fees	7	11
Export incentive	22	539
Scrap sales	566	366
Revenue from reportable segment (Refer Note 41)	**54,897**	**51,374**

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.

52 **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. The Assets relating to these businesses were classified as held for sale and the related liabilities were also separately classified in the balance sheet pursuant to the provisions of Ind AS 105 ""Non-Current Assets Held for Sale and Discontinued Operations"".

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 management's current strategy, the aforesaid Windfarm Land has been presented in the balance sheet at March 31, 2022 as ""Assets classified held for sale"".

Carrying value of assets and liabilities classified as held for sale:

Particulars	As at 31 March 2022	As at 31 March 2021
Assets classified as held for sale		
Property, plant and equipment and Intangible assets	5,562	-
Current assets	-	-
Assets of disposal group held for sale	**5,562**	**-**
Liabilities directly associated with assets classified as held for sale		
Current Liabilities	-	-
Liabilities of disposal group held for sale	**-**	**-**

53 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 2022	For the year ended 31 March 2021
a)	Gross amount required to be spent by the company during the year	22.74	13.58
b)	Advance provided during year for environmental activities	-	4.92
c)	Amount spent during the year on:	28.08	9.76

31 March 2022

Particluars	In cash	Yet to be paid in cash	Total
Construction/acquisition of any asset	-	-	-
on other purpose	33.00	-	-

31 March 2021

Particluars	In cash	Yet to be paid in cash	Total
Construction/acquisition of any asset	-	-	-
on other purpose	9.76	-	9.76

54 In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of Cash Flows'. These amendments are in accordance with the amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of Cash Flows'. The below disclosure is in line with such amendments suggested:

Particulars	1 April 2021	Non Cash Changes			31 March 2022
		Cash flows	Interest Expense	Foreign exchange movement	
Non- Current Borrowings - Secured					
- Term loan from banks*	28,724	(4,572)	-	266	24,418
- Term loan from financial institutions*	6,829	(1,028)	-	60	5,861
Current Borrowings - Secured					
"Cash credit and working capital demand loans"	11,959	(2)	-	29	11,986
Interest accrued but not due on borrowings	31	(4,108)	4,169	-	92
Dividend paid out of unclaimed dividend	1	-	-	-	1
Total liabilities from financing activities	**47,544**	**(9,711)**	**4,169**	**356**	**42,358**

Particulars	1 April 2020	Non Cash Changes			31 March 2021
		Cash flows	Interest Expense	Foreign exchange movement	
Non- Current Borrowings - Secured					
- Term loan from banks*	24,870	3,854	-	-	28,724
- Term loan from financial institutions*	7,592	(763)	-	-	6,829
Current Borrowings - Secured					
"Cash credit and working capital demand loans"	16,234	(4,298)	-	23	11,959
Current Borrowings - Unsecured					
Bill discounting facility from banks	279	(279)	-	-	-
Interest accrued but not due on borrowings	164	(5,329)	5,196	-	31
Dividend paid out of unclaimed dividend	3	(2)	-	-	1
Total liabilities from financing activities	**49,142**	**(6,817)**	**5,196**	**23**	**47,544**

* includes current maturities of long term borrowings

55 Ratios

The following are analytical ratios for the year ended 31 March 2022 and 31 March 2021

Particulars	Numerator	Denominator	31 March 2022	31 March 2021	Variance
Current ratio	Total current assets	Total Current Liabilities	1.12	1.21	-7%
Debt-equity ratio	Total Debt inclusive of lease liabilities	Shareholder's Equity	1.20	1.54	-22%
Debt service coverage ratio @	EBIT	Debt Service = Interest + Lease payment + Principal payment	1.08	1.51	-29%
Return on equity ratio #	PAT	Average Shareholder's Equity	11.50%	8.78%	31%
Inventory Turnover ratio	Cost of goods sold	Average inventory	2.30	2.07	11%
Trade receivables turnover ratio	Revenue from Operations	Average trade receivable	4.02	3.49	15%
Trade payable turnover ratio $	Purchases	Average trade payable	3.23	2.31	40%
Net Capital turnover ratio	Revenue from Operations	Average working capital	11.42	12.14	-6%
Net profit ratio ^	PAT	Revenue from Operations	7.22%	5.50%	31%
Return on capital employed	EBIT	Capital employed = Net worth + Lease liabilities + Deferred tax liabilities	11.65%	10.68%	9%
Return on Investment*	Income generated from Investments	Time weighted average investment	NA	NA	NA

Notes:

EBIT - Earnings before interest and taxes.

PAT - Profit after tax

Working capital - Current assets less current liabilities

Capital employed - Total equity

* The Company has not received any income from investment during current and previous financial year.

@ The decrease in debt service coverage ratio is on account of increased repayments of borrowings during the year.

The increase is on account of increase in shareholder's equity.

$ The increase is on account of increase in purchases during the year.

^ The increase is on account of increase in PAT

56 Additional regulatory information not disclosed elsewhere in the financial statements

(i) As per section 248 of the Companies Act, 2013, there are no balances outstanding or transactions with struck off companies.

(ii) The Company has not traded / invested in Crypto currency or virtual currency.

(iii) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(iv) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(v) The Company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(vi) The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, except as disclosed in the financial statements.

(vii) The Company is not a declared willful defaulter by any bank or financial institution or other lender.

(viii) The Company does not have any Capital-work-in progress whose completion is overdue or has exceeded its cost compared to its original plan.

57 The standalone financial statements were approved for issue by the board of directors on 25 May 2022.

for and on behalf of the Board of Directors of

Dynamatic Technologies Limited

UDAYANT MALHOUTRA
Chief Executive Officer &
Managing Director
DIN : 00053714
Place: Swindon, United Kingdom

P S RAMESH
Executive Director, Group Technical
Services & Human Resource
DIN : 05205364
Place: Bengaluru, India

CHALAPATHI P
Chief Financial Officer
Place: Swindon, United Kingdom

SHIVARAM V
Head - Legal, Compliance
& Company Secretary
Place: Swindon, United Kingdom

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BUSINESS REVIEW REPORT 2021-22

DYNAMATIC LIMITED

UNITED KINGDOM

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

TC Group
Statutory Auditors

FINANCIAL RESULTS

Particulars	Year ended 31.03.2022 INR in Lakhs*	Year ended 31.03.2021 INR in Lakhs*
Sales	**24,445**	17,185
EBITDA	**2,636**	835
Interest	**752**	524
Depreciation	**2,658**	2,260
Profit / (Loss) before Tax	**(774)**	(1,949)
Tax Charge/(Credit)	**286**	(272)
Profit / (Loss) after Tax	**(488)**	(1,677)

**Numbers restated as per IND AS*

DYNAMATIC HYDRAULICS®

DYNAMATIC LIMITED, UK

Dynamatic Hydraulics®, Swindon, UK, witnessed a top line and bottom line growth with revenue of £12 mn which is a healthy 25% growth YoY. This growth was driven largely by the revenues from new projects which moved from limited to full scale production, improved tractor market in US and also general recovery post covid-19.

The supply chain situation in Europe and UK remained a concern driven by a number of factors including lack of manpower (ramifications of the pandemic),inability of some key SMEs to bounce back or sustain the overall disruptions caused by the pandemic, inflation and Brexit.

Dynamatic has continued its cost optimisation and risk mitigation initiatives which is reflected in the overall performance.

Future Outlook

Looking forward, 2023 promises to be a good year with healthy order book. The company is doing its very best to overcome the supply chain and logistics disruptions.

This includes expanding capacity in- house and also developing new vendors outside of the EU. India will play a key role in supporting the Swindon operations with materials sourced locally.

Additionally, the company is developing new products and exploring new markets (applications) which will further broad base our profile w.r.t. product, customer and geographical spread.

Arvind Mishra
Managing Director & COO
Dynamatic Hydraulics®, UK

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.

This year we achieved sales of £11.9 mn compared to £8.4 mn in the prior year as global aerospace market sector begin to recover from the impact of the Covid-19 pandemic. During this financial year we have invested in new technology, enhanced the skill-set of our people through targeted training activities and recruited additional highly skilled staff.

Future Outlook

The Covid-19 pandemic had created a major downturn for the global Aerospace industry. Thankfully we have seen a strong recovery with customer orders increasing towards the levels seen in the immediate period leading in to the pandemic. At Dynamatic-Oldland Aerospace we are very well positioned to take advantage of growth in existing programme demand and of new opportunities. The constraint we face is with material availability rather than our own skills or capacity and this is a challenge that we expect to continue in to the coming financial year.

The focus of our business remains one of new technology development which emphasises delivery of customer satisfaction and this in turn enhances 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 is 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.

James Tucker
Global Chief Operating Officer
Dynamatic-Oldland Aerospace®

BUSINESS REVIEW REPORT 2021-22

EISENWERK ERLA GmbH

GERMANY

EISENWERK ERLA GmbH, GERMANY

DIRECTORS

Mr. Udayant Malhoutra	- Chairman
Mr. Enrico Fischer	- Managing Director
Mr. Dietmar Hahn	- Executive Director
Mr. Geoff Dore	- Director
Mr. Pierre de Bausset	- 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 PLANTS

Eisenwerk Erla GmbH, Gießereistraße 1, 08340 Schwarzenberg / Erzgebirge, Germany

FINANCIAL RESULTS

Particulars	Year ended 31.03.2022 INR in Lakhs*	Year ended 31.03.2021 INR in Lakhs*
Sales	**46,501**	44,187
EBITDA	**2,032**	1,820
Interest	**477**	699
Depreciation	**1,806**	2,117
Profit / (Loss) before Tax	**17**	(832)
Tax Charge/(Credit)	**(98)**	(83)
Profit / (Loss) after Tax	**115**	(749)

**Numbers restated as per IND AS*

Our turnover at €53.7 mn for the period April 2021 to March 2022 was higher by €2.5 mn as compared to previous financial year due to the rump up after the corona pandemic in 2020/21 and unfortunately dampen by the beginning of Ukraine-Russia-Conflict.

The better handling of the covid-19 pandemic after tough impact in 2020 helped in ramping up operations and performance. As a follow-up effect, market was severe and it impacted the supply chain across the board and seen surge in all raw material prices. Due to the conflict between Russia and Ukraine, further considerable influences started end of the financial year, especially energy prices were ramping up.

At the end situation seems manageable because of successful negotiation with most of the customers. Prediction of the economic outlook indicates a stable business performance due to professional handling of challenges around Russia-Ukraine-conflict and upcoming monetary policies. The in-house machining facility commissioned few years back coupled with process of enhancing in-house fettling capacities will stabilize revenue and profitability. The company has received contract for series delivery of machined castings and negotiations are also in progress for additional contracts.

Future Outlook

- Increase of productivity inside the foundry processes for saving costs and improving the quality level.
- Focus on high margin product mix, ramp-up of existing products, customer diversification and capacity utilization
- Expanding the machining capabilities to improve the margins and have a positive impact on the market position.
- Diversify into aerospace products in collaboration with our parent company Dynamatic Technologies Limited.

Notwithstanding the above, the economic environment should improve after a consolidation process in the automotive sector and general industry too.

Dietmar Hahn
Executive Director
Eisenwerk Erla GmbH

BUSINESS REVIEW REPORT 2021-22

DYNAMATIC MANUFACTURING LIMITED

BANGALORE, INDIA

DYNAMATIC MANUFACTURING LIMITED, INDIA

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
Mr. Ravichander V	- Additional Director (w.e.f. 23rd June 2022)

AUDITORS

M/s. Deloitte Haskins & Sells LLP
Chartered Accountants, Bangalore

BANKERS

Bank of India, Chennai

REGISTERED OFFICE

Plot No. V-77, 78, Industrial Estate, Peenya II Stage, Bangalore 560058, India (w.e.f. 1st July 2022)

Dynamatic Manufacturing Limited, India (DML) (formerly known as JKM Ferrotech Limited) is wholly owned subsidiary of Dynamatic Technologies Limited and is held through JKM Erla Automotive Limited and Eisenwerk Erla GmbH, Germany.

Pursuant to the order passed by Hon'ble National Company Law Tribunal ('NCLT'), Bengaluru Bench dated 6th April 2021, the share capital of DML was reduced from Rs.166,51,30,640/- (Rupees One Sixty-Six Crore Fifty-One Lakh Thirty Thousand Six Hundred Forty Only) divided into 16,65,13,064 (Sixteen Crore Sixty-Five Lakh Thirteen Thousand Sixty-Four) fully paid equity shares of Rs. 10/- (Rupees Ten Only) each to Rs. 2,50,00,000/- (Rupees Two Crores Fifty Lakh Only) divided into 25,00,000 (Twenty-Five Lakhs) fully paid equity shares of Rs. 10/- (Rupees Ten Only) each by cancelling and extinguishing 16,40,13,064 (Sixteen Crore Forty Lakh Thirteen Thousand Sixty-Four) fully paid equity shares of Rs. 10/- (Rupees Ten Only) each.

During the year, the foundry business assets of JKM Ferrotech Limited, Chennai were sold to M/s. Danblock Brakes India Private Limited.

Subsequent to the assets sale of the foundry business, there are no business operations in DML. Hence DML, as a part of its new vision and mission is contemplating to revive its business operations by diversifying into manufacturing activities viz. sheet metal operations, heat treatment, surface treatment, metal forming, metal coating alongside other ancillary operations.

As a part of this initiative, the name has been changed from "JKM Ferrotech Limited" to "Dynamatic Manufacturing Limited" with effect from 11th April 2022.

During the year under review, DML has made an income of Rs. 422 lakhs and profit after tax of Rs. 7,041 lakhs, from continuing Operations, which includes onetime write back of liabilities Rs. 7,092 lakhs towards trade advance.

Chalapathi P
Director
DIN : 08087615

BUSINESS REVIEW REPORT 2021-22

JKM RESEARCH FARM LIMITED

BANGALORE, INDIA

JKM RESEARCH FARM LIMITED
BANGALORE, INDIA

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.

Currently Organic Farming of Guava and Lime plantations are being carried out by the Company.

During the year under review, JRFL has made an income of Rs. 57 lakhs. The profit after tax for the year amounted to Rs. 27 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 Corporate Team


DYNAMATIC TECHNOLOGIES LIMITED
Handing Over
First Vertical Launch Unit
for Complex Naval Application
1st October 2021
COLLABORATIVE PUBLIC-PRIVATE-PARTNERSHIP
PACKING & DISPATCH AREA
RESTRICTED AREA


DYNAMATIC®
WOMEN'S DAY Celebration


AIRBUS
DYNAMATIC TECHNOLOGIES LIMITED
Handing over