13th August 2024

1. The Secretary
   Bombay Stock Exchange Limited
   Phiroze Jeejeebhoy Towers
   Dalal Street, MUMBAI 400 001.

2. The Secretary
   National Stock Exchange of India Limited
   "Exchange Plaza"
   Bandra-Kurla Complex
   Bandra East, MUMBAI 400 051.

Sub: Annual General Meeting - Annual Report 2023-24

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

Dear Sir / Madam,

This is to inform you that the 49th (Fourty-Ninth) Annual General Meeting ('AGM') of the Company will be convened on Thursday, the 5th September 2024, at 11:00 a.m. (IST), at JKM Plaza, Dynamatic Aerotropolis, 55, KIADB Aerospace Park, Bangalore – 562149, in accordance, with the relevant circulars issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India (SEBI).

Pursuant to Regulation 34(1) and 34 (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Notice of AGM and Annual Report of the Company along with the Business Responsibility and Sustainability Report for FY 2023-24, 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

Pursuant to Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Register of Members of the Company will remain closed from 30th August 2024 to 5th September 2024 (both dates inclusive) for the purpose of 49th AGM.

The Board of Directors of the Company had recommended a dividend of Rs. 5/- per equity share of face value of Rs.10 each (50%) for approval of shareholders at the 49th AGM. The dividend, if approved, will be paid on or after 12th September 2024, subject to deduction of tax as under:

a. In respect of shares held in physical mode, the dividends will be payable to those shareholders whose names appear in the Register of Members as at the closure of business hours on 2nd August 2024.

b. In respect of shares held in demat mode, dividends will be payable to those shareholders whose names appear in the list of beneficial owners as at the closure of business hours on 2nd August 2024 furnished by the Depositories. This is for your information and records.

We kindly request you to take this on record.

Thank you.

Yours faithfully,
for **DYNAMATIC TECHNOLOGIES LIMITED**

Shivaram V

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

CC:

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

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

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

DYNAMATIC TECHNOLOGIES LIMITED

ANNUAL REPORT 2023-24

"You do not rise to the level of your goals.
You fall to the level of your systems."

- James Clear

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 2023-24.

During the year under review, your Company recorded Consolidated Net Revenue of ₹14,293 million with Consolidated EBITDA of ₹1,594 million & Profit After Tax of ₹1,218 million.

Last year, we shared with you the progress of our transition to the new and larger facility, Dynamatic Aerotropolis, strategically located near Bangalore International Airport. This state-of-the-art facility, together with our wholly owned subsidiary, Dynamatic Manufacturing Limited, continues to be instrumental in driving our export production of aerospace products. These advancements underline our commitment to growth and excellence in the global aerospace industry.

Spanning 1.5 million square feet at Dynamatic Aerotropolis, with 240,000 square feet of built-up area, and an additional 60,000 square feet at Dynamatic Manufacturing Limited dedicated to detail parts manufacturing, we have significantly increased our capacity. This expansion equips us to efficiently handle orders for the assembly of large aerostructures as well as meet the growing global demand for high-quality parts manufacturing.

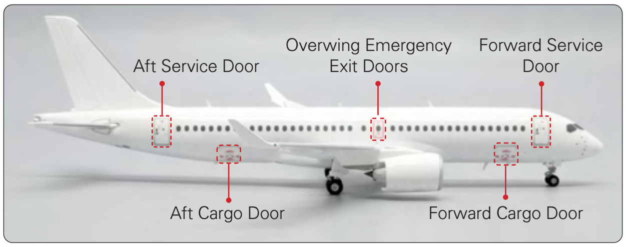
The fiscal year 2023-2024 has been a period of strategic development for Dynamatic Technologies spanning our Hydraulics, Aerospace, and Metallurgy divisions.

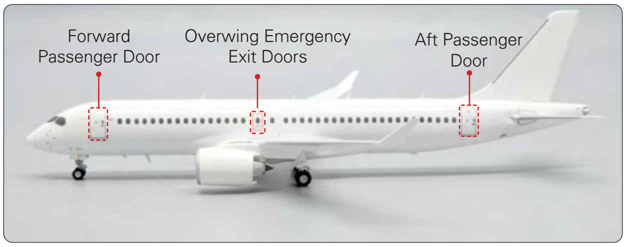
Dynamatic 2.0: We continued investing in advanced manufacturing technologies to enhance production efficiency and quality in aerospace components. We also matured our SAP systems, focusing on the new

'S-curve', which is centralised, digitised, standardised, systemised, enhanced, and collaborative.

Aerospace Division:
Dynamatic has been supplying flight critical Flap-Track-Beam Assemblies to Airbus for the past 17 years, first as Tier-II and then as Tier-I. Today your company produces Flap-Track-Beam Assemblies on a global sole-source basis directly for the A330 aircraft and indirectly for the A320 Family aircraft, with superior quality and deliver performance making Dynamatic a center of excellence for this critical product for Airbus.

The Flap-Track-Beam Assemblies manufactured by Dynamatic for all Airbus aircraft are highlighted in red in the above image.

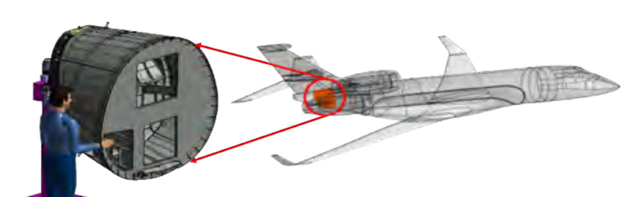




Airbus A220 Doors Program launched by Shri Jyotiraditya Scindia, Union Minister for Civil Aviation, General Vijay Kumar Singh (Retd), Minister of State for Civil Aviation and Shri Vumlunmang Vualnam, Secretary, Civil Aviation along with Rémi Maillard, President, Airbus India on 8th February 2024.

During the year under review, your company has signed a long-term contract with Airbus to manufacture and supply main passenger doors, service doors, cargo doors and over-wing emergency exit doors for A220 aircraft. Aircraft doors are critical structures, incorporating advanced technologies to meet stringent requirements for safety and overall efficiency.

Dynamatic Technologies has also signed a long-term contract with Dassault Aviation, a world-renowned aerospace manufacturer, for the manufacturing and assembly of flight-critical aero structures for the Falcon 6X.



Dassault Falcon 6X Rear Fuel Tank

Contract Signing: Dynamatic Technologies & Dassault Aviation on Falcon 6X Aerostructures and Primary Parts on 18th Jan 2024

As part of the Make in India initiative, Dynamatic Technologies will leverage its expertise in precision engineering and state-of-the-art facilities to manufacture and assemble critical aero structures for Dassault's flagship Falcon 6X aircraft under this agreement. This collaboration further strengthens the relationship between the two companies, while showcasing Dynamatic's position as a preferred supplier of aero structures in the aerospace industry.

Dynamatic Technologies entered a significant partnership with Deutsche Aircraft to manufacture the rear fuselage for the D328eco regional turboprop aircraft. This collaboration supports the "Make in India" initiative and positions us as a pivotal player in the global aviation supply chain.

Dynamatic Technologies strategic partnership with Deutsche Aircraft to manufacture Rear Fuselage for the D328eco™

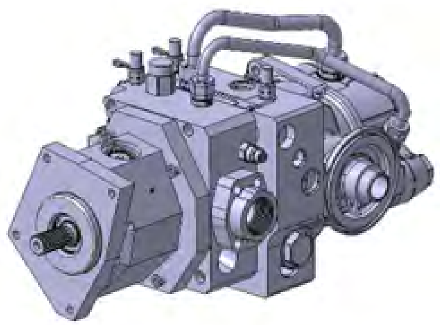
Deutsche Aircraft D328eco Rear Fuselage

"If your plan is for one year plant rice. If your plan is for ten years plant trees...."

- Confucius

Hydraulics Division:

Over the past year, we introduced new high-performance hydraulic pumps and systems aimed at enhancing efficiency and lowering operational costs for industrial applications. However, based on field feedback, we had to temporarily reduce production and implement some ongoing adjustments to the product. These changes affected sales and overall profitability. Despite these challenges, the product continues to provide significant value to our customer and remains a crucial component of our future strategy.



Newly developed Mobile Hydraulic System for Harvesters

The Hydraulics segment faced a slowdown this year due to the aforementioned pause for product design modification and also due to poor monsoon conditions in India, impacting revenue and margins. However, business recovery started during the second half.

Metallurgy Division:

During the past two years your company's metallurgy division has been shrinking its exposure to the automotive sector and has been focusing on a strategic transition towards aerospace and defence. The corporate restructuring completed last year enabled Eisenwerk Erla GmbH, Germany, to minimize the impact of reduced demand on its profitability. Looking forward, the subsidiary's strategic location and technical expertise are positioning it to enter the aerospace and defence sectors.

Dynamatic's credit rating of 'IND A' from India Ratings & Research (Ind-Ra) reflects the company's financial health, operational efficiency and effective strategic management. With recently created facilities and a stable outlook, your company is optimised for future growth and internally generated investment opportunities.

Once again, I would like to express my gratitude for your continued support as we navigate through these challenging times. With our diversified business segments and strategic initiatives, I am confident that Dynamatic will prosper in the future.

I thank you for your continued support.

Sincerely,

Udayant Malhoutra
Chief Executive Officer & Managing Director

A VISUAL JOURNEY

Dynamatic held it's first Supplier Conference for the Airbus A220 Doors Program on 15th April 2024

Boeing Executive Leadership Acceleration Initiative (ELAI) meeting held on 19th May 2023

Ihssane Mounir, Senior Vice President of Global Supply Chain for Boeing Commercial Airplanes in the shop floor during the Boeing ELAI meeting

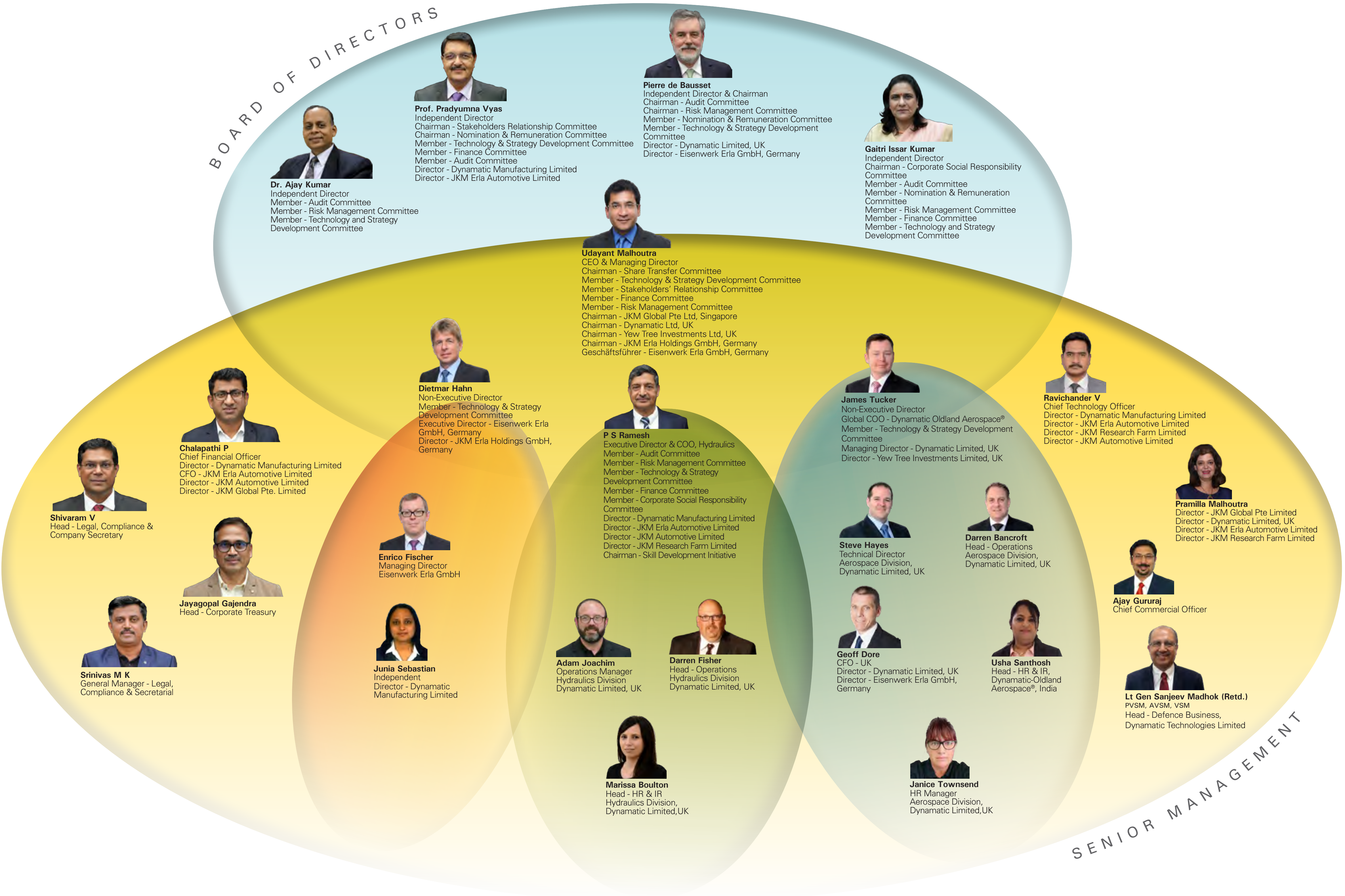
S. Somanath, Chairman, ISRO visited Dynamatic Aerotropolis on 25th May 2023

Inauguration of Dassault F6x Rear Fuel Tank Assembly Line on 1st March 2024

Lord Dominic Johnson, Minister of State in the Department for Business and Trade, United Kingdom visited Dynamatic on 26th April 2023

The Rt.Hon David TC Davies MP, Secretary of State for Wales, UK and Member of the Privy Council visited Dynamatic on 13th February 2024

C O R P O R A T E   S T R U C T U R E



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
Mr. James Tucker
Technical Director
Mr. Steve Hayes
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
IR Practice
Singapore

JKM ERLA AUTOMOTIVE LIMITED
Director
Prof. Pradyumna Vyas
Director
Mr. P S Ramesh
Director
Mrs. Pramilla Malhoutra
Director
Mr. Ravichander V
Auditors
Deloitte Haskins & Sells LLP
Chartered Accountants
Bangalore

DYNAMATIC MANUFACTURING LIMITED
Director
Ms. Junia Sebastian
Director
Prof. 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. Ravichander V
Director
Mrs. Pramilla Malhoutra
Auditors
Prasad & Kumar
Chartered Accountants
Bangalore

JKM AUTOMOTIVE LIMITED
Director
Mr. P S Ramesh
Director
Mr. Ravichander V
Director
Mr. Chalapathi P
Auditors
Prasad & Kumar
Chartered Accountants
Bangalore

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Pierre de Bausset
Chairman of the Board and Independent Director

Ms. Gaitri Issar Kumar
Independent Director

Prof. Pradyumna Vyas
Independent Director

Dr. Ajay Kumar
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 & COO - Hydraulics

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
Deutsche Leasing
DMG Mori Finance
Export-Import Bank of India
Hypovereinsbank/ Unicredit
ICICI Bank Limited
IndusInd Bank Limited
Kotak Mahindra Bank Limited
Royal Bank of Scotland
Siemens Financial Services
Societe Generale

REGISTERED & CORPORATE OFFICE

Dynamatic Technologies Limited
JKM Plaza, Dynamatic Aerotropolis
55 KIADB Aerospace Park
Bangalore 562149
Tel : +91 80 2111 1223/ + 91 80 2204 0535
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 - 500 032, Telangana.
Toll free Number: 1-800-309-4001
Email: einward.ris@kfintech.com
Website: www.kfintech.com

ORGANISATION STRUCTURE

DYNAMATIC TECHNOLOGIES LIMITED
INDIA

AEROSPACE & DEFENCE
(36% of FY2024 Revenues)

Dynamatic-Oldland Aerospace®
Bangalore, India

Dynamatic Manufacturing Limited
Bangalore, India

Dynamatic-Oldland Aerospace®
Swindon, UK

HYDRAULICS
(31% of FY2024 Revenues)

Dynamatic Hydraulics®
Bangalore, India

Dynamatic Hydraulics®
Swindon, UK

Dynamatic LLC, US
Milwaukee, USA

METALLURGY
(33% of FY2024 Revenues)

Eisenwerk Erla GmbH
Schwarzenberg, Germany

DIRECTORS' AND KMP PROFILE

Mr. Pierre de Bausset
Independent Director & Chairman

Mr. Pierre de Bausset has 38 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 President and Managing Director of Airbus Group India and General Secretary of the Airbus. 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 (The National Institute of Oriental Languages and Civilizations) in Paris.

Mr Pierre de Bausset is a Knight of the Legion of Honor, a French government award for services to his country.

Prof. Pradyumna Vyas
Independent Director

Prof. Pradyumna Vyas is the current President-Elect for the World Design Organisation, after having served as a Board Member for the last two terms. He is the Senior Advisor of Design Promotion and Innovation at Confederation of Indian Industry (CII). He was the former Director of National Institute of Design (NID), India's premier design institute. He was also a former Member Secretary - India Design Council (IDC).

Prof Vyas 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 on as the Director of the institute (2009 - 2019).

Prof Vyas 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 India Design Council, 2009, was marked by Prof Vyas being nominated as its first Member Secretary by the Ministry of Commerce & Industry, Government of India, a post he had retained until his retirement from NID in 2019. During his tenure as Director, NID received the status of Institute of National Importance by the Act of Parliament. He assisted the Government of India during the setting up four new NIDs across the length and breadth of the country. Through India Design Council, he launched India Design Mark in association with Japan Institute of Design Promotion (JDP) 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 Japan Institute of Design Promotion, Japan consequently in 2012, 2013, 2014 and 2016.

In 2019, he has been awarded the honor of 'Good Design Fellow', by the Japan Institute of Design Promotion (JDP), Tokyo.

Prof Vyas was appointed as a 'Distinguished Professor' of Shanghai Academy of Fine Arts, China, at the Shanghai Global design Summit, 2019.

Smt. Gaitri Issar Kumar, IFS

Independent Director

Smt. Gaitri Issar Kumar has had a distinguished career in the Indian Foreign Service - where she served from 1986 till her superannuation in June 2022.

Smt. Gaitri Issar Kumar was High Commissioner of India to the United Kingdom and before that Ambassador of India to the European Union, Belgium and Luxembourg. As envoy of India she focused on deepening India's political as well as trade and economic ties with these key players on the global stage.

She has also served as Deputy Chief of Mission at the Indian Embassy in Paris and Counsellor (Disarmament) at the Permanent Mission of India in Geneva. Her early diplomatic assignments were in Portugal and Nepal.

At the Ministry of External Affairs in New Delhi, she headed the Territorial Division concerned with bilateral relations with the US and Canada at a time of widening and deepening of bilateral cooperation across the sectors including in advanced technology and civil nuclear energy.

She has also served in key positions such as Additional Secretary to the President of India and Director (Finance) in the Ministry of External Affairs.

A graduate from Bangalore University where Smt. Gaitri studied History, Economics and Political Science, she holds a Master's Degree in Political Science and is proficient in German and Portuguese languages, with a working knowledge of French and Nepali .

Dr. Ajay Kumar

Independent Director

Dr. Ajay Kumar is the former Defence Secretary of India. He is an Indian Administrative Officer from the 1985 batch and a fellow of Indian National Academy of Engineers. Dr Ajay Kumar is an alumnus of IIT Kanpur and the University of Minnesota.

Dr. Kumar currently is Chairman of Mounttech Growth Fund, India's first Fund focused on developing technologies in defence, space and deep-tech, Distinguished Visiting Professor in Department of Management Sciences and the Department of Economic Sciences at the Indian Institute of Technology, Kanpur, non-resident Senior Fellow at Carnegie India apart from mentor and advisor to startup and corporates. He is an active writer for Indian national dailies and maintains a monthly column in Business Standard "Off the Grid."

Dr. Kumar has served in the technology and policy domains, particularly in areas like electronics manufacturing, mobile production, and defence production. Notably, he has played a leadership role in shaping and implementing key decisions for the Government of India's Digital India initiative between its initial years 2014-2017.

Dr. Kumar is the visionary behind the Innovation for Defence Excellence (iDEX) program. During his long career in the Government, his successes include revival of electronics and mobile manufacturing industry in India (2012-17), development of defence industry ecosystem including defence startup ecosystem iDEX (2017-2022), over 800% expansion of Defence exports (2017-2022), major Digital India initiatives among many others.

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. James is the Global Chief Operating Officer for the Aerospace Division, is responsible for overseeing operations within Dynamatic Technologies Limited in Bangalore and Dynamatic Limited in the UK, located in Swindon and Bristol. He became a part of Dynamatic in 2006 when his family business was acquired by the company.

He also actively serves on the Board of both Dynamatic Technologies and Dynamatic Limited in the UK. Mr. James has worked in the Aerospace sector for over 35 years, covering various roles such as Tool Maker, CNC machine programmer and operator, Quality Engineer, Shop floor manager, Aircraft repair engineer, Procurement, General manager, Project Management, Sales and Marketing, and Director.

Before joining Dynamatic Technologies Limited, James ran his family business, Oldland Aerospace, which grew from a small company to a successful business with long-term contracts supplying Tier 1 companies in the UK & USA. As part of Dynamatic Technologies, James has led major investment projects, including the deployment of advanced 5-axis machine tools and automated material handling systems at factories in the UK and India. His professional certifications include City and Guilds levels 1, 2, and 3, HNC CNC Programming & Mechanical Engineering, aircraft repairs training, quality & metrology, lean manufacturing, and being an audit signatory.

His professional certifications include City and Guilds levels 1, 2, and 3, HNC CNC Programming & Mechanical Engineering, Aircraft repairs training, Quality & Metrology, Lean Manufacturing, and an Audit Signatory.

Mr. P S Ramesh

Executive Director & COO - Hydraulics

Mr. P S Ramesh is Executive Director and Chief Operating Officer, Dynamatic Hydraulics®. He has been with DTL since 1999 and has served in various positions of Seniority. His career spans over three and a half decades, including a 12 years' service with Hindustan Aeronautics Limited (HAL), where he was associated with the manufacture of Jaguar and the TEJAS. He also served for 5 years as Head of Quality and Technical Services in SMEA, the State- Owned Malaysian Aircraft Industry, where his customers included British Aerospace, Pilatus and the Royal Malaysian Air Force. He holds a master's degree in Aircraft Production Engineering from IIT Madras. He is a Six Sigma Black Belt and an ISO 9000 lead Auditor. He has been trained by FAA on Aircraft System Certification Evaluation Program.

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

Dr. Udayant Malhoutra

Chief Executive Officer & Managing Director

Dr. 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.

Mr. Chalapathi P

Chief Financial Officer

He is a Chartered Accountant and a Postgraduate in Commerce. He has been with Dynamatic since 2009 in various roles. Prior to joining Dynamatic, he was working with Interplex Electronics India Pvt. Ltd, Bangalore (a US based manufacturing MNC).

His experience of 17 years spans over corporate governance, investor relations, audit committee matters, mergers & acquisitions, financial strategy & investment decisions, treasury management and banking relationships, driving change in the organisation, driving digitisation & adaption to technology, overseeing direct & indirect tax including transfer pricing enquiries, project costing, SEBI, FEMA and RBI matters. Prior to this role, he held significant positions and was responsible for Finance & Accounts, Controlling, Taxation, Audits, Project costing. With extensive experience in financial leadership, he brings a wealth of expertise in financial reporting, risk management, and strategic growth initiatives. He is a strong team player and is known for his approachability. He is a winner of CFONXT100 award for 3 consecutive years in 2015, 2016 & 2017 and winner of CFO100 for 2020.

Mr. Shivaram V

Head-Legal, Compliance and Company Secretary

Mr. Shivaram is a qualified Company Secretary and a Law Graduate with over twenty years of experience in Company Secretarial and Legal matters. He has worked across various industries including Power, Pharmaceutical, Plantations, and Manufacturing. He also holds Post Graduate Diploma in Business Administration from Symbiosis University, and a PG Diploma in Foreign Trade. His expertise encompasses Mergers and Acquisitions, Equity Issues, FEMA & SEBI Compliances, Corporate Governance, Compliance, Risk Management, Board Management, Contract Negotiation and Management, Litigation, Regulatory Affairs, Policy Development, Intellectual property and patent strategy, as well as settlement and trial strategies.

Prior to joining the Company, Mr. Shivaram held a senior position in the Secretarial and Legal department at Tata Coffee Limited. Before that, he served as the Company Secretary at one of the Manipal Group companies.

COMPANY OVERVIEW

Incorporated in 1973, Dynamatic Technologies Limited ('Dynamatic Technologies' or the 'Company') is a manufacturer of highly engineered, mission critical products for the Hydraulic, Aerospace and Metallurgy 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 has held the leadership position in hydraulic gear pumps market for over 45 years. Dynamatic Hydraulics has approximately 80% share of the Indian OEM tractor market and about 38% 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, Bell Helicopters, Dassault Aviation, Duetsche Aircraft GmbH, Thales, Hindustan Aeronautics Limited, and Bharat Electronics Limited. The Company also manufactures high precision, complex metallurgical ferrous for performance critical components such as turbochargers and exhaust manifolds and has advanced capabilities to support the OEM needs.

Dynamatic Technologies' facilities located in India (Bangalore & 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, casting and forging capabilities as well as its own captive green energy sources.

HYDRAULICS

Dynamatic Hydraulics® is one of the world's largest manufacturers of Hydraulic Gear pumps & Valves in the world with three state-of-art manufacturing facilities located in India (Bangalore), one in UK (Swindon) and one in 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 in the UK. Both India and the UK manufacturing facilities are ISO 9001: 2015 certified with Indian facilities also certified for ISO 14001: 2015 & ISO 45001: 2018. Indian facilities are all certified to ISO 27001: 2022.

INDIA

Dynamatic Hydraulics® India manufactures hydraulic gear pumps & geared motors and other hydraulic solutions. It is supported by experienced application engineering team, advanced research and development team and rapid prototyping capabilities offering lowest time to market for the fluid power industry.

Dynamatic has 3 manufacturing plants in Bangalore and produces nearly one million pumps every year. The heat treatment of gears is done in-house in sealed quench furnaces and has established metallurgy and metrology laboratories attached and a well-equipped validation & endurance testing facility.

Dynamatic supplies customers both Aluminium body pumps and Cast- iron body pumps depending upon the end application. The pumps produced are available in four frame sizes giving displacement from 1.23 cc/rev to 151 cc /rev. Pumps are also available in tandem configurations and company specialises in supplying units to special order instructions including multiple section pumps.

KEY CUSTOMERS WORLDWIDE

JOHN DEERE

JCB

TEREX

ALEXANDER DENNIS

MACDON, UK

Dynamatic Hydraulics® Leadership Team, India

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 80% market share for pumps on Agricultural Tractors produced in India and 38% share of agricultural tractors produced globally.

Dynamatic Hydraulics® India also designs and builds complete hydraulic solutions including Axial Piston Pumps, 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.

The company owns the IP rights of the pumps designed and the entire design and development process is managed on Windchill platform. The engineering data is well protected in digital form.

Dynamatic Hydraulics® produces a wide range of custom-tailored hydraulic solutions extending from simple hydraulic pumping units to complex marine power packs and aircraft ground support systems to turnkey industrial installations. The company also supplies India's Defence Forces with the hydraulic transmission system including steering control system, turret control system and brake actuating system for the battle tank.

Dynamatic Hydraulics® 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.

KEY CUSTOMERS

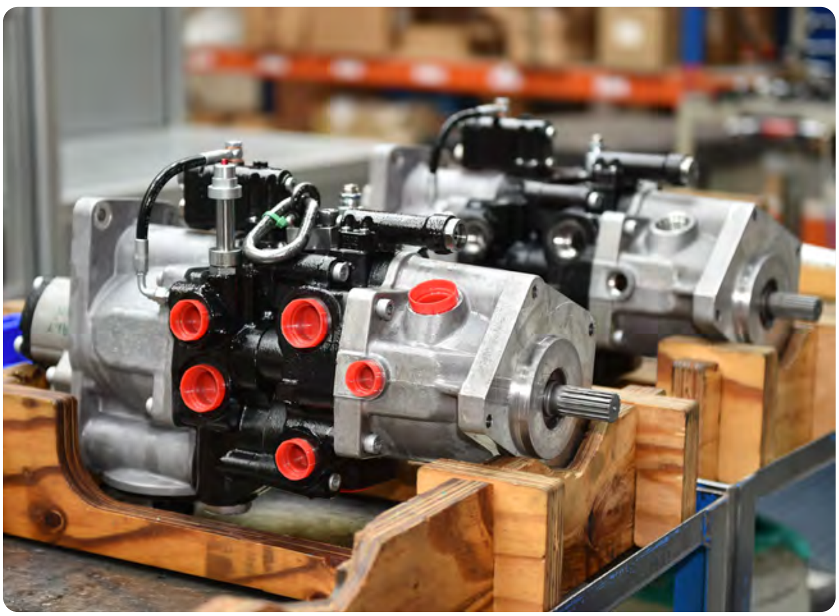
M&M
ITL
JOHN DEERE
HAL
DLW
ESCORTS
SAME DEUTZ FAHR
JCB
CUMMINS
CNH
TAFE
WIRTGEN
ACE
ATLAS COCPCO
MTPF

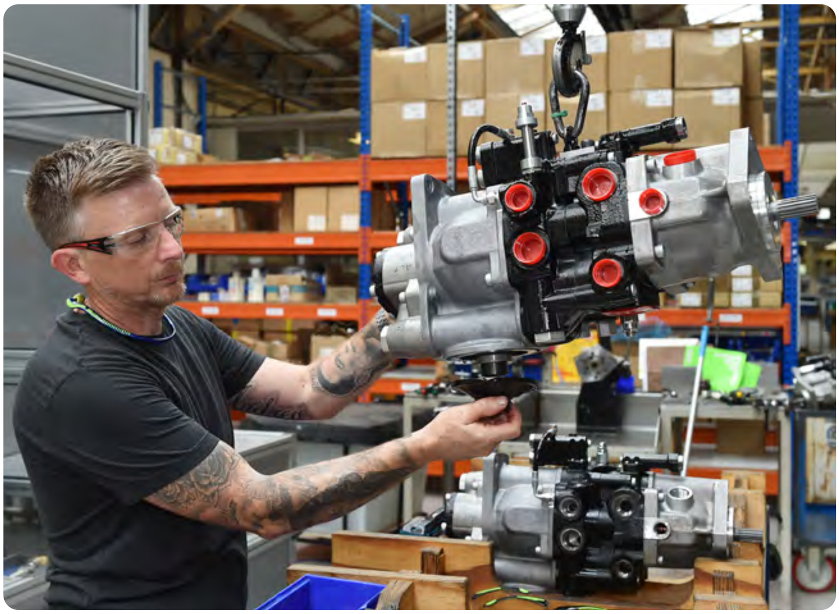
UNITED KINGDOM

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-the-art product testing and validation 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.

The company has an extensive marketing network, with marketing sales and servicing branches in all key cities across the world.





METALLURGY

Dynamatic Technologies produces complex components for global customers at its plant in Germany. Cast iron alloys with high strength of component through to high-alloy materials that are resistant to wear, or high temperatures are used. In addition to special GJS alloys, Nihard, SiMO, and austenitic alloys are cast in the nodular cast iron and steel sectors. The foundry works with state-of-the-art technology to produce castings and is highly automated in mechanical processing. Highly motivated and trained employees work at the plant. Specialists in the field of design and foundry technology ensure the technological development of the company.

Eisenwerk Erla supplies the agricultural machinery sector, the truck industry, engines for shipbuilding and stationary applications, high-voltage technology, road construction vehicles, engines for sport and leisure and the automotive industry worldwide.

The company's 630-year history bears witness to its stable management and continuous development in the fields of engineering, technology and product development. The plant is one of the most modern foundries in Europe and is constantly involved in the latest machine and process developments. Only in this way is it possible to remain a reliable partner for international customers in the wide field of complex components made of modern materials.

The company is currently in the process of transformation from an automotive/foundry-focus to the aerospace business. Considering the various challenges viz.; supply chain crisis at OEMs; current inflation in Europe; steep and unpredictable increase in the cost of gas and electricity being faced by corporations across Europe, the company could finish successfully corporate restructuring measures through 'Protective Shield process by self -administration' under the applicable German Laws.

Notwithstanding the above, the economic environment should improve after a transformation process from the automotive sector into general industry and aerospace sector.

KEY CUSTOMERS

BMW, AUSTRIA

MAN, GERMANY

ROTAX, AUSTRIA

AGCO, GERMANY

MTU, GERMANY

INNIO JENBACHER, AUSTRIA

VÖGELE, GERMANY

BORG WARNER TURBO EMISSION SYSTEMS

LIEBHERR GROUP, GERMANY

DAIMLER, GERMANY

AUDI, GERMANY

AEROSPACE & DEFENCE

Dynamatic-Oldland Aerospace® (DOA) 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, Deutsche Aircraft, Dassault Aviation, Thales, Hindustan Aeronautics Limited, Bharat Electronics Limited., as a Tier-I supplier.

The company has built a strong continuous improvement culture with deployment of Advanced Product Quality Planning (APQP) and Production Part Approval Process (PPAP) which has been cross deployed from the Automotive Business. We are one of the first companies globally in Aerospace to adopt to this approach and has been appreciated by all the major OEMs including Boeing, Airbus, Bell, Deutsche Aircraft, Dassault Aviation, Thales.

DYNAMATIC DELIVERS BOEING MQ25 WHIFFLETREE ASSEMBLIES

The MQ25 unmanned aircraft is an all-air refuelling drone designed by Boeing for the U.S. Navy. The aircraft will provide the robust refuelling capability needed, thereby extending the combat range of the deployed Boeing F/A-18 Super Hornet, Boeing EA-18G Growler, and Lockheed Martin F-35C fighters.

These whiffletree assemblies are for the static and fatigue testing of the control surfaces of the MQ25 Unmanned Fueller Aircraft Program. Around 20 tons of tool steel material have been converted into 3784 parts/ 2900 bearings/ 3100 bushes, and 22000 fasteners, which have been engaged to assemble 32 heavy assemblies in 100 days with a quick turnaround.

The parts are heat treated to 50 HRC and with approx. 7500 thread milling operations and 3000 jig boring operations with high precision. The parts are accurately swaged with 2900 bearings.

A321- XLR (LONG RANGE)

AIRBUS A321 series Beam 2 Flap Track is modified to the current design of A320 Flap Track.

We are continuing to build both current design & XLR for A321 series

DYNAMATIC DELIVERS BOEING F15EX FORMER ASSEMBLIES:

DOA designed and delivered Boeing F15EX assemblies, which involved developing 3D models, tooling for detail parts and assembly, and manufacturing detail parts and assembly in record time by adapting APQP methodology: first time right, every time right. This is the first time DOA is partnering with Boeing for a supersonic fighter jet program.

DYNAMATIC TECHNOLOGIES COMPLETES 7500th SHIP SETS OF AIRBUS SINGLE AISLE FLAP TRACK BEAMS

Dynamatic Technologies is the single source manufacturer of Flap-Track-Beam assemblies for Airbus single aisle aircraft (A318, A319, A320 & A321).

A320 – 4559 SS

A321 – 2441 SS

DYNAMATIC TECHNOLOGIES COMPLETES 250th SHIP SETS OF AIRBUS LONG RANGE FLAP TRACK BEAMS

Dynamatic Technologies is the single source manufacturer of Flap-Track-Beam assemblies for Airbus wide bodied aircraft A330.

BELL 407 FUSELAGE ASSEMBLY PARTS

Dynamatic has successfully indigenised the manufacture of major helicopter assemblies in collaboration with Bell Helicopter. Dynamatic is approved for the necessary Bell processes, which are unique for the manufacturing of these aerostructures.

Dynamatic has the capacity to produce 9 sets of aft fuselage, turnover bulkhead, nose, roof, and beam assemblies, and the on-time delivery rating is 100%. This includes the supply of detail parts and assemblies.

DYNAMATIC TECHNOLOGIES MANUFACTURES HATCH DOOR FOR A220 AIRCRAFT

Dynamatic Technologies executed a contract to manufacture the Escape Hatch Door for Airbus A220 aircraft. The contract was placed by the recently established Stelia Aeronautique Canada Inc., a subsidiary of Airbus Atlantic SAS. This contract marks a milestone in the workshare of the A220 supply chain in India and extends Dynamatic's capabilities for manufacturing critical aerostructure for Airbus.

During the year, Dynamatic successfully completed the first article inspection and fit check at the customer's final assembly line and is currently in series production.

Dynamatic-Oldland Aerospace® Leadership Team, India


AIRBUS
A330 FLAP TRACK BEAMS
FINAL EQUIPPING

AWARDS AND ACCOLADES

For about 4 decades, Quality Circle Forum of India 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 2023, as below.

In April-2023, all 3 teams won Gold Award in the 6th conclave on Pokayoke Competition at Bangalore Chapter.

In Jun-2023, 2 teams won Par-Excellence Award in the 9th National Conclave on 5S 2023 at Ahmedabad.

In the month of September - 2023, all 4 teams won Gold awards in the 32nd Chapter Convention on Quality Concepts (CCQC)-2023.

In January 2023, two teams from DOA presented improvement case studies at the 37th National Convention on Quality Concepts (NCQC) held in Nagpur. The teams won Par-Excellence and Excellence Awards, and one team performed a skit on ‘No Plastic,’ which received great applause and tremendous enthusiasm.

In line with the recent government directive to prevent the usage of “single-use” plastic, our employees wrote and performed a street play. As part of our sustainability project, this play was performed for all our stakeholders. This unique awareness program fostered a better understanding among employees and led to our factory becoming a No Plastic Zone. Additionally, DOA adopted “No Plastic Usage” as one of its sustainability targets.

Two teams from DOA participated and won Par-Excellence and Excellence Awards for their case study presentations. Both teams were selected for International Competitions for Quality Circles. The Lean and Six Sigma projects, activities, and training programs have helped in building such successful teams.

Supplier Training During Quality Month

Quality Month is an annual celebration of the world's commitment to continual 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 are always looking 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.

During Quality Month, DTL conducted various activities such as Supplier Training on Root Cause Corrective Action (RCCA) and Advanced Product Quality Planning (APQP), the Eagle Eye Award, Poster competitions, Rapid Fire Round Quiz, Eye Ball Technique competition (a type of visual inspection), a skit on quality, a competition for suggestions on automation systems, and Campus Drama (street drama). Winners of these events were awarded, and the prestigious Quality Month Champion Trophy was awarded to a department or project team based on their overall performance during Quality Month.

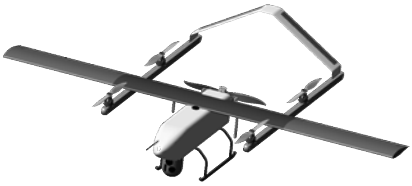
DEFENCE

Dynamatic Homeland Security® (HLS) unit develops advanced tactical Unmanned Aerial Vehicles (UAVs) for modern-day asymmetric warfare. The company is transforming the UAV industry through its use of advanced technologies and innovative applications. The unit is focused on enhancing the autonomy, endurance, and versatility of UAVs. HLS is integrating artificial intelligence and machine learning into its UAVs to perform dynamic path planning and autonomous navigation in challenging environments.

With strong research capabilities, the company is working on the indigenization of core UAV technology alongside its international partners. This collaboration aims to develop new in-house UAV structural designs, Autopilot systems, Gimbal Payloads, Ground Control Vehicles and Software, SAR Radars, and advanced Electronic Warfare payloads.

TACTICAL UAV PLATFORMS

CHEEL - VTOL (Vertical Take-Off and Landing Platform without any runway):



The hybrid propulsion (IC Engine) based VTOL is a state-of-the-art tactical UAV designed to fill the gap created by costly Medium Altitude Long Endurance (MALE) and low-endurance based e-VTOL (Electronic VTOL) platform. There are currently no other manufacturers of this class of UAV in India. With the in-house ecosystem of hardware, software and aircraft design the product is expected to create a unique monopoly in the market in coming years.

PATANG - Tethered -Drone

The tethered drone platform is a unique product of HLS. The tethered drone platform uses advanced Artificial Intelligence for surveillance and detection of movement in border and forest areas during day and night. It is also used for detection of low flying drones in border area. The tethered drone has advanced electronic intelligence and communication payload for identifying location of foreign mobile and satellite phone in border region.

INDRADHANUSH - Loitering Munition

The loitering munition is type of Kamikaze drone developed for opportune targets in war. The loitering munition works on GPS denied and jammed environment based on image-based tracking. The munition can also be operated in First-Person View (FPV) mode in advanced mode without preplanned mission path.

KRISH-E – Agriculture Drone

Krish-E is an indigenously designed and built multi-rotor UAV for farm application and is aimed at spraying pesticides, water, seeds, weed-removal, crop and soil condition monitoring. This is being offered to farming sector. Developments are on to enhance the endurance `and payload capacity to be able to address a wider range of applications in the farms sector. The entire development been done in-house with focus on ease of operation and reliability. The team is working to move the application to farmers phone for ease of operation.

HLS is also working with its international partners for MALE, HALE class and SPACE opportunities.

MEDICAL

Your Health is Our Concern: A Commitment to Excellence in Medical Diagnostics

Dynamatic is proud to announce the establishment of our in-house Biosecurity Laboratory, a crucial step taken during the COVID-19 pandemic to ensure the health and safety of our employees. Recognizing the importance of proactive healthcare measures, we implemented routine RT-PCR testing for all employees. The company's stakeholders are also offered the services of this Biosecurity lab.

A State-of-the-Art Facility with Renowned Expertise

Located at No. 55 JKM Plaza, Dynamatic Aerotropolis, KIADB Aerospace Park, Bengaluru, the Dynamatic Biosecurity Laboratory is a NABL Certified (ISO 15189:2012) and ICMR approved Molecular Testing Laboratory. Our facility boasts cutting-edge equipment and infrastructure, overseen by a team of highly qualified professionals including experienced Microbiologists, Research Scientists, and Laboratory Technicians.

Gold Standard COVID-19 Testing and Beyond

The lab utilizes the gold standard RT-PCR test for COVID-19 diagnosis. Trained Dynamatic personnel collect nasal and throat swabs onsite, ensuring proper sample handling and adherence to testing standards. Furthermore, the lab maintains a rigorous quality control system aligned with company policy to deliver reliable, timely, and accurate medical diagnoses.

Expanding Our Diagnostic Scope

Understanding the significance of regular health monitoring, Dynamatic Biosecurity Laboratory has broadened its services to encompass a comprehensive range of diagnostic tests. The lab now offers routine and special tests across various departments including Clinical Pathology, Clinical Biochemistry, Hematology, Immunoassay, and Serology. The lab is equipped with fully automated equipment from renowned medical device manufacturers, such as the BIORAD CFX 96 C1000 for Molecular testing, TOSOH for Immunoassays, TRIVITRON Nanolab 200 for Biochemistry and Haematology assays, and DIASYS for Clinical Pathology.

The lab adheres to ISO 15189:2012 and Good Laboratory Practice (GLP) regulatory requirements and is managed by highly experienced pathologists, research scientists, and laboratory technicians. It is also enrolled in national external quality assurance programs (EQAS), providing benchmarking at a national level and opportunities for continuous improvement in this niche segment of medical diagnostic laboratories.

Leadership and Expertise

The Dynamatic Biosecurity Laboratory is led by Dr. Kumkum Kumari, Ph.D., with expertise spanning over 9 years in Molecular Biotechnology, Microbiology, and Cell Biology research. Dr. Kumari guides the lab alongside experienced MD Pathologists and MD Microbiologists. The team includes skilled professionals with M.Tech in Biotechnology, an Operational Manager, and certified DMLT (Diploma in Medical Laboratory Technology) technicians. Together, they ensure efficient sample collection, processing, and overall laboratory operations.

The laboratory's commitment to excellence and continuous improvement is evident through its participation in national external quality assurance programs (EQAS), which help benchmark and enhance the quality of diagnostic services offered.

Advanced Research & Development

Dynamatic Medical is actively leveraging advanced technologies to develop high-quality in-vitro diagnostic (IVD) products aimed at enhancing decision-making in clinical settings. The Dynamatic Biosecurity Lab has obtained Research and Development (R&D) licenses from the Central Drugs Standard Control Organization (CDSCO) for several innovative products, including:

1. HCV Rapid Antibody Test Kit
2. Viral RNA Isolation Kit
3. DNA Extraction Kit

These products highlight Dynamatic's commitment to advancing healthcare through cutting-edge diagnostic solutions, addressing critical needs in disease detection and management.

These licenses empower us to conduct extensive research in infectious diseases, facilitating the development of innovative diagnostic tools and therapeutic interventions. We are committed to leveraging our expertise to make a substantial impact in combating COVID-19 and other infectious diseases. Additionally, we are actively pursuing licenses for HIV, Dengue, and Malaria in-vitro diagnostic (IVD) kits. This demonstrates our steadfast dedication to expanding our diagnostic portfolio and addressing critical healthcare challenges globally.

Fiscal Year 2023-24 Highlights

In the fiscal year 2023-24, we are delighted to report that we served a total of 22 clients and conducted an impressive 30 diagnostic camps. These efforts enabled us to deliver diagnostic services to a total of 4,080 individuals. We remain steadfast in our commitment to expanding our reach and making a significant impact on public health by offering accessible and high-quality medical diagnostics.

Our technician staff received comprehensive training and successfully administered vaccinations against Hepatitis-A, Hepatitis-B, Typhoid, and Tetanus to our esteemed clients.

Furthermore, the excellence of our services was recognized with an appreciation letter from HCL Healthcare Avitas Private Limited. They praised our exceptional professionalism, unwavering commitment, transparency, trustworthiness, and adherence to stringent process hygiene standards. We express our sincere gratitude to all our valued clients, including Truffles, Orchids International School, Healthmeter Services Pvt Ltd, Kintetsu World Express (KWE), We-Work, Alstom, HDFC Life, Astrazeneca, and Nestle, for placing their trust in our services.

Delivering Excellence in Patient Care

Dynamatic Biosecurity Laboratory prioritizes excellence in patient care through highly efficient and accuracy-oriented processes. Our advanced technology empowers patients to gain detailed and insightful diagnostic results.

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 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 80 scientists and 600 engineers with expertise in Mechanical Engineering, Advanced Computer Aided Engineering, Materials & Metallurgical Engineering, Fluid Dynamics and Defence & Aerospace Research

The Research center in Bangalore, India, houses the Dynamatic Technologies Engineering, Research & Development Center, 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.

The 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.

The 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 in state-of-the-art 3D designs using software such as CATIA V5, Unigraphics NX, and Mastercam for their design and development activities meeting global OEM standards. The company has been successful in bringing value addition in reducing cycle time, concession reduction, technology absorption, indigenization of technological products, and developing special manufacturing processes.

A notable achievement includes the indigenization of the Foldable Strut for HAL ALH DHRUV Helicopter. This mechanism facilitates the opening and closing of helicopter doors in rugged environmental conditions. DOA is the sole supplier of this product to HAL (Hindustan Aeronautics Limited). The sub-assembly incorporates specialized aerospace alloys and undergoes rigorous manufacturing and testing processes compliant with aerospace standards, securing CEMILAC approval for series production. Furthermore, the DOA team has obtained a patent for the development of the foldable strut, underscoring their innovation and technical expertise in aerospace engineering.

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.

CONCESSION REDUCTION IN A330 FLAP TRACK BEAMS:

Extensive technical research undertaken by DOA has focused on reviewing and exploring opportunities for improvement across various aspects including machining, legacy technical specifications, assembly fixtures, CMM (Coordinate Measuring Machine) inspection methodologies, and statistical analysis of deviations. This comprehensive research has yielded promising findings aimed at enhancing tooling, refining CMM inspection methodologies with a focus on DATUMs, optimizing CNC programming methods, and tightening detail part tolerances.

The outcomes of this research have been remarkable, leading to a significant reduction in concessions to zero. This achievement not only delivers savings to customers but also enhances organizational efficiency. It underscores DOA's commitment to continuous improvement and delivering high-quality aerospace solutions that meet stringent industry standards.

DESIGN & DEVELOPMENT OF A320 FLAP TRACK BEAM:

Over 4,000, 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.

DYNAMATIC TECHNOLOGIES SIGNED A STRATEGIC PARTNERSHIP WITH DEUTSCHE AIRCRAFT TO MANUFACTURE REAR FUSELAGE FOR THE D328eco

Dynamatic Technologies Limited is proud to announce a new partnership with Deutsche Aircraft, the German OEM based in Münich, Germany. The collaboration focuses on producing the Rear Fuselage for the 40-seater D328eco regional turboprop aircraft. This marks a significant moment for the "Make in India" initiative and will bring work to the highly capable ecosystem here.

The contract signifies an important milestone as Deutsche Aircraft and Dynamatic work together to manufacture the D328eco, a sustainable regional turboprop. This modern, fuel-efficient aircraft is designed to serve regional routes and is set to revolutionise regional air travel globally. With its spacious cabin and superior performance capabilities, the D328eco offers exceptional design, features and operational flexibility.

DYNAMATIC RECEIVES BUSINESS AWARD FROM AIRBUS TO MANUFACTURE A220 DOORS

Dynamatic Technologies is pleased to announce a new contract with Airbus to manufacture and supply the main passenger doors, service doors, cargo doors and over-wing emergency exit doors for the A220. Aircraft doors are critical structures, incorporating advanced technologies to meet the stringent requirements for safety and overall efficiency.

This contract not only marks a significant milestone, but also showcases the success of the Make in India initiative. Over the past decade, Airbus and Dynamatic have collaborated to develop a fully qualified ecosystem of over 100 aerospace companies ranging from MSME to Large scale organizations. This contract will fully leverage the strength of the Indian aerospace ecosystem to deeply industrialize airplane doors for the global aviation industry.

Dynamatic Technologies & Dassault Aviation sign a Long-Term Contract for manufacturing and assembly of Flight Critical Aerostructures for Falcon 6X

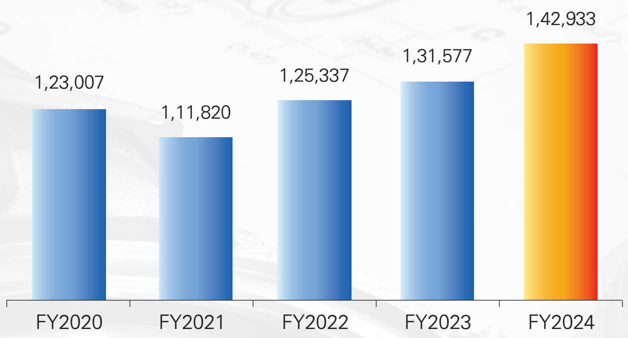
As part of the Make in India initiative, Dynamatic Technologies will leverage its expertise in precision engineering and state-of-the-art facilities to manufacture and assemble critical aero structures for Dassault's flagship Falcon 6X aircraft under this agreement. This collaboration further strengthens the partnership between the two companies, while showcasing Dynamatic's position as a preferred supplier of aerostructures in the aerospace industry, promoting the growth of indigenous manufacturing in India.

The Falcon 6X, is a highly advanced business jet that combines unrivalled comfort with exceptional performance. Known for its range, efficiency, and advanced technological features, the Falcon 6X is set to redefine the business aviation industry.

CONSOLIDATED FINANCIAL HIGHLIGHTS

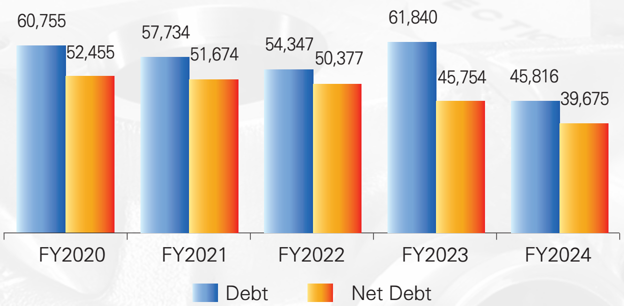
REVENUE BREAK UP

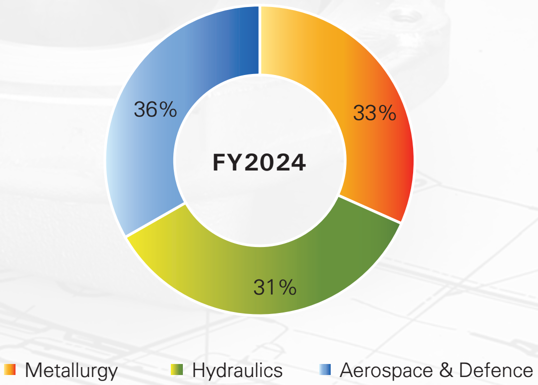
(INR in Lakhs)

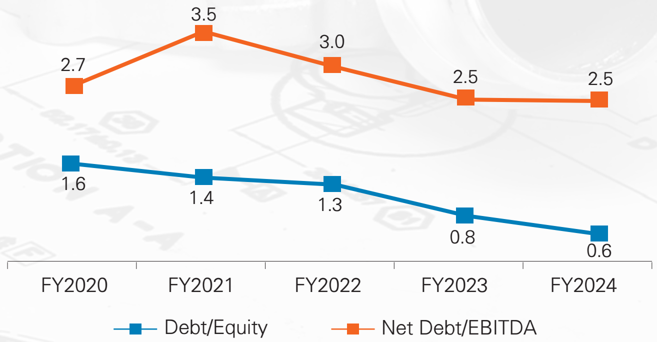


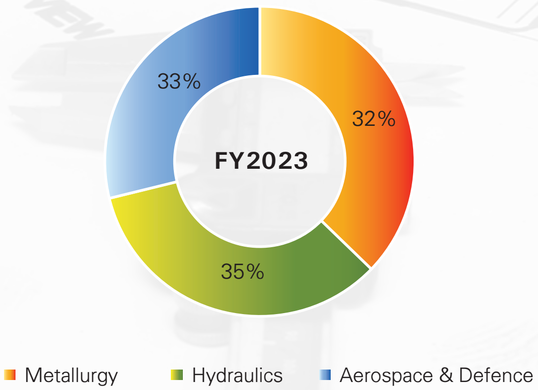
DEBT & LEVERAGE RATIOS

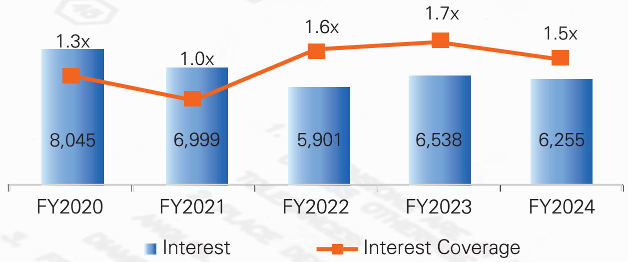
(INR in Lakhs)












Dynamatic Aerotropolis, Bangalore, India

DYNAMATIC TECHNOLOGIES LIMITED

Registered Office: JKM Plaza, Dynamatic Aerotropolis, 55 KIADB Aerospace Park, Bangalore 562149

Corporate Identity Number: L72200KA1973PLC002308

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

Email ID: investor.relations@dynamatics.net; website: www.dynamatics.com

NOTICE CALLING THE 49TH ANNUAL GENERAL MEETING

Notice is hereby given that the 49th (Forty Ninth) Annual General Meeting ('AGM') of the Members of Dynamatic Technologies Limited (the 'Company') will be held on Thursday, the 5th (Fifth) day of September 2024 (Two Thousand and Twenty-Four) at 11:00 (Eleven) AM IST, at the registered office of the company situated at JKM Plaza, Dynamatic Aerotropolis, 55 KIADB Aerospace Park, Bangalore 562149, Karnataka to transact the following businesses:

ORDINARY BUSINESS:

1. **Adoption of Financial Statements for the Financial Year ended 31st March 2024:**

   a) to receive, consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March 2024, 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 2024, 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.

3. **Declaration of Dividend:**

   To declare Final Dividend of Rs. 5/- per Equity Share of Rs. 10/- each for the financial year ended 31st March 2024.

4. **Re-appointment of Statutory Auditors of the Company**

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

   "RESOLVED THAT pursuant to the provisions of Sections 139, 142 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 from time to time, and pursuant to the recommendation of the Audit Committee and the Board of Directors of the Company, M/s Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Firm Registration No. 117366W/W-100018), be and are hereby re-appointed as the Statutory Auditors of the Company for a second term of five (5) consecutive years, from the conclusion of this Annual General Meeting ('AGM') till the conclusion of the Fifty Fourth (54th) AGM of the Company to be held in the year 2029, to examine and audit the accounts of the Company, at such remuneration plus applicable taxes and out-of-pocket expenses, as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors from time to time.

   RESOLVED FURTHER THAT any of the Board of Directors, Mr. Chalapathi, Chief Financial Officer and Mr. Shivaram V, Head - Legal, Compliance and Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.

SPECIAL BUSINESS:

5. **Ratification of Cost Auditor's Remuneration:**

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

   "RESOLVED THAT pursuant to the provisions of Section 148(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. 6,00,000/-, plus applicable taxes thereon and reimbursement of out-of-pocket expenses at actuals, 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 2025.

By Order of the Board

Shivaram V

Head – Legal, Compliance and Company Secretary

Membership No. ACS 19173

Place: Bangalore

Date: 28th May 2024

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND A PROXY SO APPOINTED NEED NOT BE A MEMBER OR MEMBERS, AS THE CASE MAY BE, OF THE COMPANY.**

   Proxies in order to be effective must be duly filled, stamped, signed and should be deposited at the Company's Registered office not less than 48 hours before the commencement of the Meeting. Proxies submitted on behalf of companies, societies, partnership firms etc. must be supported by appropriate resolution/ authority, as applicable, issued on behalf of the nominating organization. Members are requested to note that a person can act as a proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than ten percent of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder. A proxy form is annexed to this notice. A proxy form duly filled signed, and stamped is valid only for this Annual General Meeting including any adjournment thereof. The proxy holder shall prove his identity at the time of attending the meeting.

2. A member is entitled to inspect the proxies lodged with the Company at any time during the business hours on all working days, except the date of AGM. The required statutory registers will be made available at the AGM venue for inspection by the members.

3. Members/Proxies/Representatives are requested to bring their attendance slip annexed herewith duly completed and signed mentioning therein details of their DP ID and Client ID/Folio No for attending the meeting.

4. The route map showing directions to reach the venue of the Annual General Meeting is annexed to the Notice. Additionally, the QR Code for the location is also provided at the end of the notice.

5. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.

6. A Statement pursuant to the provisions of Section 102(1) of the Companies Act, 2013, ("the Act") in respect of item No. 4 (ordinary business) and item No. 5 (special business) setting out material facts is annexed hereto.

7. Pursuant to the provisions of Section 91 of the Companies Act, 2013 and Regulation 42 of the SEBI Listing Regulations, the Register of Members and Share Transfer Books of the Company will be closed from Friday, 30th August 2024 to Thursday, 5th September 2024.

8. Payment of Dividend through electronic means:

   a) To avoid loss of dividend warrants in transit and undue delay in receipt of dividend warrants, the Company provides the facility to the Members for remittance of dividend directly in electronic mode through National Automated Clearing House (NACH). Members holding shares in physical form and desirous of availing this facility of electronic remittance are requested to provide their latest bank account details (Core Banking Solutions Enabled Account Number, 9-digit MICR and 11-digit IFS Code), along with their Folio Number, to the Company's Registrar and Share Transfer Agent. Members holding shares in electronic form are requested to provide the said details to their respective Depository Participants.

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

   c) Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020, and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/ Registrar and Transfer Agent (in case of shares held in physical mode) and with the Depository Participants (in case of shares held in demat mode). A Resident individual shareholder with PAN and who is not liable to pay income tax, can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by sending an email to einward.ris@kfintech.com latest by 5:00pm (IST) on 29th August 2024. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%. Non-resident shareholders can avail beneficial tax rates under Double Tax Avoidance Agreement ("DTAA") i.e., tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to einward.ris@kfintech.com. The aforesaid declarations and documents need to be submitted by the shareholders latest by 5:00pm (IST) on 29th August 2024.

   d) Members may note that the Board, at its meeting held on 28th May 2024, has recommended a final dividend of Rs 5/- per share. The record date for the purpose of final dividend for financial year 2023-24 is 2nd August 2024. The final dividend, once approved by the members in the ensuing AGM, will be paid on or from 12th September 2024, and before 4th October 2024, electronically through various online transfer modes to those members who have updated their bank account details. For members who have not updated their bank account details, dividend warrants / demand drafts / cheques will be sent to their registered addresses. To avoid delay in receiving dividend, members are requested to update their

KYC with their depositories (where shares are held in dematerialized mode) and with the Company's Registrar and Transfer Agent (RTA) (where shares are held in physical mode) to receive the dividend directly into their bank account on the payout date.

9. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022, has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed dividend account; exchange of securities certificate; sub-division of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, on the website of the Company's Registrar and Transfer Agents, Kfin Technologies Limited ("kfin"). It may be noted that any service request can be processed only after the folio is KYC Compliant.

10. As per the Finance Act, 2021, Section 206AB has been inserted effective July 1, 2021, wherein the higher rate of tax (twice the specified rate) would be applicable on payment made to a shareholder who is classified as 'Specified Person' as defined under section 206AB of the Finance Act, 2021.

    * As per section 139AA of the IT Act, every person who has been allotted a PAN and who is eligible to obtain Aadhaar, shall be required to link the PAN with Aadhaar. In case of failure to comply with this, the PAN allotted shall be deemed to be invalid / inoperative and he shall be liable to all consequences under the IT Act and tax shall be deducted at the higher rates as prescribed under the IT Act.

11. Members are requested to address all correspondence, including dividend-related matters, to RTA, Kfin Technologies Limited, Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500 032 Unit: Dynamatic Technologies Limited, JKM Plaza, Dynamatic Aerotropolis 55, KIADB Aerospace Park Bangalore Karnataka 562149.

12. The Members are encouraged to furnish / update their PAN, KYC details including contact details & bank account details, Nomination and specimen signature with the RTA / the Company in specified forms. The Securities and Exchange Board of India ("SEBI") vide Master Circular dated May 17, 2023, and subsequent circular dated September 26, 2023, specified December 31, 2023, as the cut-off date by which Members holding shares in physical mode were required to furnish their PAN, KYC details including contact details & bank account details.

    Further, vide subsequent circular dated December 27, 2023, the last date for submission of 'choice of nomination' for demat accounts and mutual fund folios was extended up to June 30, 2024. Please note that unless the above details are updated with the RTA / the Company, Members would not be able to receive any correspondence(s) / information / intimation from the RTA / the Company.

    Please note that it is also mandatory to link PAN with Aadhar number. Investors who are yet to link the PAN with Aadhar number are requested to complete the same. Securities held in physical folios which have no PAN registered / have invalid PAN registered / no PAN linked with their Aadhar numbers in the records of the RTA/Company shall be considered inoperative / inactive / incomplete. The formats for nomination and updation of KYC details in accordance with the SEBI circular are available on the Company's website at www.dynamatics.com

    Effective January 01, 2022, Grievance Redressal / Service Requests can be availed with the RTA only after the required documents / complete data as mandated are furnished for physical folios. The duly filled-in Forms along with supporting documents may be sent to the RTA at their address: Kfin Technologies Limited, Selenium Tower B, Plot 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500 032. Members may submit the duly filled complete set of scanned documents with e-sign* through e-mail. Please note that documents received only from the registered e-mail address of the shareholders will be considered. The documents received from e-mail address of brokers and third parties will not be entertained. Alternatively, Members may upload the documents on the website of the RTA.

    *e-Sign is an integrated service which facilitates issuing a Digital Signature Certificate and performing signing of requested data by e-sign user. You may approach any of the empanelled e-sign service providers available on https://cca. gov.in/ for the purpose of obtaining e-sign

13. We urge members to support our commitment to environmental protection by choosing to receive the Company's communication through email. Members holding shares in demat mode, who have not registered their email addresses are requested to register their email addresses with their respective DP, and members holding shares in physical mode are requested to update their email addresses with the Company's RTA, KFin Technologies Limited at einward.ris@kfintech.com, to receive copies of the Integrated Annual Report 2023-24 in electronic mode. Members may follow the process detailed below for registration of email ID to obtain the report and update of bank account details for the receipt of dividend.

    Members who are desirous of obtaining hard copy of the Annual Report should send a request to the Company's email ID viz., investor.relations@dynamatics.net clearly mentioning their Folio number/ DP ID and Client ID.

    A copy of the Notice of this AGM along with integrated Annual Report for the FY 2023-24 is available on the website of the Company at www.dynamatics.com, website of the stock exchanges where the shares of the Company are listed i.e., BSE Limited and NSE Limited at www.bseindia.com and www.nseindia.com respectively and on the website of KFin at https://evoting.kfintech.com/

14. 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 to the Company/ Registrar and Transfer Agent in prescribed Form ISR-1 along with the original cancelled cheque bearing the name of the Member and other forms pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021.

15. 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. pursuant to Section 113 of the Companies Act, 2013 together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail id: csratishtagde@gmail.com with a copy of email id: - evoting@kfintech.com

    The scanned image of the above-mentioned documents should be in naming format "Corporate Name EVENT NO."

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 Members' Details:

    The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Act requires the Company/ Registrar and Share Transfer Agent to record additional details of Members, including their PAN details, email address, bank details for payment of dividend, etc. A form for capturing these additional details is appended at the end of the Notice. Members holding shares in physical form are requested to submit the filled in form to the Company or to its Registrar and Share Transfer Agent. Members holding shares in electronic form are requested to submit the details to their respective Depository Participant

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. 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.

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

    Mrs. C Shobha Anand,
    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.

22. 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 Thursday 29th August 2024.

23. The Company has appointed Mr. Ratish Tagde (FCS Membership No. 6162, Certificate of Practice No. 22018), Proprietor, Ratish Tagde & Associates, Practicing Company Secretaries as the Scrutinizer and Mr. Pramod S.M. (FCS Membership No. 7834 and Certificate of Practice No.13784), Partner, BMP & Co., LLP, Practicing Company Secretaries as an alternate scrutinizer to Mr. Ratish Tagde to scrutinize the voting process and remote e-voting process (electronically or otherwise) in a fair and transparent manner.

24. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the 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.

25. 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.

26. 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, and all other relevant documents as referred in the notice will be available for inspection by the members during the Annual General Meeting of the Company.

27. Subject to the receipt of requisite number of votes, the Resolutions forming part of the Notice of AGM shall be deemed to be passed on Thursday, 5th September 2024.

28. 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 December 9, 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 Monday, 2nd September 2024 and ends at 05:00 P.M. (IST) on Wednesday 4th September 2024.

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 for Individual shareholders holding securities in demat mode."

VII. The details of the process and manner for remote e-Voting is 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.

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 Easy / Easiest** i. Visit 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 URL: www.cdslindia.com 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 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://evoting.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 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."

OTHER INSTRUCTIONS:

I. 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.

II. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Thursday, 29th August 2024, 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.

29. 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.

Procedure for Registration of email and Mobile: securities in physical mode

Physical shareholders are hereby notified that based ion SEBI Circular number: SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37, dated March 16th, 2023, all holders of physical securities in listed companies shall register the postal address with PIN for their corresponding folio numbers. It shall be mandatory for the security holders to provide mobile number. Moreover, to avail online services, the security holders can register e-mail ID. Holder can register/update the contact details through submitting the requisite ISR 1 form along with the supporting documents.

ISR 1 Form can be obtained by following the link: https://ris.kfintech.com/clientservices/isc/default.aspx

ISR Form(s) and the supporting documents can be provided by any one of the following modes.

a) Through 'In Person Verification' (IPV): the authorized person of the RTA shall verify the original documents furnished by the investor and retain copy(ies) with IPV stamping with date and initials; or

b) Through hard copies which are self-attested, which can be shared on the address below; or

Name	KFIN Technologies Limited
Address	Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana India - 500 032

c) Through electronic mode with e-sign by following the link: https://ris.kfintech.com/clientservices/isc/default.aspx#

Detailed FAQ can be found on the link: https://ris.kfintech.com/faq.html

For more information on updating the email and Mobile details for securities held in electronic mode, please reach out to the respective DP(s), where the DEMAT a/c is being held.

Additional information of Director seeking appointment/re-appointment as required under Regulation 36(3) of SEBI (LODR) Regulation, 2015 and applicable Secretarial Standards:

Name of Directors	Mr. James Tucker
DIN	07093258
Designation	Non-Executive & Non-Independent Director
Date of Birth /Age	9th May 1972
Date of first Appointment on the Board	25th May 2015
Qualifications	Graduation
Relationship between Directors, Manager & KMP	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 Public Companies	NIL
Names of the listed entities from which the person has resigned in the past three years	NIL
Memberships / Chairmanships of Committees of other Companies	NIL
No. of shares held in the Company	NIL
Terms and conditions of Appointment/Re-appointment	As per Resolution at Item No. 2 of the accompanying notice of AGM read with Explanatory Statement thereto.
Last drawn remuneration	-
Number of meetings of the board attended during the year	Forms part of Corporate Governance Report
Brief resume of the director	Forms part of the Annual Report

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

Explanatory Statement:

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

Item No. 4

This Explanatory Statement is in terms of Regulation 36(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), though statutorily not required in terms of Section 102 of the Act.

The Members at the Forty Fourth Annual General Meeting ('AGM') of the Company held on August 9, 2019, had approved appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018) ('Deloitte'), as the Statutory Auditors of the Company to hold office from the conclusion of the Forty Fourth AGM till the conclusion of the Forty Ninth AGM of the Company to be held in the year 2024. After evaluating and considering various factors such as industry experience, competency of the audit team, efficiency in conduct of audit, independence, etc., the Board of Directors of the Company ('Board') has, based on the recommendation of the Audit Committee, proposed the reappointment of Deloitte, as the Statutory Auditors of the Company, for the second consecutive term of five years from the conclusion of Forty Ninth AGM till the conclusion of Fifty Fourth AGM of the Company to be held in the year 2029, at a remuneration as may be mutually agreed between the Board and the Statutory Auditors.

Deloitte have consented to their appointment as the Statutory Auditors and have confirmed that the appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act and that they are not disqualified to be appointed as the Statutory Auditors in terms of the provisions of Section 139 and 141 of the Act and the Rules framed thereunder. Deloitte audits various companies listed on stock exchanges in India.

The Board, in consultation with the Audit Committee, may alter and vary the terms and conditions of re-appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the Statutory Auditors.

None of the Directors, Key Managerial Personnel or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution at Item No. 4 of the accompanying Notice.

Based on the recommendation of the Audit Committee, the Board recommends the Ordinary Resolution set forth at Item No.4 of the Notice for approval by the Members.

Item number 5

In terms of the provisions of 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 maintain Cost Audit records and have the same audited by a Cost Accountant in practice.

Based on the recommendations of the Audit Committee, the Board of Directors at its meeting held on 28th May 2024, appointed M/s. Rao, Murthy & Associates, as Cost Auditor for conducting the Cost Audit for the Financial Year ending 31st March 2025, at a remuneration within the range of Rs. 6,00,000/- plus applicable service tax and reimbursement of out-of-pocket expenses at actual.

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. 5 of the Notice.

None of the Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Resolution.

The Board of Directors recommends the Ordinary Resolution set out at Item No. 5 of the Notice, for approval of Members.

By Order of the Board

Shivaram V

Head – Legal, Compliance and Company Secretary

Membership No. ACS 19173

Place: Bangalore

Date: 28th May 2024

DYNAMATIC TECHNOLOGIES LIMITED
Registered Office: JKM Plaza, Dynamatic Aerotropolis, 55 KIADB Aerospace Park, Bangalore 562149
Corporate Identity Number: L72200KA1973PLC002308
Phone Number: +91 80 2111 1223 / +91 80 2204 0535
Email ID: investor.relations@dynamatics.net website: www.dynamatics.com

ATTENDANCE SLIP

Name:..ClientID*:....................................

Folio No.:............................. DP ID*:... No. of shares held: ....

*applicable for investors holding share in electronic form.

I hereby record my presence at the **49th Annual General Meeting** of the Company, scheduled at JKM Plaza, Dynamatic Aerotropolis, 55 KIADB Aerospace Park, Bangalore 562149, on Thursday, the 5th (Fifth) day of September 2024 (Two Thousand and Twenty-Four) at 11.00 AM

Signature of the Member / Proxy

i. Member/proxy holders wishing to attend the meeting must bring the attendance slip to the meeting and handover at the entrance duly signed.

ii. Members/proxy holders desiring to attend the meeting are requested to bring their copy of the Annual Report for reference at the Meeting.

iii. Member/proxy holders are also requested to bring their identity cards along with the attendance /proxy forms.

Form No.MGT-11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act. 2013 and Rule 19 (3) of the Companies (Management and Administration Rules, 2014)]

GENERAL INFORMATION:

Name the member/s: ....

Registered address: ....

E-mail ID: ....

Folio No/ Client ID:..

DP ID: ....

I/We, being the member(s) of .... shares of the above-named company, hereby appoint

1. Name: ....

Address: ....

E-mail ID: ....**Signature:** ....

or failing him

2. Name:..

Address: ....
.

E-mail ID: .... **Signature:** ....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 49th Annual General Meeting of the company, to be held at JKM Plaza, Dynamatic Aerotropolis, 55 KIADB Aerospace Park, Bangalore 562149 on Thursday, the 5th (Fifth) day of September 2024 (Two Thousand and Twenty-Four) at 11.00 AM, and at any adjournment thereof in respect of such resolutions as are indicated below.

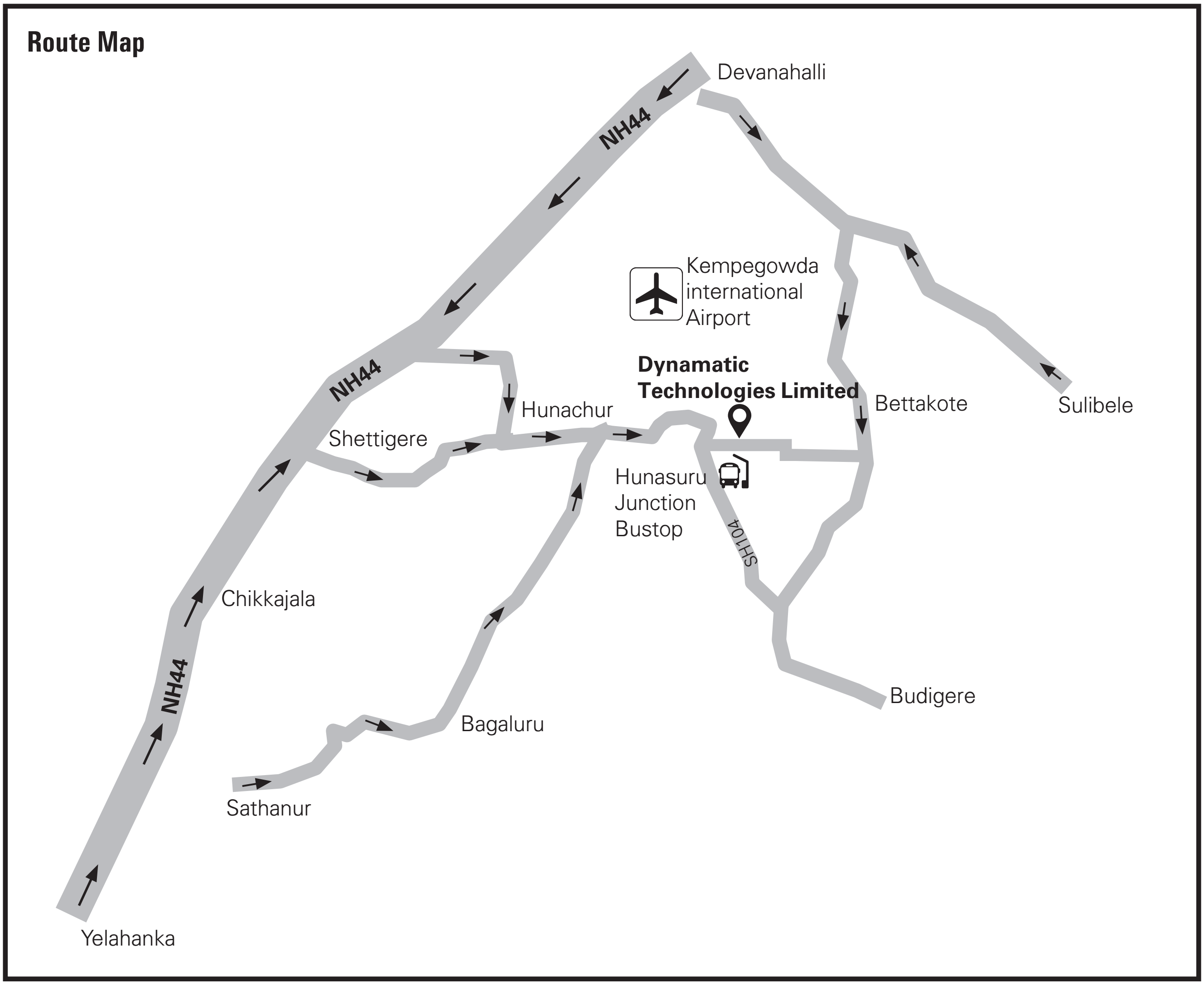
Signed this.. **day of**..**2024**

Signature of shareholder: ....

Signature of Proxy holder(s): ....

Note:

This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company, not less than 48 hours before the commencement of the meeting.



Scan QR for location

DYNAMATIC TECHNOLOGIES LIMITED

Registered Office: JKM Plaza, Dynamatic Aerotropolis,
55 KIADB Aerospace Park, Bangalore 562149

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

Corporate Identity Number: L72200KA1973PLC002308

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 herewith the 49th (Forty Ninth) Annual Report of Dynamatic Technologies Limited (the 'Company') along with the Audited Financial Statements for the financial year ended 31st March 2024.

FINANCIAL RESULTS:

The Financial Results of the Company for the year ended 31st March 2024, were as follows:

(Rs in Lakhs)

Particulars	Consolidated		Standalone	
	Year Ended 31 March 2024	Year Ended 31 March 2023	Year Ended 31 March 2024	Year Ended 31 March 2023
Revenue from Operations	**1,42,933**	**1,31,577**	**58,186**	**58,112**
Less: Cost of material and changes in inventories	66,815	63,102	27,785	27,018
Less: Employee benefit expenses	30,167	25,342	8,492	9,218
Less: Other Expenses	30,010	25,007	10,805	10,453
EBITDA	**15,941**	**18,126**	**11,104**	**11,423**
EBITDA Margin	11.20%	13.80%	19.08%	19.66%
Add: Other Income	4,282	976	1,830	536
Less: Finance Charges	6,255	6,538	5,026	5,158
Less: Depreciation and Amortisation Expenses	6,636	7,042	2,410	2,419
Profit before tax & Exceptional items	**7,332**	**5,522**	**5,498**	**4,382**
Profit before tax margin	5.13%	4.20%	9.45%	7.54%
Add: Exceptional items	6,231	-	5,132	-
Less: Tax expenses	1,382	1,243	1,181	1,467
Profit after tax	**12,181**	**4,279**	**9,449**	**2,915**
Profit after tax margin	8.52%	3.25%	16.24%	5.02%
Add: Other Comprehensive Income/(Losses)	1,211	676	427	(335)
Total comprehensive income, carried to Balance Sheet	**13,392**	**4,955**	**9,876**	**2,580**

COMPANY PERFORMANCE:

Despite global supply chain disruption and increasing inflationary pressure on commodity prices due to prevailing geopolitical conditions, Dynamatic Technologies has reported strong business performance in FY2024. Consolidated net sales for FY2024 were Rs. 1,42,933 lakhs, increased by 8.6% as compared to Rs. 1,31,577 lakhs in FY2023. The top line growth was driven by better product mix and inventory management. Consolidated EBITDA for FY2024 was reported as Rs. 15,941 lakhs down by 12.10% as compared to Rs. 18,126 lakhs during FY2023. The operating margins impacted due to subdued performance of Hydraulics segment during the year owing to unfavorable monsoon conditions in India and a production pause in the UK to implement a major product design modification. EBITDA margin for the year under review was 11.20% compared to 13.80% in FY2023. Increase in costs of material, labour and other expenses caused for decrease in margin year on year.

SEGMENT PERFORMANCE:

AEROSPACE & DEFENCE: The Aerospace & Defence segment recorded a revenue of Rs. 51,009 lakhs compared to Rs. 43,737 lakhs in FY2023. Segment EBITDA for the year was Rs. 13,094 lakhs, reported alongside Rs. 11,682 lakhs in FY2023.

The aerospace segment reported a growth of 16.6% y-o-y in FY2024 driven by resilient performance of Aerospace industry, strong commercial order book, supply chain improvements and ramp-up of production at its new site on receipt of requisite customer qualifications. However, margins significantly got impacted during the first half of the year owing to the delay in getting customers' qualifications for the relocation of Indian facility from rented to own facility.

Nevertheless, the company has successfully contracted to manufacture all variants of Airbus A220 doors, as well as aerostructures for the Falcon 6X of Dassault. Additionally, in March 2024, your company proudly announced a new partnership with Deutsche Aircraft, the German OEM based in Munich, Germany. The collaboration focuses on producing the Rear Fuselage for the 40-seater D328eco regional turboprop aircraft. This marks a significant milestone for the "Make in India" initiative and will bring work to the highly capable ecosystem here. All these large contracts are expected to transform our aerospace business substantially over the next two to three years.

A strong order book and continued revenues from large Global OEMs like Airbus A330, Airbus A220, Dassault new work FAI and Deutsche Aircraft alongside focus on increasing business on detailed parts at Dynamatic Manufacturing Limited (DML) is expected to ramp up the revenues in the coming years.

HYDRAULICS: During the year, the Hydraulics segment experienced a slowdown due to unfavourable monsoon conditions in India and a production pause in the UK to implement a major product design modification. This affected both revenue and margins in the UK and India. However, it is evident now that revenues recovered in the second half of the year following the successful completion of the required design modifications. The projection for FY2025 looks strong as we have good monsoon projection along with an increased demand on Construction and Industrial Segments.

Revenues for this segment decreased to Rs. 44,834 lakhs compared to Rs. 46,166 lakhs in the same period last year. EBITDA for FY2024 was Rs. 3,771 lakhs and Rs. 8,748 lakhs during last year.

METALLURGY: The Metallurgy segment remained under pressure due to a demand shortage as the German automotive industry stayed weak. The completion of corporate business restructuring during the year helped Eisenwerk Erla GmbH, Germany, minimize the impact of lower demand on its profitability. However, the strong technical capabilities of this subsidiary are enabling it to transition into the aerospace and defence business going forward. There are some large defence campaigns at advanced stages, and we expect to conclude them shortly.

Metallurgy segment has shown an y-o-y growth of 13%, primarily as result of successful negotiations with customers owing to protective shield process undertaken by the company. However, revenue of the segment was impacted in the second half of the year due to inflation and lower demand in auto sector

Revenue for this segment was Rs. 47,081 lakhs compared to same period last year Rs. 41,661 lakhs. Segment EBITDA was Rs. 2,467 lakhs compared to Rs. 1,714 lakhs in FY2023.

Going forward, the segment performance will be majorly driven by availability of raw material, input commodity prices and cost of financing to end customers. Focus on high margin product mix, rationalization of low margin products alongside development of aerospace castings and forgings in the future is expected to drive the business growth in the coming quarters.

SALE OF WIND FARM LAND:

During the year under review, the Company completed the sale of windfarm land (357.867 acres), including buildings, located at Varapatti Village, Sulur Taluk, Coimbatore, to the Tamil Nadu Industrial Development Corporation Limited (TIDCO) for the establishment of the Southern Defence Industrial Corridor. The Company received a compensation amount of INR 10,710.81 lakhs. It retained approximately 87 acres of land with greater strategic value for future development. Consequently, a gain from the sale of the windfarm land and buildings has been recognized during the current quarter and disclosed as an exceptional gain. The proceeds were primarily utilized for deleveraging by pre-paying long-term debt, leading to subsequent interest cost savings and improving credit metrics and potential rating upgrades. With this execution, the Company has demonstrated its commitment to being part of this significant initiative by the State Government of Tamil Nadu, which holds national importance.

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, Deutsche Aircraft, Dassault Aviation, Daimler, BMW, Macdon, JCB, 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. With a strong business foundation, technological excellence and industry recognition for products, we are confident of creating utmost value for all our stakeholders.

During the year under review, your company was honoured to be recognized by Boeing Defence & Space as their outstanding supplier of the year 2023. This recognition further validates your company's unwavering commitment to supporting Boeing's safety, quality, sustainability, and delivery goals worldwide.

DML, your company's wholly owned subsidiary signed a contract with Airbus for the manufacturing of detailed parts for Airbus commercial aircraft. This partnership is a significant milestone for both companies, as it combines the expertise and resources of DML and Airbus Aerostructures. With this collaboration, both companies aim to enhance their capabilities, improve efficiency, and deliver exceptional products to the aerospace industry.

Further, your company successfully completed the first delivery of Airbus A220 Escape Hatch Door assembly to Airbus Atlantic and signed a long-term contract for manufacturing and assembly of Flight Critical Aerostructure for Falcon 6X with Dassault Aviation. In addition, your company received business award from Airbus to manufacture A220 Doors, which are critical structures, incorporating advanced technologies to meet the stringent requirements for safety and overall efficiency.

Your company also entered a strategic partnership with Deutsche Aircraft to manufacture rear fuselage for the D328eco. This marks a significant moment for the "Make in India" initiative and will bring work to the highly capable ecosystem here.

DIVIDEND:

The interim dividend declared by the Board of Directors of Rs. 5/- per share was paid by the Company during the year in accordance with Section 123 of the Act, as applicable.

Further, the Board of Directors of the Company vide its meeting held on 28th May 2024, has proposed final dividend of Rs. 5/- per share for the year which is subject to the approval of the members at the ensuing Annual General Meeting.

The total dividend outgo amounts to Rs. 6,79,14,430/- out of which Rs 3,39,57,215/- was paid as interim dividend.

The Register of Members and Share Transfer Books of the Company will remain closed from 30th August 2024 to 5th September 2024 (both days inclusive) for ascertainment of shareholders eligible to receive dividend for the financial year ended March 31, 2024.

DIVIDEND DISTRIBUTION POLICY:

In terms of Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), the Dividend Distribution Policy duly approved by the Board is available on the website of the Company under the 'Investors' section at https://www.dynamatics.com. The Board has recommended dividend based on the parameters laid down in the Dividend Distribution Policy and dividend will be paid out of the profits for the year.

SHARE CAPITAL:

As of 31st March 2024, 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.

The Issued, subscribed and paid-up Equity Share Capital of the Company as of 31st March 2024 was 679.14 lakhs, comprising 67,91,443 equity shares of Rs. 10/- each.

TRANSFER TO RESERVES

The Board of Directors have decided to retain the entire amount of profit for FY2024 in the Statement of Profit & Loss as of 31st March 2024.

CAPITAL EXPENDITURE:

During the year under review, the Company incurred capital expenditure of Rs. 8,217 lakhs for physical infrastructure and Rs. 483 lakhs for procurement of intangible assets. Significant investments have been made in building infrastructure, data security, information systems, and design and development activities, for the future benefits of the Company.

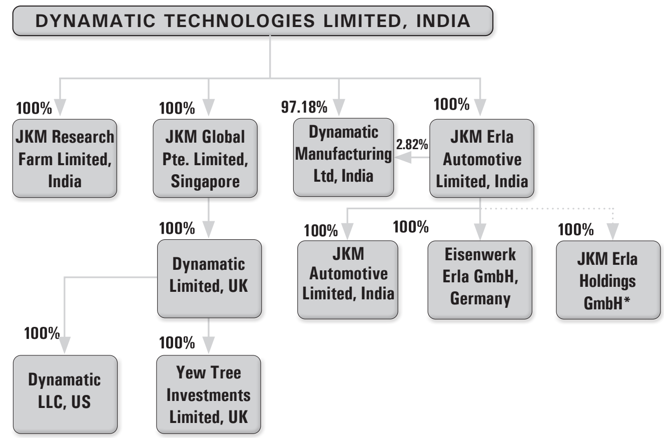
CONSOLIDATED FINANCIAL STATEMENTS:

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 form 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 2024, is appended hereunder:



**JKM Erla Holdings GmbH, has filed the requisite application for protective shield by self-administration before the Chemnitz Local Court and the same is pending court order. On receipt of the order, JKM Erla will cease to exist.*

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.

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

Dynamatic Manufacturing Limited, India (DML) is Wholly owned Subsidiary of the Company.

DML, a subsidiary of Dynamatic Technologies Limited (DTL) is a Centre of Excellence for detail parts, will be involved in engineering, manufacturing, and delivering components for different aircraft parts.

During the year under review, pursuant to a rights issue in DML, a total of 3,50,00,000 equity shares of Rs. 10/- each aggregating to Rs. 35 crores were subscribed by DTL. As on 31st March 2024, DTL holds 100% shareholdings in DML (97.18 % shareholdings directly and the balance 2.82 % through its wholly owned subsidiary, JKM Erla Automotive Limited).

OVERSEAS WHOLLY OWNED SUBSIDIARIES:

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

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

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

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

Dynamatic Hydraulics®, a division of DLUK located in Swindon, UK, produces high performance engineered hydraulic products. The plant has over 50 years of experience in gear pump design and manufactures and caters to agriculture, construction, and 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 Dynamatic Limited UK, is located in Swindon, and is a leader in Aeronautical Precision Engineering and is currently manufacturing and supplying high precision and complex machined components for most of the Airbus family of aircraft.

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

JKM Erla Holdings GmbH, Germany (JKM Erla) it was engaged in the business of setting up automotive component processing manufacturing units. JEAL owned 100% share holdings in JKM Erla, which inturn held 100% share holdings in Eisenwerk Erla GmbH, Germany upto 31st July 2023. As a result of corporate restructuring measures implemented by Eisenwerk Erla, the 100% shareholdings of Eisenwerk previously held by JKM Erla have been assigned to JEAL, effective August 1, 2023.

As an outcome of the corporate restructuring measures implemented by JKM Erla through the protective shield process by self-administration, it was determined that JKM Erla shall be dismantled with the aim of streamlining the group holding structure in Germany. In this context, JKM Erla has filed the requisite application before the Chemnitz Local Court and the same is pending court order. On receipt of the order, JKM Erla will cease to exist.

Eisenwerk Erla GmbH, Germany (Eisenwerk) it 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.

Eisenwerk is currently in the process of transformation from automotive/foundry-focus to the aerospace business. Considering the various challenges viz., supply chain crisis at OEMs; current inflation in Europe; steep and unpredictable increase in the cost of gas and electricity being faced by corporations across Europe, Eisenwerk undertook corporate restructuring measures through 'protective shield process by self-administration under the applicable German Laws.

During the year, Eisenwerk submitted a financial resolution plan to the local court (Chemnitz, Germany). This led to a creditors' meeting convened by the Chemnitz court on June 28, 2023, where the resolution plan was approved. Subsequently, the court issued a final order on July 27, 2023, concluding the protective shield proceedings effective August 1, 2023, by accepting the legally binding confirmation of Eisenwerk's financial resolution plan. As a result of these proceedings, the 100% shareholdings of Eisenwerk previously held by JKM Erla have been assigned to JEAL, effective August 1, 2023.

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, statutory, cost and secretarial auditors and external agencies, including audit of internal 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 2023-24.

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

i. in the preparation of the annual accounts, for the Financial Year ended 31st March 2024, the applicable accounting standards have been followed and there are no material departures;

ii. they have selected such accounting policies and have 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 2024, 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; and

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:

The shareholders approved:

(1) The appointment of Ms. Gaitri Issar Kumar (DIN: 10245539) as an Independent Director to hold office for a term of five years from 9th August 2023, till 8th August 2028.

(2) The re-appointment of Mr. Udayant Malhoutra (DIN: 00053714), CEO & MD, for a period of 3 years from 1st October 2023, till 30th September 2026.

(3) The re-appointment of Mr. P S Ramesh (DIN: 05205364), Executive Director & COO – Hydraulics, for a period of 1 year from 14th November 2023, till 13th November 2024.

(4) The appointment of Dr. Ajay Kumar (DIN: 01975789) as an Independent Director to hold office for a term of five years from 10th November 2023, till 9th November 2028.

(5) The re-appointment of Mr. Pierre de Bausset (DIN: 07178878) as an Independent Director to hold office for a second term of five consecutive years from 11th February 2024, till 10th February 2029. Mr. Pierre de Bausset was also designated as Chairman w.e.f 14th August 2023.

(6) The re-appointment of Mr. Pradyumna Vyas (DIN: 02359563) as an Independent Director to hold office for a second term of five consecutive years from 11th February 2024, till 10th February 2029.

Mr. Govind Mirchandani (DIN: 00022583) and Ms. Malavika Jayaram (DIN: 02252302) retired as Independent Directors on 14th August 2023, after completing their term of appointment. The Board places on record its appreciation for the contributions and guidance made by Mr. Govind Mirchandani and Ms. Malavika Jayaram, during their stint with the Company as Independent Directors.

The board took note of the resignation of Mr. Arvind Mishra (DIN: 07892275) as Executive Director and Global COO – Hydraulics and Head – Homeland Security, from the close of the business hours on 8th August 2023.

During the year under review, the company did not have any pecuniary relationship or transactions with any of its directors, other than payment of remuneration/incentive to the Executive Directors and sitting fees to Non-Executive Directors and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board/ Committees 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 2024, are:

- Mr. Udayant Malhoutra, CEO & Managing Director
- Mr. P S Ramesh, Executive Director & COO – Hydraulics
- 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 given 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 with an objective independent judgement and without any external influence.

In the opinion of the Board, they fulfil the conditions of independence as specified in the Act as well as the Rules made thereunder and the Listing Regulations and are independent of the management.

BOARD MEETINGS:

Six 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 eight 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 remuneration philosophy at Dynamatic Technologies centers on fostering a culture of leadership built on trust. The company aims to offer opportunities that reinforce its performance-driven culture. Adhering to globally accepted governance practices, the remuneration policy is designed to attract, motivate, and retain talent while enhancing productivity. This policy creates a supportive work environment, encourages personal growth and teamwork, and provides competitive remuneration packages. Additionally, the policy is market-responsive, tailored to attract and retain quality talent, and leverage performance across different business sectors.

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:

Dynamatic Technologies ensures high corporate governance through appropriate induction and ongoing training for all directors. Each new independent director participates in an induction program designed to provide a comprehensive understanding of the company's businesses, markets, and regulatory environment. This program also familiarizes directors with management and operations, helping them understand their roles and responsibilities to contribute significantly to the company's growth. Directors have full opportunities to interact with senior management and receive all necessary documents to enhance their understanding and effectiveness. Dynamatic Technologies firmly believes that a well-informed and familiarized Board can significantly contribute to effectively discharging its role of trusteeship, thereby fulfilling stakeholders' expectations. To achieve this, directors are continuously updated on corporate and industry developments, including regulatory and economic changes, enabling them to make well-informed and timely decisions.

During the year, the independent directors were familiarized with the metallurgy business operations of the company. A factory visit was organized at our Germany facility, Eisenwerk Erla, where the independent directors were introduced to the metallurgy process. This included a visit to the foundry, one-on-one discussions with the workers and supervisors, a tour of the plant, and a visit to the local metallurgy museum in Erla.

The details of the familiarisation programme are uploaded under the Investors Desk section on the Company's corporate website www.dynamatics.com.

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. This process ensures that the Board has an appropriate blend of functional and industry expertise. When recommending the appointment of a Director, the NRC considers how the individual's functional and domain expertise will contribute to the overall skill 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 behavior, communication skills, and independent judgment. They are also expected to abide by the respective Code of Conduct 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 conducted an annual evaluation of its own performance, board committees, and individual directors in accordance with the provisions of the Act and SEBI Listing Regulations. This evaluation was guided by criteria and frameworks adopted by the Board. Input from all directors was considered, focusing on factors like board composition, processes, information and functioning, risk management and strategy, corporate social responsibility, organizational performance and structure, and effectiveness of board processes, among others.

The performance of committees was evaluated by the board with inputs from committee members, focusing on criteria such as committee composition and effectiveness of meetings. In a separate meeting of independent directors, the performance of non-independent directors, the Board as a whole, and the Chairman was evaluated, incorporating views from both executive and non-executive directors. The Nomination and Remuneration Committee, along with the Board, reviewed individual director performance, considering factors like preparedness, contribution to meetings, interpersonal skills, and strategic input. The subsequent board meeting further discussed the performance of the Board, committees, and individual directors. Evaluation of Independent Directors was conducted by the entire Board, excluding the director under evaluation.

The Annual Performance Evaluation is conducted in a paperless manner, with documents securely uploaded and accessed electronically. This approach has led to significant benefits, including paper conservation, reduced cycle time for the evaluation process, and enhanced confidentiality of information.

INTERNAL CONTROLS SYSTEMS AND THEIR ADEQUACY:

The Board has implemented policies and procedures to ensure the orderly and efficient conduct of its business, encompassing adherence to the Company's policies, safeguarding its assets, and preventing and detecting frauds and errors. Additionally, measures are in place to ensure the accuracy and completeness of accounting records and the timely preparation of reliable financial disclosures.

The Company has implemented adequate systems for internal control, tailored to its size and complexity. These systems ensure the safeguarding and protection of all assets, as well as the proper authorization, recording, and reporting of transactions. Furthermore, the Company has established checks and balances to verify the accuracy and reliability of accounting data. All related processes are thoroughly documented, and steps are taken to ensure compliance with internal control systems. Clear delineation of roles and responsibilities among stakeholders involved in the process further reinforces the effectiveness of these controls.

The Internal Auditors conduct independent evaluations of internal controls and concurrently audit a majority of transactions in terms of value. To ensure the independence of the audit and compliance functions, they report directly to the Audit Committee of the Board. Additionally, a CEO & CFO Certificate, included in the Corporate Governance Report, confirms the existence and effectiveness of internal controls and underscores their responsibility to report deficiencies to the Audit Committee and rectify them. Throughout the year, these controls were thoroughly tested, and no material weaknesses in design or operation were reported.

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 remarks 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 2024, 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 FY2024 were conducted on an arm's length basis and within the ordinary course of business. These transactions were in full compliance with the relevant provisions of the Act and the Listing Regulations.

During the year, the Company did not engage in any materially significant Related Party Transactions that necessitated shareholder approval under the Listing Regulations. All such transactions are subject to approval by the Audit Committee. Moreover, prior omnibus approval from the Audit Committee is sought for transactions that are repetitive in nature or unforeseeable in advance. A statement detailing all Related Party Transactions, including their nature, value, and terms, is submitted to the Audit Committee for quarterly review.

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. **Form AOC-2, annexed as Annexure - 2.**

In terms of Regulation 23 of the SEBI Listing Regulations, the Company submits details of RPTs 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.

Dynamatic Technologies has a longstanding commitment to upholding the highest standards of corporate governance practices. This commitment stems from the belief that effective governance lays a solid groundwork for a thriving enterprise. Integrity and transparency are consistently prioritized in all interactions, as they are vital for maintaining the trust of stakeholders. The core values underpinning the Company's Corporate Governance framework include independence, transparency, accountability, responsibility, compliance, ethics, values, and trust. It is believed that these practices not only facilitate efficient and ethical business operations but also contribute to sustainable enhancement of shareholders' wealth, benefiting all stakeholders in the process.

Dynamatic Technologies is dedicated to upholding the highest standards of Corporate Governance, often proactively adopting ethical and transparent practices ahead of legal mandates. Building trust with shareholders, employees, customers, suppliers, and other stakeholders is a paramount goal, grounded in principles such as transparency and integrity. The Company views strong leadership and best-in-class corporate governance practices as major strengths, essential for fostering long-term success and stakeholder confidence.

The Company is following 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 is committed to meeting the needs of the communities in which it operates, aiming to generate maximum value for society while conducting its business in a manner that fosters positive impact and enhances stakeholder value. In accordance with Regulation 34(2)(f) of the SEBI Listing Regulations, the Business Responsibility & Sustainability Report (BRSR) is presented in a separate section and is an integral part of this Integrated Annual Report.

AUDITORS:

Statutory Auditors:

M/s. Deloitte Haskins & Sells., LLP, (ICAI Firm Registration No. 117366W/W-100018) were appointed as the Statutory Auditors of the Company at the 44th AGM held on 9th August 2019, for a period of five years till the conclusion of 49th Annual General Meeting. Consequently, M/s. Deloitte Haskins & Sells., LLP, complete their first term of five consecutive years as statutory auditors of the company at the conclusion of the 49th AGM of the Company. Pursuant to section 139(2) of the Act, the company can appoint an auditor's firm for a second term of five consecutive years. M/s. Deloitte Haskins & Sells., LLP, have consented to the said re-appointment, and confirmed that their re-appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have further confirmed that they are not disqualified to be reappointed as statutory auditor in terms of the provisions of the Act, and the provisions of the Companies (Audit and Auditors) Rules, 2014, as amended from time to time. The audit committee and the board of directors recommend, to the shareholders, the reappointment of M/s. Deloitte Haskins & Sells., LLP, chartered accountants, as statutory auditors of the company from the conclusion of 49th AGM till the conclusion of 54th AGM, to the members.

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 FY2025, 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 FY2025.

Internal Auditors:

The Internal Audit function is responsible for assisting the Audit Committee & 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 FY2025.

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 2024. 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 - 3** to this report.

As per regulation 24(1) of SEBI Listing Regulations, the Company is required to annex the Secretarial Audit report of its material unlisted subsidiary to its Annual Report. JKM Erla Automotive Limited (JEAL) has been identified as Material Unlisted Subsidiary of the Company for FY 2024 and accordingly Secretarial Audit Report of JEAL is annexed as **Annexure - 3A**

Tax Auditors:

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

RISK MANAGEMENT POLICY:

The Company has constituted a Risk Management Committee which has been entrusted with the responsibility to assist the Board in (a) approving the Company's risk management framework and (b) overseeing all the risk that the organisation faces such as strategic, operational, financial, liquidity, security, regulatory, legal, reputational, cyber security, ESG and other risks that have been identified and assessed to ensure that there is a sound risk management policy in place to address such concerns/ risks. The risk management process covers risk identification assessment analysis and mitigation incorporating sustainability in the process and helps to align potential exposures with the risk appetite and highlight risks associated with chosen strategies.

The audit committee has additional oversight in financial risks and controls major risks identified by the business and functions are systematically addressed through mitigating actions on a continuing basis.

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

The main objectives of the said policy include:

i. To ensure that all the current and future material risk exposures of Dynamatic Technologies are identified, assessed, quantified, appropriately mitigated and managed.

ii. To establish a framework for Dynamatic Technologies' risk management process and to ensure company-wide implementation.

iii. To ensure systematic and uniform assessment of risks related with each of the units of Dynamatic Technologies.

iv. To enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices; and

v. To assure business growth with financial stability.

The 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 Section 186 of the Companies Act, 2013 forms 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 emphasizes the pivotal role of Human Resources (HR) in fostering the organization's holistic advancement. Timely identification, nurturing, and empowerment of human capital, coupled with continual talent enhancement, stand as imperatives. The HR function assumes the responsibility of anticipating industry shifts, aligning employee competencies accordingly. In navigating the dynamic digital landscape and evolving labour laws, multiskilling becomes indispensable. Adaptability remains paramount for HR to confront adversities head-on. Dynamatic Technologies pledges unwavering commitment not only to fostering employee rapport but also to cultivating a fair, inclusive, and conducive workspace for personal and professional growth. With Dynamatic 2.0 at the helm, the journey continues towards excellence.

During this period, Dynamatic Technologies has implemented SAP's HR modules to streamline employee attendance tracking and digitize payroll processes entirely. This software comprehensively covers all HR aspects, from recruitment to separation, thereby minimizing human involvement and bias. Additionally, it incorporates a robust performance management system. The organizational structure and reporting mechanisms are meticulously captured, ensuring clarity and eliminating ambiguity. Employee personal data is securely stored and safeguarded in digital format, residing in the cloud. Utilizing this platform, all communications to both blue-collar and white-collar staff are centralized, enabling real-time and efficient interaction. Moreover, remote accessibility has enhanced communication efficacy significantly.

This year marks a significant milestone as the HR team at Dynamatic Technologies has effectively rolled out SAP HR modules at the organization-wide level in India. This transition ensures that HR processes and transactions are entirely digitalized and transparent. Standardized policies are enforced across all divisions through SAP workflow, fostering consistency and efficiency. Comprehensive training sessions have been conducted for both CTMs and end-users to facilitate seamless adoption. Real-time access to HR data and reports further enhances operational agility and decision-making capabilities.

The foundation for this digital platform was laid upon the launch of the comprehensible HR manual in January 2023. Serving as a dynamic document, it forms the cornerstone for HR operations, continually evolving through periodic reviews by the corporate team. This manual not only established clear guidelines but also facilitated the seamless transition to digital HR processes, ensuring alignment with organizational goals and values.

SAP plays a pivotal role in enabling the corporate team to access Management Information System (MIS) data in real-time, facilitating swift and informed decision-making. With SAP's robust capabilities, analysing manpower data becomes significantly more efficient and insightful. This enhanced data accessibility and analysis empower the corporate team to gain deeper insights into workforce dynamics, enabling them to optimize resource allocation and strategic planning effectively.

Dynamatic Technologies has maintained a steadfast commitment to cultivating and empowering top-tier talent, grooming them for leadership positions within the organization. Ongoing efforts are underway to augment employee skills through continuous training and learning endeavours. The HR team orchestrates sensitization programs and fosters open communication to foster an organizational culture characterized by fairness and safety for all employees. With an illustrious history of amicable industrial relations, the company boasts a flawless record, with not a single man-day lost due to labour unrest over the years.

As an integral component of our ongoing organizational development strategy, numerous initiatives are in the pipeline to systematically cultivate a dynamic and forward-thinking workforce. Through our sustained year-on-year endeavours, our employees have evolved into an engaged and outcome-driven collective. A multitude of ongoing activities have been meticulously planned and implemented to nurture and retain competencies within our talent pool. We actively promote a culture of holistic growth, encouraging employees to thrive and excel within the organization.

The HR team organizes sensitization programs and encourages communication to ensure an organizational culture that always provides for a fair and safe working environment for all the employees.

At Dynamatic Technologies, we prioritize health and safety as paramount elements of human resources management. Our commitment extends to ensuring the holistic well-being of our employees, encompassing both physical and mental health. To this end, the company periodically manages comprehensive health insurance coverage for employees and their families. Additionally, we provide access to well-equipped ambulances, healthcare teams, and pathological labs, ensuring prompt and efficient medical assistance whenever needed.

Recognizing the importance of mental wellness, we've taken proactive measures to address this aspect as well. A distinguished psychiatrist has been retained as a wellness expert, tasked with engaging and intervening to promote mental and emotional well-being among our workforces. By integrating physical and mental health initiatives, we strive to create a supportive and nurturing environment where every employee can thrive.

The Aerospace Skill Development Centre (ASDC) continues to flourish, playing a pivotal role in training aspiring young individuals from rural areas surrounding ITI Devanahalli and Bangalore. These students undergo rigorous training in aerospace structure assembly and related tasks, supplemented by bridge courses in CNC turning and machining, among others. The training curriculum encompasses both theoretical knowledge and practical skills.

Upon completion of their training, these talented individuals are placed in esteemed aerospace companies located around KIADB, Devanahalli. Remarkably, all graduates of ASDC have secured employment opportunities in renowned aerospace industries in and around Bangalore.

Efforts are underway to introduce a two-year aeronautical structure and equipment fitter trade program at ITI Devanahalli. Necessary approvals have been sought from relevant government authorities, and infrastructure and tools are being procured for the ITI. Once operational, this government ITI, chaired by DTL, will be the first in the country to offer such a specialized course. This initiative holds immense potential in nurturing and guiding young technicians in the aerospace manufacturing sector, thereby contributing significantly to the growth of the aerospace industry in India.

CORPORATE SOCIAL RESPONSIBILITY (CSR):

Your company has a documented policy on corporate social responsibility, which has been posted on the company's website at www. dynamatics.com. Pursuant to the provisions of Section 135 of The Companies Act 2013 and other applicable provisions of the Act, read with applicable rules, the company has undertaken various initiatives during FY2024, as follows:

Your company focuses its CSR activities on three thematic areas: promoting education, ensuring environmental sustainability, and promoting health care activities.

Dynamatic Technologies has forged a meaningful partnership with the Directorate of Employment and Training, Government of Karnataka, in a Public-Private Partnership (PPP) model to bolster the Industrial Training Institute (ITI) in Devanahalli as a hub for skill development and vocational training excellence. Since 2015, DTL has taken the helm in chairing this government ITI, underscoring its commitment to fostering socio-economic growth through skill enhancement.

As part of this collaboration, Dynamatic Technologies actively contributes to the ITI's advancement by providing equipment for laboratories, volunteering employees for training sessions, and developing tailored training modules. Additionally, the ITI prioritizes the enrolment of women students from rural communities and those from underprivileged backgrounds, fostering inclusivity and equal opportunities.

The Dynamatic team has played a pivotal role in designing the curriculum for CNC turning and milling training, with bridge courses offered to aspiring students from rural areas. Graduates from the Aerospace Skill Development Centre (ASDC) are extensively supported in securing employment opportunities through campus interviews conducted by various companies in and around Bangalore. Remarkably, a hundred percent placement rate has been achieved, reflecting the success of this collaborative endeavour in empowering youth and driving regional development.

Dynamatic Technologies has intensified its commitment to Corporate Social Responsibility (CSR) by spearheading a Skill Development Initiative aimed at enhancing the capabilities of trainees with backgrounds in ITI, Diploma, and Engineering degrees, as well as serving workers from the aerospace industry seeking to elevate their skill sets. Under the guidance of the Dynamatic Skill Initiative team, a comprehensive curriculum has been devised to systematically train ITI graduates in both theoretical subjects and practical aspects of aircraft structural assembly and related tasks, forming the cornerstone of the 3-month-long bridge course.

Throughout the year, Dynamatic Technologies has successfully concluded four batches of this training program, totalling sixteen batches to date by the Aerospace Skill Development Centre (ASDC). Notably, all graduated trainees have secured employment in various aerospace industries in and around Bangalore, underscoring the effectiveness of the curriculum in meeting industry demands.

The curriculum's success has garnered widespread acclaim, leading to its approval as a two-year trade program (aerospace fitters) in Government ITIs nationwide. ITI Devanahalli is poised to become the pioneering institute to formally introduce this course as a new trade in 2024. This curriculum addresses a spectrum of technical skills vital to aerospace operations, including sheet metal forming, material handling, drilling, riveting, painting, and Non-Destructive Testing (NDT), among others.

The Aerospace Skill Development Centre (ASDC), equipped with all essential infrastructure to impart aerospace-related training, operates under the Institute Management Committee. This year, ASDC has expanded its offerings by introducing two CNC program courses: one focusing on turning and the other on milling. Dynamatic Technologies has furnished the ITI facility with CNC machines, alongside providing necessary cutting tools and raw materials for practical training purposes.

Classes are currently underway for a fresh cohort of trainees in these trades, simultaneously, existing ITI students are undergoing training in technical and soft skills. Notably, the CNC Operator-Turning course, categorized as a Level 3 Course and registered under the Chief Minister's Kaushalya Karnataka Yojane (CMKKY) in the Department of Skill Development and Entrepreneurship and Livelihood, continues to be offered throughout the year. This initiative underscores Dynamatic Technologies' commitment to fostering skill development and empowering individuals to excel in the aerospace industry.

Dynamatic Technologies Limited (DTL) has been actively engaged in healthcare activities, extending support to frontline workers in the police department by providing them with necessary Personal Protective Equipment (PPE) on a periodic basis. Moreover, this year, DTL has extended financial assistance to two notable organizations in Bangalore, namely, Dr. Sandhya Health Foundation and Prerana Resource Centre, as part of its Corporate Social Responsibility (CSR) initiatives

Prerana Resource Centre is a charitable institution dedicated to serving destitute women, particularly blind and disabled teenage orphan girls. The center's primary objective revolves around providing counselling, medical assistance, training, and employment opportunities, ultimately facilitating their complete rehabilitation and integration into society.

Similarly, Dr Sandhya Health Foundation focuses on raising awareness about general health, with a specific focus on the girl child aged between 8 to 21 years in semi-urban and rural areas of Bengaluru, Karnataka. Through its initiatives, the foundation aims to empower young girls with the knowledge and resources necessary to lead healthy lives. DTL's support to these organizations underscores its commitment to making a meaningful impact on healthcare and social welfare, particularly among vulnerable and marginalized communities.

The Annual Report on CSR activities in terms of the requirements of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed as **Annexure 4,** which forms part of this Report.

ANNUAL RETURN:

As per the requirements of Section 92(3) of the Act and Rules framed thereunder, the Annual Return for FY 2023-24 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:

Dynamatic Technologies upholds a strict zero-tolerance policy towards sexual harassment in the workplace. In alignment with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013, and its accompanying regulations, the company has adopted a robust Policy on Prevention, Prohibition, and Redressal of Sexual Harassment at the workplace.

The primary objective of this policy is to ensure the protection of all employees within the workplace and to prevent and address any instances of sexual harassment effectively. By fostering a safe and secure working environment, the company aims to promote employee well-being and organizational harmony.

To facilitate the implementation of this policy, Dynamatic Technologies has established Internal Complaints Committees (ICCs) across all its worksites and offices. These committees are dedicated to addressing and resolving complaints related to sexual harassment promptly and impartially, thereby fostering a culture of trust, respect, and accountability within the organization.

As a proactive step towards promoting awareness and understanding of the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, Dynamatic Technologies organizes training sessions conducted by legal experts specifically tailored for women employees. These sessions aim to educate employees about their rights and the procedures for reporting and addressing instances of sexual harassment.

POLICY FOR SAFETY AND WELL BEING OF WOMEN:

The company always strives to create a safe, friendly, and inclusive work environment for its employees. As a refresher training, all employees underwent Prevention of Sexual Harassment training conducted by an External Expert. During the financial year 2023–24, the company has not received any complaints of sexual harassment.

Women's Day was celebrated on 8^{th} March 2024. All women employees were honoured by a memento signed by the CTO, celebrating their uniqueness and strength. The theme was "Inspire inclusion".

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

All efforts are made to see that women are employed in all functions and processes. More women engineers are encouraged to join us.

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 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 - 5**, which forms part of this report.

ENVIRONMENTAL PROTECTION MEASURES:

Dynamatic Technologies remains steadfast in its commitment to minimizing its environmental impact while simultaneously enhancing livelihoods across its product value chain. In pursuit of this goal, the company has implemented various measures to improve environmental sustainability, safety, and health.

These measures include the implementation of standard operating procedures aimed at minimizing environmental impact, conserving resources, and enhancing workplace safety. Additionally, comprehensive training programs have been conducted for employees at all levels, focusing on resource conservation, environmental protection, and effective housekeeping practices.

Embracing sustainable living principles as an integral component of its long-term business strategy, Dynamatic Technologies continues to prioritize environmental stewardship and social responsibility across its operations, striving for a harmonious balance between economic prosperity and environmental conservation.

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 - 6.**

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.

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:

Dynamatic Technologies has forged significant partnerships with esteemed academic and defense research institutions to advance indigenous product development for India's defense and paramilitary sectors, aligning with the vision of Atmanirbhar Bharat, as advocated by our Prime Minister.

A Memorandum of Understanding (MOU) was inked with the Indian Institute of Technology (IIT) Kanpur, focusing on the design and development of unmanned solutions tailored for surveillance and reconnaissance applications. This collaboration harnesses the cutting-edge expertise of IIT Kanpur to drive innovation in unmanned systems, addressing critical defense and security needs.

In addition, an agreement was established with the Central Scientific Instruments Organisation (CSIO) to facilitate the design and development of advanced optical sensors and payloads. Leveraging CSIO's specialized capabilities, this partnership aims to bolster Dynamatic Technologies' capabilities in delivering state-of-the-art optical solutions for defense applications.

Through these strategic partnerships, Dynamatic Technologies is at the forefront of fostering indigenous innovation and technology development, contributing to the nation's self-reliance aspirations in defense and security domains.

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 FY2024 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. Christine Hoden (India) Private Limited
5. Greenearth Biotechnologies Limited
6. Mrs. Barota Malhoutra
7. Primella Sanitary Products Private Limited
8. Vita Private Limited
9. Wavell Investments Private Limited

GREEN INITIATIVES:

In alignment with its commitment to green initiatives and sustainable practices, Dynamatic Technologies has taken a proactive step by opting for electronic distribution of the Notice of the 49th Annual General Meeting (AGM) of the Company, along with the Annual Report for the fiscal year 2023-24. This initiative involves sending electronic copies of these documents to all members whose email addresses are registered with the Company or Depository Participants.

By transitioning to electronic communication for AGM notices and annual reports, Dynamatic Technologies aims to minimize paper usage and reduce its environmental footprint. This eco-friendly approach not only supports the company's sustainability goals but also reflects its dedication to responsible corporate citizenship.

APPRECIATION:

The Board of Directors extends its heartfelt gratitude to the employees, customers, vendors, investors, and communities associated with Dynamatic Technologies for their unwavering cooperation and invaluable support throughout the year. Their dedication and partnership have been instrumental in the company's achievements and successes.

Furthermore, the Board expresses gratitude to the Government of India, Government of Karnataka, and various State governments, as well as government departments and agencies, for their collaboration and support.

The contributions of every member of the Dynamatic family are deeply appreciated and valued, reflecting the collective effort and commitment towards the company's mission and goals.

Finally, the Board acknowledges and thanks all the company's customers for their continued trust and patronage. Their support has been pivotal in shaping Dynamatic' s journey and success.

For and on behalf of the Board of Directors

UDAYANT MALHOUTRA
CEO & Managing Director
DIN : 00053714

P S RAMESH
Executive Director & COO-Hydraulics
DIN : 05205364

Place: Bengaluru

Date: 28th May 2024

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 (a)	6,891	10,552	57,032	39,589	-	-	-	100%	39,151	(210)	(183)	(27)	-
2	Yew Tree Investments Ltd,UK (a)	-	2,185	2,398	212	-	-	-	100%	-	82	26	56	-
3	Dynamatic US, LLC (c)	-	(1,063)	(1,057)	5	-	-	-	100%	12	(170)	-	(170)	-
4	JKM Erla Holdings GmbH, Germany (d)	23	(11,888)	38	11,903	-	-	-	100%	-	(22)	-	(22)	-
5	Eisenwerk Erla GmbH (d)	1,439	24,517	38,790	12,834	-	-	-	100%	47,255	6,613	421	6,192	-
6	JKM Global Pte Limited, Singapore (b)	11,933	(404)	18,946	7,417	11,531	-	11,531	100%	-	(76)	3	(78)	-
	Indian Subsidiaries													
7	JKM Erla Automotive Limited	10,791	1,702	12,506	13	12,503	-	12,503	99.99%	-	(750)	-	(750)	-
8	JKM Automotive Limited	1	(1)	1	1	-	-	-	99.99%	-	-	-	-	-
9	Dynamatic Manufacturing Limited (formerly known as JKM Ferrotech Limited)	3,750	(864)	6,054	3,168	33	-	33	99.99%	3,745	(1,425)	-	(1,425)	-
10	JKM Research Farm Limited	500	2,140	2,646	6	-	-	-	99.99%	-	9	7	2	-

Details of reporting currency and the rate used for converting.

Reporting Currency Reference	For Conversion		
	Currency	Average Rate (in ₹)	Closing Rate (in ₹)
a	GBP	104.03	105.20
b	SGD	61.54	61.75
c	USD	82.78	83.38
d	EURO	89.77	89.94

UDAYANT MALHOUTRA
Chief Executive Officer &
Managing Director
DIN : 00053714

P S RAMESH
Executive Director, Chief Operating
Officer - Hydraulic
DIN : 05205364

CHALAPATHI P
Chief Financial Officer

SHIVARAM V
Head - Legal, Compliance
& Company Secretary

Place: Bengaluru
Date: 28th May 2024

Names of subsidiaries which are yet to commence operations: JKM Erla Automotive Limited and JKM Automotive Limited

Names of subsidiaries which have been liquidated or sold during the year: NIL

ANNEXURE - 2

AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

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

(Rs. in lakhs)

Name of Related Party	Nature of Relationship	Nature of Contracts / Transactions	Transactions for year ended 31 Mar'24	Date of Approval by Board	Amount paid as loan / Advance
Dynamatic Manufacturing Limited	Subsidiary	Sales	566		
		Purchase	2,497		5,165
		Share capital subscribed	3,500		
		Advance refunded	3,450		
		Reimbursement of Capital Work in progress/ revenue expenditure	170		
Dynamatic Limited, UK	Step Subsidiary	Sales	1533		
		Rent	436		
		Purchase	634		
		Reimbursement of revenue expenditure	9		
JKM Global Pte Limited	Subsidiary	Loan Provided	-		6,766
		Interest income	554		
Wavell Investments Private Limited	Companies over which key managerial personnel or relatives of such personnel can exercise significant influence	Purchase	420	NA	
JKM Research Farm Limited	Subsidiary	Rent	48		
Viveka Deepak Malani	Relative of Promoter Group	Rent	22		
JKM Holdings Private Limited	Subsidiary	Rent	4		
JKM Erla Automotive Limited	Subsidiary	Reimbursement of revenue expenditure	-		7
Ahilya Malhoutra	D/o: Mr. Udayant Malhoutra	Remuneration	21		
Udayant Malhoutra	CEO and MD	Remuneration	122		
P S Ramesh	ED	Remuneration	117		
Arvind Mishra*	ED	Remuneration	137		
Chalapathi P	CFO	Remuneration	102		
Shivaram V	CS	Remuneration	50		

Note:

a. Duration of the contracts/ arrangements/ transactions : These are ongoing transactions on arm's length basis and are in the ordinary course of business.

b. Salient terms of the contracts or arrangements or transactions including the value if any : refer to above table.

** Resigned on 8th August 2023 and remuneration stated above is including final settlement payment*

UDAYANT MALHOUTRA
Chief Executive Officer &
Managing Director
DIN : 00053714

P S RAMESH
Executive Director, Chief Operating
Officer - Hydraulic
DIN : 05205364

Place: Bengaluru
Date: 28th May 2024

ANNEXURE - 3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2024.

[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
JKM Plaza, Dynamatic Aerotropolis,
55 KIADB, Aerospace Park,
Bangalore 562149

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 through online/offline inspections/ verification of documents 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 2024, 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 2024, 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 Byelaws 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) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
    e) SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; and
    f) SEBI (Listing Obligations and Disclosures Requirements), Regulations, 2015.
    g) The Securities and Exchange Board of India (Employee Stock Option Scheme and employee Stock Purchase Scheme) Guidelines, 1999.
    h) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
    i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
    j) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

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)

c) Dividends (SS-3)

d) Report of Board of Director (SS-4)

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

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 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, 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
UDIN: F006162E000504781

Place: Mumbai
Date: 28th May 2024

To

The Members of

Dynamatic Technologies Limited
JKM Plaza, Dynamatic Aerotropolis,
55 KIADB, Aerospace Park,
Bangalore 562149

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
UDIN: F006162E000504781

Place: Mumbai
Date: 28th May 2024

ANNEXURE - 3A

Form No. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH 2024

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014]

To,
The Members,
JKM Erla Automotive Limited
CIN: U35122KA2011PLC056973
C/o. Dynamatic Hydraulics, Plot No.1A/1,
1st Main Road, 2nd Phase,1st Stage,
Peenya Industrial Estate, Bangalore - 560058

We have conducted the secretarial audit of compliance of the applicable statutory provisions and the adherence to good corporate practices by **JKM ERLA AUTOMOTIVE LIMITED** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2024 according to the provisions of:

i. The Companies Act, 2013 ('the Act') and the Rules made thereunder and the relevant provisions of the Act;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder:- to the extent of its applicability to an unlisted Company;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. 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;

v. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):- to the extent applicable;

vi. The Company has identified the following laws as specifically applicable to the Company:

1. Factories Act, 1948 & the Central Rules or concerned State Rules, made thereunder
2. Electricity Act, 2003
3. Environment (Protection) Act, 1986
4. The Water (Prevention and Control of Pollution) Act, 1974 & Central Rules/ Concerned State Rules
5. The Air (Prevention and Control of Pollution) Act, 1981 & Central Rules/ Concerned State Rules
6. Hazardous Wastes (Management and Handling) Rules, 1989
7. Manufacture, Storage, and Import of Hazardous Chemicals Rules, 1989
8. The Contract Labour (Regulation and Abolition) Act, 1970 & its Central Rules/ Concerned State Rules
9. The Employees' Provident Fund and Miscellaneous Provisions Act, 1952 & EPF, FPF Schemes
10. The Employees' State Insurance Act, 1948 & its Central Rules/ Concerned State Rules
11. The Minimum Wages Act, 1948 & its Central Rules/ Concerned State Rules/ Notification of Minimum Wages applicable to various class of industries/ Trade
12. The Payment of Wages Act, 1936 & its Central Rules/ Concerned State Rules if any
13. The Payment of Bonus Act, 1965 & its Central Rules/ Concerned State Rules if any
14. The Payment of Gratuity Act & its Central Rules/ Concerned State Rules if any
15. The Maternity Benefit Act, 1961 & its Rules
16. The Industrial Employment (Standing Orders) Act, 1946 & its Rules

17. The Employee's Compensation Act, 1923
18. The Industrial Dispute Act, 1947
19. The Trade Marks Act, 1999
20. Sexual Harassment of Women at Workplace (Prevention Prohibition and Redressal) Act 2013

We have also examined compliance with the applicable clauses of the following:

i. Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI)

ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015: - Not applicable as the Company is an unlisted Company.

iii. SEBI (Prohibition of Insider Trading) Regulations, 2015: - to the extent applicable to an unlisted Company which is a subsidiary of a listed Company.

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

We further report that: -

- The Board of Directors of the Company is duly constituted. 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 out in compliance with the provisions of Secretarial Standards, and 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.
- Majority decision is carried through, while the dissenting members' views, if any, are captured and recorded as part of the minutes.
- Based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary, we are of the opinion that the management has adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines and
- As informed, the Company has responded to notices for demands, claims, penalties etc. levied by various statutory / regulatory authorities and initiated actions for corrective measures, wherever necessary.

For BMP & Co. LLP
(Company Secretaries)

CS Biswajit Ghosh
Partner
FCS 8750 / CP No. 8239
Peer Review Certificate No. 736/2020
UDIN No: F008750F000440511

Date: 24th May 2024
Place: Bangalore

This report to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

'Annexure A'

To,
The Members,
JKM Erla Automotive Limited
CIN: U35122KA2011PLC056973
C/o. Dynamatic Hydraulics, Plot No.1A/1,
1st Main Road, 2nd Phase,1st Stage,
Peenya Industrial Estate, Bangalore - 560058

Our report of even date is to be read along with this letter:-

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express as opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management 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 is the responsibility of management. Our 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.
7. We further report that the Compliance by the Company of applicable financial laws like Direct & Indirect tax laws has not been reviewed in this audit since the same has been subject to review by the statutory financial audit and other designated professionals.

For BMP & Co. LLP
(Company Secretaries)

CS Biswajit Ghosh
Partner
FCS 8750 / CP No. 8239
Peer Review Certificate No. 736/2020
UDIN No: F008750F000440511

Date: 24th May 2024
Place: Bangalore

ANNEXURE - 4

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 Healthcare.

   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 are 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 Healthcare, 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 healthcare 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	Ms. Gaitri Issar Kumar^	Chairperson	1	-
4	Mr. Pradyumna Vyas	Member	1	1
5	Mr. P.S Ramesh	Member	1	1

**Mr. Govind Mirchandani & Ms. Malavika Jayaram retired on 14th August 2023.*

^Ms. Gaitri Issar Kumar was inducted as Chairperson of CSR Committee w.e.f. 14th August 2023, whereas the CSR meeting was held prior to her appointment during the year under review.

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

Sl. No	Particulars	Amount in Rs. Lakhs
a	Average net profit of the Company as per sub-section (5) of section 135.	3,349.00
b	Two percent of average net profit of the company as per sub-section (5) of section 135.	66.97
c	Surplus arising out of the CSR Projects or programmes or activities of the previous financial years.	0
d	Amount required to be set off for the financial year, if any.	7.60
e	Total CSR obligation for the financial year (b+c-d)	59.37

6. a) Amount spent on CSR Projects (both Ongoing Project and other than ongoing projects)

Sl. No	Name of Project	Items from the list of activities in Sch VII to the Act.	Local (Yes / No)	Amount spent for the project	Mode of Implementation
1	Promoting Education	Education	Yes	41.90	Direct
2	Ensuring Environmental Sustainability	Environment	Yes	10.83	Direct
3	Preventive Health care and Sanitisation	Health care	Yes	9.50	Direct

All the above CSR activities were done in Karnataka - Bengaluru through direct mode.

b) Amount spent in Administrative Overheads: Nil

c) Amount spent on Impact Assessment, if applicable: Not Applicable

d) Total amount spent for the Financial Year [(a)+(b)+(c)]: Rs. 62.23 Lakhs

e) 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 sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
62.23	Nil	Nil	Nil	Nil	Nil

f) Excess amount for set off, if any

Sl.No	Particular	Amount (in Rs)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	66.97
(ii)	Total amount spent for the Financial Year	62.23
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	2.86*

* During the year, an amount of Rs. 4.74 lakhs has been set-off from the excess arising out of CSR projects/programme of previous FY 2022-23 (Rs. 7.6 lakhs). After set-off, an amount of Rs. 2.86 lakhs is available for set-off in succeeding FY. The total amount spent towards CSR during the year is Rs. 66.97 Lakhs (Rs. 62.23 lakhs - spent during the year + Rs. 4.74 lakhs - excess set-off from PY 2022-23)

7. Details of Unspent CSR amount for the preceding three financial years: Nil

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135. Not applicable

ANNEXURE - 5

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 2022-23 and the percentage increase in remuneration of Directors and Key Managerial Personnel (KMP) (%) during the Financial Year 2023 -24:

Sl No	Name & Designation	Category	FY 2022-23	FY 2023-24	Increase / (Decrease)	Ratio	% Increase / (Decrease)
1	Mr. Udayant Malhoutra, CEO & Managing Director	Director & KMP	1,10,90,076	1,21,99,080	11,09,004	1:17	10.00%
2	Mr. P S Ramesh, Executive Director & COO Hydraulics	Director & KMP	1,06,59,976	1,17,25,985	10,66,009	1:17	10.00%
3	Mr. Arvind Mishra, Executive Director, Global head of Hydraulics and Head of Homeland security, India	Director & KMP	1,06,59,976	38,00,417	NA	NA	NA
4	Mr. Chalapathi, CFO	KMP	93,02,470	1,02,32,728	9,30,258	1:15	10.00%
5	Mr. Shivaram V, Head Legal, Compliance and Company Secretary	KMP	45,56,002	50,11,631	4,55,629	1:7	10.00%

Note 1: In addition to the regular pay on "Cost to Company" basis, during FY 2022-23, one time incentive of Rs 10,00,000/- was paid for KMP's in Serial No. 1 to 4 and Rs. 5,00,000/- was paid to KMP in Serial No 5.

Note 2: Employers contribution to provident fund is included in CTC of FY 2022-23 & FY 2023-24

Note 3: The KMP in Serial No 3 resigned on 8th August 2023 and the remuneration stated above is excluding final settlement payment towards leave enchashment, notice pay and gratuity.

Name of the Director	Sitting Fees (Rs.)
Mr. Govind Mirchandani*	12,00,000
Ms. Malavika Jayaram*	5,00,000
Mr. Pradyumna Vyas	18,00,000
Mr. Pierre de Bausset	20,00,000
Ms. Gaitri Issar Kumar*	10,00,000
Dr. Ajay Kumar*	7,00,000

**Mr. Govind Mirchandani & Ms. Malavika Jayaram retired on 14th August 2023, Ms. Gaitri Issar Kumar and Dr. Ajay Kumar was inducted on 9th August 2023 and 10th November 2023 respectively.*

2. The percentage increase in the median remuneration of employees in this financial year: 7%

3. The number of permanent employees on the rolls of company as on 31st March 2024: 747

7. 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 7.92%

   Average percentage increase in the managerial remuneration: 10%

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. 1.20 crores per annum:

Name	Designation	Grade	Monthly CTC	Performance Linked Pay - Monthly	Total Monthly CTC
Udayant Malhoutra	CEO & MD	C1	10,16,590	-	10,16,590
P S Ramesh	ED & COO Hydraulics	C1	9,28,307	48,858	9,77,165
V Ravichander	CTO	C2	8,10,091	42,636	8,52,727
Chalapathi P	CFO	C3	8,10,091	42,636	8,52,727

Place: Bengaluru

Date: 28th May 2024

UDAYANT MALHOUTRA
CEO & Managing Director
DIN : 00053714

P S RAMESH
Executive Director & COO-Hydraulics
DIN : 05205364

ANNEXURE - 6

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

The Company has taken efforts to reduce the energy consumption by introduction of auto modes throughout the shop floor and campus by providing sensor lights, controllers & timers for smooth & optimistic usage of energy. The Company has saved consumption of 1,13,454 KWH energy which has in turn saved energy cost of INR 9,07,632/-

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

The Company has tied with a private partner for Roof top solar and will be using solar generated power for its operations. Thus, it is the process of reducing the carbon footprint 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; Automotive units in India and 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 2024	31st March 2023
a. Capital	103	5
b. Revenue	711	444
Total	**814**	**449**

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars of foreign exchange earnings and outgo are as follows:

(Rs. in Lakhs)

Particulars	31st March, 2024	31st March, 2023
a. Total Foreign Exchange Earned		
Sale of goods and services	31,697	27,421
Interest income earned	554	-
Foreign Exchange Earned	**32,251**	**27,421**
b. Total Foreign Exchange Used	**25,368**	**10,775**
Import of materials, components, stores & spares, etc	8,628	7,841
Foreign Travels	297	281
Capital Expenditure	427	315
Lease Rent	436	424
Interest on Foreign Currency Term Loan	531	573
Term Loan repayment	8,198	2,037
Inter-company loan provided	6,766	-
Others, if any	85	103

Place: Bengaluru

Date: 28th May 2024

UDAYANT MALHOUTRA
CEO & Managing Director
DIN : 00053714

P S RAMESH
Executive Director & COO-Hydraulics
DIN : 05205364

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 2024)

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 2024, 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 2024, 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 2023-24

Udayant Malhoutra
CEO & Managing Director
DIN : 00053714

Chalapathi P
Chief Financial Officer

Place: Bengaluru
Date: 28th May 2024

Declaration by the CEO under Regulation 26(3) of the SEBI (Listing Obligation and disclosure requirements) Regulation, 2015 regarding adherence to the Code of Conduct

Pursuant to Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management Personnel of the Company have affirmed compliance to their respective Codes of Conduct, as applicable to them for the financial year ended March 31, 2024.

Udayant Malhoutra
CEO & Managing Director
DIN : 00053714

Place: Bengaluru
Date: 28th May 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR FY2024

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, having held the leadership position in the hydraulic gear pumps market for over 45 years. Dynamatic Hydraulics commands approximately 80% of the Indian OEM tractor market and about 38% of the global tractor market. Dynamatic Technologies is a pioneer and leader in the private sector, both in India and the UK, in the manufacture of precision flight-critical and complex airframe structures and aerospace components. It serves as a Tier-I supplier to global aerospace OEMs and primes such as Airbus, Boeing, BEL, Bell Helicopters, Dassault Aviation, Hindustan Aeronautics Limited, and Spirit Aerosystems. The Company also produces high-precision, complex metallurgical ferrous components for performance-critical applications like turbochargers and exhaust manifolds, with advanced design and development capabilities to meet OEM needs.

Dynamatic Technologies' facilities located in India (Bengaluru & Coimbatore), United Kingdom (Bristol & Swindon) 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.

Hydraulics: Dynamatic Technologies is one of the largest manufacturers of hydraulic gear products in the world, with state-of-the-art manufacturing facilities in India (three locations), the United Kingdom, and Milwaukee, USA. This business unit designs and manufactures hydraulic gear pumps in both aluminum and cast iron, available in multiple frame sizes. The product range includes high-efficiency gear pumps, low noise pumps, high-pressure pumps, axial piston 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, high-flow scavenging pumps, lube oil pumps, and water pumps for high-horsepower engines, which are used in off-highway vehicles, marine, and offshore equipment. Additionally, the Company designs and builds customized hydraulic solutions, from simple hydraulic pumping units to complex marine power packs, aircraft ground support systems, and turnkey industrial installations.

Equipped with advanced innovation and development centers in Bengaluru (India) and Swindon (UK), Dynamatic Technologies holds several patents and has a wealth of experience in application engineering and rapid prototyping capabilities. This allows Dynamatic Hydraulics to develop bespoke solutions for OEMs efficiently and effectively.

Aerospace & Defence: 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 boasts best-in-class infrastructure to meet the needs of global OEMs such as Airbus, Boeing, Bell Helicopters, Dassault Aviation, and Deutsche Aircraft. Domestically, it collaborates with defense sector PSUs like HAL and BEL.

The major products of the Aerospace & Defence segment include control surfaces such as wings, ailerons, and wing flaps, fuselages, doors, and other key flight-critical airframe structures like flap track beams. Over time, the Aerospace division has developed excellent capabilities in automated robotic machining and the production of five-axis components in aluminum, steel, and titanium. Additionally, the Company has expertise in advanced tooling capabilities.

Metallurgy: The Metallurgy division supplies highly complex parts to customers worldwide, producing intricate iron castings in sophisticated alloys for various industries. Operating one of the most modern foundries in Europe, the company develops and manufactures components used globally. By leveraging a high level of specialist education and the strategic advantages of its location, the company creates significant added value for its international customers.

RESEARCH & DEVELOPMENT

With three design laboratories spanning India and Europe, Dynamatic Technologies stands as a leading private R&D organization, boasting numerous inventions and patents. The Company has established a robust Intellectual Property (IP) strategy aimed at constructing an effective portfolio for future monetization, collaboration, and risk mitigation, with a keen focus on emerging technologies.

The Company holds various patents across countries such as India, the USA, the UK, Germany, and other European nations. In addition to these patents, the Company has registered 39 trademarks and has applied for multiple others in various jurisdictions including India, the USA, the UK, and other European countries. Dynamatic Technologies Limited (DTL) boasts a talented workforce comprising over 80 scientists and 600 engineers and technicians.

These experts bring their skills 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-the-art JKM Science Center serves as a hub, integrating Design Engineering, Development, Prototyping, Metallurgical, and Manufacturing Infrastructure. This cohesive setup empowers the Company to comprehensively address the diverse needs of its global clientele.

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

The world economy proved more resilient than expected in 2023, despite significant monetary tightening and lingering policy uncertainties globally. Economic expansion in the latter half of 2023 exceeded expectations in the United States and several major emerging markets, driven by higher-than-anticipated government spending and retail consumption. Stability in employment and income levels was enhanced by an unexpected surge in labor force participation. Despite considerable central bank rate increases aimed at price stability, the economy showed resilience, supported by households in advanced economies utilizing savings accumulated during the pandemic.

The IMF reports global economic growth of 3.2% for 2023. Developed economies grew by 1.6%, while emerging and developing economies achieved a 4.3% growth rate, thereby averting a global recession. Inflation decreased gradually across most regions due to interest rate hikes.

Meanwhile, economic expansion remains modest by historical standards, constrained by high borrowing costs, reduced fiscal support, and the ongoing impacts of the COVID-19 pandemic and geopolitical tensions. These factors have led to limited productivity growth and increased geo-economic fragmentation. *[Source: IMF Report (April 2024)]*

OUTLOOK

According to International Monetary Fund (IMF), the growth outlook for emerging economies is projected at 4.2% in 2024 and in 2025. In contrast, advanced economies are anticipated to expand by 1.7% and 1.8% in 2024 and 2025, respectively. While the world economy averted the worst-case scenario of a recession in 2023, a prolonged period of low growth looms large. Growth prospects for many developing countries, especially vulnerable and low-income countries, remain weak, making a full recovery of pandemic losses even more elusive.

New price pressures triggered by geopolitical tensions, including the ongoing tensions in Ukraine and conflicts in Gaza and Israel, could elevate interest rate forecasts and depress asset values, particularly where labor markets remain constrained and core inflation persists. Variations in the pace of disinflation across major economies may also provoke currency fluctuations that strain financial sectors. Monetary policy continues to focus on adjusting inflation to meet targets, setting the stage for sustainable growth over the medium term. Growth disappointments could also result from the real estate industry's worsening problems in China or, globally, from a disruptive shift to tax increases and spending cuts.

Source: IMF Report (April), UN Report

INDIAN ECONOMY

Amidst a complex global economic environment and evolving geopolitical circumstances, India's economic resilience continues to be a source of optimism. As the world's fifth-largest economy, India is projected to retain its position as the fastest-growing major economy. During FY2023-24, India's GDP growth remained relatively high at 7.8%, fueled by strong domestic demand, moderate inflation, a stable interest rate regime, and sufficient foreign exchange reserves. Furthermore, a strategic acceleration of economic reforms and increased capital expenditures facilitated construction activity and fostered significant employment opportunities within the country.

India effectively navigated inflationary pressures in FY2023-24, which remain a significant challenge for many developed economies. The Consumer Price Index (CPI) inflation rate exhibited a slight decline, reaching 5.69% (provisional) in December 2023 compared to 5.72% in December 2022. The Reserve Bank of India (RBI) played a pivotal role by maintaining the policy repo rate at 6.50%, striving to achieve a balance between supporting economic growth and managing inflation. Additionally, India's per capita Net National Income (NNI) at constant (2011-12) prices had an increase of 6.08%, rising from Rs 98,374 in FY2022-23 to Rs 1,04,550 in FY2023-24. This growth in disposable income has resulted in a surge in household consumption across both urban and rural areas, thereby stimulating demand across various sectors.

On the supply side, industrial activity, particularly within the manufacturing sector, maintained its momentum. The Purchasing Managers' Index (PMI) for manufacturing remained robust in February-March, achieving a 16-year high in March. The services sector also exhibited robust growth across all categories, with the PMI for services consistently exceeding 60 during the same period, indicating sustained and substantial expansion.

OUTLOOK

In 2024, India is well-positioned to retain its status as the world's fastest-growing major economy. Leveraging the advantages of its favorable demographic profile and advancements in both physical and digital infrastructure, India boasts a promising future outlook. Strategic increases in capital expenditures, coupled with proactive government policy initiatives such as the Production Linked Incentive (PLI) Schemes, are poised to generate further economic growth. The IMF projects a consistent expansion of the Indian economy at 6.8% in 2024. India's robust economic prospects establish a strong foundation for further acceleration in the years to come.

[Source: IMF and RBI]

INDUSTRY OVERVIEW AND SEGMENT DISCUSSION:

HYDRAULICS:

Dynamatic Hydraulics® stands as one of the global leaders in hydraulic geared products manufacturing, boasting cutting-edge facilities in India, the UK, and the USA. The extensive product line encompasses a diverse array of solutions, including hydraulic gear pumps in aluminium and cast iron, axial piston pumps, motors, valves, and complete hydraulic systems. With a commitment to bespoke design tailored to each application, they cater to both domestic and international markets, offering unparalleled versatility and reliability. This comprehensive approach, coupled with a dedication to innovation and quality, solidifies Dynamatic Hydraulics® as a premier provider in the hydraulic industry, serving a multitude of sectors worldwide.

INDUSTRY OVERVIEW AND OUTLOOK:

FARM MECHANISATION:

The Indian agricultural machinery market is on a robust growth trajectory, projected to grow from USD 16.73 billion in 2024 to USD 25.15 billion by 2029. This growth is driven by favourable government policies, rising farm incomes and the increasing need for mechanization.

India is the world's largest tractor market, having crossed the milestone of 1 million units and with a CAGR of around 6% over the past 7-8 years. Factors contributing to this growth include under penetration of farm mechanization, labor shortages and improved water availability due to consecutive good monsoon seasons. Government initiatives focused on rural infrastructure development, favorable support prices for major crops, and the push towards mechanization have promoted the industry. Additionally, the availability of tractor financing has further fuelled this expansion.

Farm mechanization plays a pivotal role in reducing cultivation costs and boosting productivity through efficient resource utilization. According to the National Bank for Agriculture and Rural Development (NABARD), powered machinery now contributes 40-45% to various farm activities.

Agriculture employs about 50% of India's population and is a major source of income and raw materials for numerous industries. The need for modern farm equipment has surged due to the increased production of grains, cereals and oilseeds, necessitating intensive harvesting to maximize yield and minimize waste.

Looking ahead, the industry is set to benefit from the growing use of tractors in non-agricultural activities, rising international demand for Indian medium horsepower tractors and increased investments in global infrastructure development. These factors are set to drive continued growth in the tractor industry in the coming years.

CONSTRUCTION AND MATERIAL HANDLING:

The Indian construction equipment industry experienced a significant surge in FY2024, with sales reaching 135,650 units, marking a 26% increase from the previous fiscal year. This growth was driven by the government's infrastructure-led growth strategy, boosting demand across all major construction equipment segments. The industry had growth in both domestic and export markets, with domestic sales rising by 24% and exports by an impressive 49% year-on-year.

Earthmoving equipment was the largest segment, accounting for approximately 70% of total sales. Backhoe loaders and crawler excavators led the increase, with year-on-year growth rates of 55% and 35%, respectively. Material handling equipment, including pick & carry cranes and telehandlers, recorded a remarkable 61% increase in sales volume, contributing 14% to total construction equipment sales. Concrete equipment and road construction equipment also posted significant growth, with year-on-year increases of 19% and 40%, respectively. These achievements underscore the industry's robust performance, driven by heightened demand and government infrastructural initiatives.

Looking ahead, original equipment manufacturers (OEMs) are expected to invest INR 1,400-1,500 crore in capex during FY25. This investment will focus on debottlenecking, product development initiatives (such as CEV-V compliant equipment and alternative fuel-driven powertrains), and localization efforts, as noted by ICRA.

However, the mining and construction equipment industry is projected to face a decline of 12-15% in FY2025. This is primarily due to an anticipated slowdown in sales during the first half of the fiscal, attributed to the Parliamentary Elections and the impact of the monsoon season on construction activities.

Dynamatics designs and builds pumps and motors for the construction equipment sector. Currently, the company's market share in this segment is restricted. However, we regard this sector as a significant opportunity to explore new products, applications and markets moving forward.

SEGMENT OVERVIEW:

Dynamatic Hydraulics manufactures high precision hydraulic products and solutions 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.

Dynamatic Hydraulics commands approximately 80% of the Indian OEM tractor market and about 38% of the global tractor market. It also designs and builds complete hydraulic solutions including hydraulic hitch control valve with draft control and complete rockshaft assembly for the agricultural tractors.

The Indian agricultural machinery market is on a robust growth trajectory, projected to grow from USD 16.73 billion in 2024 to USD 25.15 billion by 2029. This growth is driven by favourable government policies, rising farm incomes and the increasing need for mechanization.

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 will undergo production phase in coming years, with supplies to global OEMs and aftermarket.

Operational Performance (Rs in lakhs)

Particulars	FY2024	FY2023	Change (%)
Revenue	44,834	46,166	-2.89%
EBITDA	3,771	8,748	-56.89%
Margin %	8.4%	18.9%	

The Hydraulics segment reported a decline in topline FY2024 due to de-growth in Tractor Production in India. Demand for tractors were down by 7.07% in FY2024 over FY2023 due to below average monsoon rains. For FY2025, the tractor industry is expected to resume growth in second half of the year which would provide the needed push to grow the hydraulics segment. Revenues for this segment decreased to Rs. 44,834 lakhs compared to Rs. 46,166 lakhs in the same period last year. EBITDA for FY2024 was Rs. 3,771 lakhs and Rs. 8,748 lakhs during last year.

AWARDS & ACCOLADES:

Dynamatic Hydraulics® has successfully completed the re-certification audits by ULDQS India, to ISO: 9001 specifications for Quality Management System and also to ISO:14001 specifications for its Environmental Management System. The Company has also successfully completed IS0 45001 for occupational health and safety management systems (OHSAS).

Dynamatic Hydraulics® received a number of awards, listed below, at the National and State level in the FY2024. This is due to our relentless pursuit of excellence in everything we do.

Jun'2023: 16th National 3M competition, Reduction of K2 Cover Blow holes, Platinum, CII

Jun'2023: 16th National 3M competition, Auto marking on flushing machine, Silver, CII

AEROSPACE & DEFENCE:

INDUSTRY OVERVIEW AND OUTLOOK:

DEFENCE AEROSPACE:

India's aerospace industry is projected for substantial growth, driven by increased activities in both the defence and civil aviation sectors. The surge in demand for large aircraft from prominent Indian carriers like SpiceJet and Indigo, combined with the increasing adoption of Powered by the Hour (PBH) contracts, is set to drive aerospace services and manufacturing operations within the country. Furthermore, India's increased capital expenditure creates vast opportunities for both, emerging start-ups and established industry players in the defence aerospace arena.

The Indian Aerospace and Defence (A&D) industry is on a trajectory to reach approximately USD 70 billion by 2030, driven by a robust demand for advanced infrastructure and constant government support. The Ministry of Defence has set an ambitious target of achieving a turnover of INR 1.75 lakh crore in A&D manufacturing by 2025, including exports worth INR 35,000 crore. By April 2023, a total of 606 industrial licenses were issued to 369 companies operating in the defence sector. The Department of Military Affairs (DMA) has rolled out four Positive Indigenisation Lists, encompassing 411 military items. Additionally, to promote exports and liberalise foreign investments, the Foreign Direct Investment (FDI) in the defence sector has increased to 74% through the automatic route and 100% through the government route.

India is emerging as a key manufacturing hub, driven by global Original Equipment Manufacturers (OEMs) and their suppliers. The country's technical expertise, talent pool and ability to produce high-quality products at competitive costs make it an attractive destination for aerospace component manufacturing. India's strategic geographical position further facilitates indigenous manufacturing and export activities.

The young workforce in India is a critical asset for the A&D market's growth. Numerous private companies have made significant progress in establishing India as a preferred destination for aero structures, components, sub-assemblies and complex system assemblies. Leading global OEMs have formed joint ventures in India for manufacturing aerospace parts and assemblies, which are integral to various commercial and defence aircraft and helicopters. This dynamic environment underscores India's potential to become a global leader in the aerospace and defence sectors. [Source: Invest India]

COMMERCIAL AEROSPACE:

Since mid-2020, the commercial-aerospace sector has shown modest but consistent growth as air travel demand began to recover from the decline caused by the pandemic. By December 2023, demand had rebounded to 97% of pre-pandemic levels, with projections indicating an annual growth rate of 5% to 10% through 2026. This resurgence is supported by an increase in new aircraft sales and aftermarket services. Airlines are prioritizing fleet renewal and rising air traffic levels are driving demand in the maintenance, repair, and overhaul (MRO) market, which is striving to meet the growing need for parts and maintenance services.

The civil aviation industry in India has emerged as one of the fastest-growing sectors in the country over the past three years. According to the International Air Transport Association (IATA), India is on track to become the world's third-largest air passenger market by 2030, surpassing both the United States and China. The robust recovery in air travel has led to an increase in aircraft orders and aftermarket activities, with the number of airplanes expected to reach 1,100 by 2027.

During the period from April 2023 to January 2024, domestic passenger traffic reached 254.44 million, marking a 15.3% increase compared to the same period the previous year. International passenger traffic rose by 23.5%, reaching 57.57 million. Freight traffic at Indian airports has the potential to reach 17 million tonnes by FY2040. The Indian Civil Aviation MRO market, currently valued at approximately USD 900 million, is anticipated to grow to USD 4.33 billion by 2025, with a CAGR of 14 to 15 %.

To support this growing industry, the Indian government plans to invest Rs. 35,000 crores (USD 4.99 billion) over the next four years to enhance airport infrastructure. Initiatives such as UDAN-RCS, which promote regional air connectivity, further strengthen the Indian civil aviation sector, positioning it as a significant country in the global aviation landscape. [Source: Invest India]

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 manufacturer of aircraft parts and accessories. The Company is also vertically integrated to manufacture machined 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, Deutsche Aircraft and Dassault Aviation. Further, it also caters to domestic requirements from major OEMs like Bharat Electronics Limited (BEL) & Hindustan Aeronautics Limited (HAL).

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 for assemblies and sheet metal detail parts requiring artisanal capabilities and low cost of capital for manufacturing at the UK. The Company launched 'DOET – Dynamatic Operational Excellence and Transformation' prevailing way to DTL 2.0 as the language of change for sustainable growth and increased value to the customers and shareholders.

The Company has delivered over 7,500 aircraft sets of Single Aisle Flap Track Beams till date and has successfully completed the A320 re-design of the Flap Track Beam with a Monolithic structure working closely with Spirit Aero Systems. Dynamatic Technologies is a Tier-1 Global Single Source manufacturer of Airbus A330 Flap Track Beams, the long-range aircraft variant. The Company is the largest single source manufacturer of the flap track beams in the world for Airbus. The Company is focused on developing capabilities in doors and large aero-structural assemblies and systems.

Operational Performance (Rs in lakhs)

Particulars	FY2024	FY2023	Change (%)
Revenue	51,009	43,737	16.63%
EBITDA	13,094	11,682	12.09%
Margin %	25.7%	26.7%	

The Aerospace & Defence segment recorded a revenue of Rs. 51,009 lakhs compared to Rs. 43,737 lakhs in FY2023. The Indian Aerospace industry witnessed moderate growth supported by improvement in order execution and delivery. During the FY2024, the Aerospace segment reported a growth of 16.63% y-o-y driven by resilient performance of air transport industry. Commercial deliveries and ramp-up of parts for F-15EX Eagle has contributed to top line and FAI of Escape Hatch Door for Airbus A220 aircraft has led to new business opportunities. A strong order book by major aircraft producers will drive both defence and commercial demand once global supply chain issues are resolved. Segment EBITDA for the year was Rs. 13,094 lakhs, reported alongside Rs. 11,682 lakhs in FY2023.

AWARDS & ACCOLADES:

In FY2024, Dynamatic Technologies received industry wide recognition and won a few major awards:

JAN 2023: Two teams from DOA presented Improvement case studies and the teams won Par-Excellence, Excellence Awards. One team has performed a Skit on 'No Plastic' which received great applause with tremendous enthusiasm in the 37th National Convention on Quality Concepts (NCQC)-2023 Competition held at Nagpur

APRIL 2023: Three teams from DOA won Gold Award in the 6th conclave on Pokayoke Competition at Bangalore Chapter

JUN 2023: Two teams from DOA won Par-Excellence Award in the 9th National Conclave on 5S 2023 at Ahmedabad.

SEP 2023: Four Teams from Dynamatic Technologies won Gold awards in the 32nd Chapter Convention on Quality Concepts (CCQC)-2023

Dynamatic Homeland Security®(HLS), unit develops advanced tactical Unmanned Aerial Vehicles (UAV) for modern day asymmetric warfare. The company is transforming the UAV industry through its use of advanced technologies and innovative applications. The unit is working on enhancing autonomy, endurance, and versatility of UAVs. HLS is integrating artificial intelligence and machine learning to its UAVs to perform dynamic path planning and autonomous navigation in challenging environment. Company with its strong research capabilities is working on indigenisation of core UAV technology along with its international partners to develop new inhouse UAV structural design, Autopilot, Gimbal Payload, Ground Control Vehicle and Software, SAR Radar and advanced Electronic Warfare payloads.

METALLURGY:

INDUSTRY OVERVIEW AND OUTLOOK

In FY2024, the entire German industry faced significant challenges due to persistent inflation, geopolitical instability in Europe, the ongoing Russia-Ukraine conflict, and rising energy and material costs. Despite these hurdles, the German government introduced various protective measures to support companies grappling with escalating commodity prices and the energy crisis.

German SMEs have been particularly hard hit, often unable to fully pass on the significant rise in costs to end customers. However, the anticipated synergy effects from the relocation of products and industries from Asia back to Germany are expected to yield long-term benefits. Relocating production facilities from China to Europe will enhance the company's product base and drive business growth. Dynamatic Technologies remains committed to focusing on a high-margin product mix, scaling up existing products, performance-critical components, customer diversification, and capacity utilization in this segment.

Germany's automotive industry, a cornerstone of its industrial sector, continues to face significant challenges. However, Germany's reputation as a global leader in high-tech automotive products, including autonomous driving technology, positions it well for recovery. The combination of cutting-edge research, seamless value chain integration, and a skilled workforce underscores Germany's strength in the automotive sector. Despite the current environment, Germany's auto industry is poised to leverage its capabilities to drive future success.

SEGMENT OVERVIEW:

Eisenwerk Erla GmbH, Germany, a subsidiary of Dynamatic Technologies, is a preferred supplier of complicated and sophisticated castings to leading global OEMs. The company's most important customers in this segment are BMW, MAN, LIEBHERR, AGCO, Vögele, Borg Warner Turbo Emission Systems, Daimler and Rotax.

Eisenwerk Erla is expanding its production of castings for agricultural and road construction vehicles as well as for stationary and sports engines, which are part of the newly developing business model. With its long history and major investments, the company has become one of the best developed iron foundries in Europe. The Erla ironworks produces extremely complicated iron and steel castings in the most difficult materials. The high level of research and development expertise ensures the plant's continued development as a modern foundry. Eisenwerk Erla continues to offer access to the latest technologies and global markets, which sets us apart from our competitors in this industry. The company's processing facilities are fully automated and utilise the latest technological innovations. This is the basis for high competitiveness and the opportunity to build on this expertise.

Operational Performance (Rs in lakhs)

Particulars	FY2024	FY2023	Change (%)
Revenue	47,081	41,661	13.01%
EBITDA	2,467	1,714	43.93%
Margin %	5.2%	4.1%	

Revenue for this segment was Rs. 47,081 lakhs compared to same period last year Rs. 41,661 lakhs. Segment EBITDA was Rs. 2,467 lakhs compared to Rs. 1,714 lakhs in FY2023.

In FY2024, the entire industry in Germany was severely affected by continuing inflation and instability in Europe, the ongoing Russia-Ukraine conflict and developments in energy and material costs. German SMEs are particularly hard hit in this regard and are generally unable to pass on the sharp rise in costs in full to the end customer.

The synergy effects from the announced relocation of products and industries from Asia back to Germany are expected to continue in the longer term. The relocation of production facilities from China to Europe will help to improve the company's product base and thus promote business growth. Overall, Dynamatic Technologies will continue to focus on a high-margin product mix, the ramp-up of existing products, performance-relevant components, customer diversification and capacity utilisation in this segment.

In view of the various challenges posed by the ongoing Ukraine conflict and the resulting inflation and supply chain crisis in Europe and especially in Germany, as well as the sharp and unpredictable rise in gas and electricity costs, Eisenwerk Erla has had to initiate protective measures on the basis of professional advice from experts.

For this reason, Eisenwerk Erla GmbH had applied for the "protective shield proceedings" in self-administration under German law.

The proceedings were successfully concluded in July 2024. The business operations of Eisenwerk Erla were not affected during this time and continued without restrictions. The majority of customers had supported this process by accepting the necessary price adjustments and continuing the business relationship.

Eisenwerk Erla is also implementing its transition plan to build up a further line of business for the manufacture of components for aircraft applications at the EEL site in addition to the existing production.

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 and DOET – Dynamatic Operational Excellence and Transformation, as its new business initiative to emphasise these aspects to the customer.

The Company has state-of-the-art inspection equipments like CMM and laser tracker, and high accuracy 5-axis machines which are one of the largest giga milling machines in the country. This giga milling machine is equipped with a special probing software system complying to Industry 4.0.

Dynamatic Technologies continues to maintain skill and competency of 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 and enables the management to provide employee development programs that are necessary for the business growth and sustainability.

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 FY2023, Airbus Group awarded the Global Sustainability Award to the company as a recognition of the services in delivering the products during Pandemic and post-pandemic period.

In FY2024, Boeing Defence awarded the Company with 'Global Supplier of the year award as a recognition of its services in delivering the products with highest on time delivery and quality performance.

Dynamatic-Oldland Aerospace®, UK is a demonstrated leader in the development of exacting airframe structures and precision aerospace components. It has a unique state-of-the art facility at Swindon, possessing complex 5 axis with robotic machining capabilities for the manufacture of aerospace components and tooling. Dynamatic-Oldland Aerospace®, UK specializes in reverse engineering, re-engineering, fixture design and 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 AS 9100 Rev D standards.

In addition, Dynamatic Technologies maintains accreditation for Environmental Management System (EMS) certification under ISO14001, Occupational Health and Safety Management System (OHSAS) certification under ISO45001, Information Security Management System certification under ISO/IEC 27001 and NABL-Competence of Testing & Calibration Lab accreditation to ISO/IEC17025.

Dynamatic Technologies offers its customers a comprehensive solution of high complex, highly skilled multi-axis machining from the UK and high value added, highly skilled sheet metal detail parts alongside 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)

Particulars	FY2024	FY2023	Change %	Comments
EBITDA	15,941	18,126	-12.05%	The operating margins has impacted due to subdued performance of Hydraulics segment during the year owing to unfavorable monsoon conditions in India and a production pause in the UK to implement a major product design modification. Net profit has improved on account of exceptional gain from the sale of windfarm land.
EBITDA Margins	11.2%	13.8%		
Net Profit	12,181	4,279	184.67%	
Net Profit Margins	8.5%	3.3%		

Particulars	FY2024	FY2023	Change %	Comments
Debt Equity	0.6	0.8	-25.0%	Credit metrics improved on account of pre-payment of long term debt by utilising the proceeds from the sale of windfarm land and increase in net profit during the year.
Current Ratio	1.3	1.1	19.1%	
Interest Coverage Ratio	1.5	1.7	-11.8%	

Particulars	FY2024	FY2023	Change %	Comments
Return on Net Worth	18%	9.27%	97%	Due to increase in net profit during the year.
Return on Assets	7.75%	2.80%	177%	
Return on Capital Employed	37.14%	11.76%	216%	

Particulars	FY2024	FY2023	Change %
Creditors Turnover	3.22	2.82	14%
Debtors Turnover	5.1	5.6	-9%
Inventory Turnover	2.2	2.3	-4%

FINANCIAL CONDITION:

Share Capital (Rs in Lakhs)

Particulars	FY2024	FY2023	Change (%)
Share Capital	679	679	-
Reserves & Surplus	66,095	53,518	24%

As of 31st March 2024, the Company has an authorized share capital of Rs 2,500 lakhs, divided into 2,00,00,000 equity shares of Rs10/- each and Rs 500 lakhs divided into 5,00,000 redeemable cumulative preference shares of Rs100/- each. The Company's issued, subscribed and paid-up equity share capital is Rs 679 lakhs.

The Reserves and Surplus were Rs. 66,095 as on 31st March 2024, an increase amounting to Rs. 12,577 lakhs compared to 31st March 2023

The change is attributable to: (Rs in Lakhs)

Particulars	FY 2024
Profit for the year	12,181
Credit balance arising on consolidation	801
Other Comprehensive Income / (Loss)	410
Net Comprehensive Income for the year	**13,392**
Dividend Distribution	(815)
Net Movement in Reserve and Surplus	**12,577**

Borrowings: (Rs in Lakhs)

Particulars	FY2024	FY2023	Change (%)
Long term borrowings	23,440	36,122	-35.1%
Short term Borrowings	22,376	25,718	-13.0%
Total	**45,816**	**61,840**	**-25.9%**
Lease Liability	12,693	13,514	-6.1%
Total	**58,509**	**75,354**	**-22.4%**

Fixed Assets: (Rs in Lakhs)

Particulars	FY2024	FY2023	Change (%)
Property Plant and Equipment	57,292	44,338	29.2%
Intangible Assets	11,831	12,922	-8.4%
Capital work in Progress	998	7,852	-87.3%
Right-of-use assets	10,034	10,910	-8.0%
Total	**80,155**	**76,022**	**5.4%**

CAPITAL EXPENDITURE

During the year under review, the Company incurred capital expenditure of Rs. 8,217 lakhs for physical infrastructure and Rs. 483 lakhs for procurement of intangible assets. Significant investments have been made in building infrastructure, 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 12,178 lakhs, work in progress of Rs. 12,571 lakhs finished goods of Rs. 4,389 lakhs and stores and spares of Rs. 1,426 lakhs.

OPPORTUNITIES & THREATS:

Aerospace and Defence Sector Growth:

The Indian Defence sector, representing the second-largest armed force globally, stands at the forefront of a transformative era. As part of the 'Aatmanirbhar Bharat' or Self-Reliant India initiative, the Defence and Aerospace sector emerge as key focal points, deriving significant benefits from indigenous manufacturing infrastructure and research and development. The Union Budget 2023-24 has allocated INR 1,62,600 Cr for defence services modernization and infrastructure, signifying a 6.7% increase over FY2022-23. The total budget allocation for the industry amounted to INR 5.94 Lakh Cr, reflecting a 13% surge from the preceding year. The Ministry of Defence aims for a turnover of INR 1.75 Lakh Cr in aerospace and defence manufacturing by 2025, inclusive of INR 35,000 Cr from exports. As of April 2023, 606 Industrial Licences have been issued to 369 companies in the Defence sector. To stimulate exports and garner foreign investment, FDI in the Defence sector has been elevated to 74% through the Automatic Route and 100% through the Government Route.

[Source: Ministry of defence, Government of India]

Focus on Civil Aviation:

Civil aviation stands as among India's fastest-growing sectors, prospectively serving over 500 million domestic and international travellers by 2030 and potentially leading the global aviation market leadership by 2047. In 2022, domestic passenger numbers increased by nearly 50% upsurge, while international traffic had over a 150% surge. In the first half of 2023, domestic airlines transported more than 76 million passengers, reflecting a growth of over 32% year-over-year. The number of airports has expanded from 74 in 2014 to 147 in 2022, with a projection of 220 by 2025.

India's Vision 2040 outlines ambitious development plans for the sector, comprising a five-fold increase in airport capacity to accommodate over a billion passenger trips annually. The Airports Authority of India (AAI), plans to privatize and optimize airport operations through public-private partnerships, integrating profitable and non-profitable airports.

Support from Government and Industry:

Infrastructure investments are anticipated to increase to USD 778.90 billion in FY2020-25, thus providing a significant boost to demand for capital goods. Under Budget 2023-24, the capital investment outlay for infrastructure was increased by 33% to 10 Lakh Crores (USD 122 billion), constituting 3.3% of the GDP. The National Capital Goods Policy aims to increase industrial production of the sector to USD 100 billion, playing a pivotal role in fostering significant contributions to 'MAKE IN INDIA'. It also took steps to promote technology, skills, exports, and common facility centers in an effort to fortify the overall industrial infrastructure.

Major aircraft manufacturers such as Boeing and Airbus view India as a vital market for exports and manufacturing, given the high demand for aircraft, strategic location, engineering capabilities, and competitive labor costs. Foreign OEMs are increasingly collaborating with Indian suppliers and SMEs to forge a robust aerospace ecosystem within the country. Companies in the U.S. also recognize significant opportunities in airport infrastructure, MRO projects, and the expansion of pilot and staff training facilities amidst ongoing airport privatization.

Growing demand for agricultural machinery and equipment:

The agricultural sector in India has had transformative changes over recent years, embracing modern technologies to enhance agricultural output and efficiency. The government's focus on farm mechanization, exemplified by initiatives like custom hiring centers and farm machinery banks, underscores this shift. India's stature as a leading manufacturer of farm equipment such as tractors, harvesters, and tillers, combined with a strategic emphasis on improving farmers' livelihoods, positions it for continued growth in this sector. Innovation in the farm machinery sector is poised to drive the next phase of agricultural growth in the country. The Government of India has been steadily encouraging mechanization through different policy interventions. The technologies that have evolved in the farm machinery sector in the last few years harbor enormous potential to realize the vision of the 'Make in India' initiative, which promotes innovation and investment.

Investment in R&D:

The Indian Government has been increasing its investment in R&D to foster innovation and development of new technologies in the country. The Government has launched several initiatives in recent years to promote R&D in the country. The 'Make in India' initiative, started in 2014, aims to promote manufacturing in the country and position it as a global hub for innovation. The 'Atal Innovation Mission' strives to promote innovation and entrepreneurship, while the 'Smart Cities Mission' aims to cultivate 100 smart cities in the country to promote sustainable development and R&D in various fields.

Diverse Product Portfolio and End Market Segments:

Dynamatic Technologies has a diverse product portfolio that spans across three key business segments: Hydraulics, Aerospace, and Metallurgy. This diversified approach ensures that the Company's performance remains relatively stable and not reliant on any single industry segment. Dynamatic Technologies continues to remain dedicated to advancing its technological and manufacturing capacities, particularly in its aerospace division. The company is poised to benefit from an expanded aerospace order book and anticipates that the growing demand in the Aerospace and Hydraulics sector will significantly enhance its overall performance.

Regulatory changes:

With regulatory environments tightening, particularly around environmental and safety standards, manufacturing complexities and costs are on the rise. Dynamatic Technologies leverages its extensive R&D capabilities and diverse product offerings to adapt and thrive under these new regulations. Government investments in infrastructure and the agricultural sector further amplify Dynamatic's ability to capitalize on emerging opportunities, thereby reinforcing its market position.

RISKS & CONCERNS:

Global Economic Uncertainty:

Fluctuations in global markets, spurred by geopolitical unrest such as the conflicts in Ukraine, Gaza, and Israel, possess the potential to cause sudden spikes in prices and tighten labor markets, leading to increased interest rates and diminished asset values. Variations in the rate of disinflation across major economies might trigger destabilizing currency fluctuations, placing stress on financial markets. Additionally, rising raw material costs and higher interest rates render capital expenditures more burdensome. As a global entity in capital-intensive industries, Dynamatic Technologies faces significant risks from these uncertainties, which could adversely affect its operational performance.

Intense Competitive Landscape:

The business environment in which the Company operates is characterized by high competitiveness. The industry is marked by rapid evolution and high innovation, where competition remains intense and rigorous. Most OEMs maintain multiple suppliers for their products and do not prefer exclusive contracts and the inability to meet the cost and product demand of customers could influence business, financial condition, and results of operations. However, At Dynamatic Technologies, we value our long-standing relationships with our customers and strive to continuously engage with them. We offer high-quality products, competitive pricing, and adapt to their evolving needs, providing a valuable proposition.

Technological Evolution:

In an era where technological advancement is relentless, Dynamatic Technologies faces the continuous challenge of adapting to rapid changes to avoid obsolescence. The industries in which it operates are vulnerable to the swift evolution of technology, further intensified by the emergence of formidable domestic and international competitors. To mitigate this risk, Dynamatic Technologies heavily invests in its research and development capabilities. The company's dedicated R&D team is constantly engaged in exploring and integrating the latest technologies, enhancing product offerings to meet the dynamic demands of the market, thereby securing a strategic advantage over competitors.

Foreign Currency Fluctuations:

With operations spanning multiple countries, Dynamatic Technologies is exposed to the complexities of foreign currency exchange. Fluctuations in exchange rates can significantly impact financial outcomes. The company mitigates these risks through a comprehensive hedging strategy and by utilizing natural hedges. The company continuously monitors global currency trends, allowing for timely adjustments to its operational strategies. By striving to balance revenues and expenses in the same currencies, Dynamatic minimizes the effects of currency translation differences, thus safeguarding its financial resilience.

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 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 sub-tiers consistently produce components as per specifications.

Aerospace:

During FY2024, your Company has successfully completed the surveillance and re-certification audits to ISO: 14001:2015 standard for its Environmental Management System, Information Security Management System (ISO/IEC 27001:2022) and Occupational Health and Safety Management System (OHSAS) certification to ISO45001:2018. 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 major non-conformances.

Dynamatic Technologies is 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.

Hydraulics: Dynamatic Hydraulics® has successfully completed the re-certification audits by UL DQS India, to ISO: 9001 specifications for Quality Management System and also to ISO:14001 specifications for its Environmental

Management System. The Company has also successfully completed ISO 45001 AUDIT for occupational health and safety management systems OHSAS. Certification to ISO 27001:2022 is also completed satisfactorily.

Metallurgy: In the FY2024, Dynamatic Technologies successfully confirmed again the level of AS9100 standards at the Eisenwerk Erla GmbH plant. The company successfully completed the recertification process in November 2023

The Dynamatic Quality Management System (DQMS) addresses the quality requirements set out by the global 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 Technologies Limited has a well-established Information Security Management System ('ISMS'), against the international standards ISO/IEC 27001 certified by DQS India since March 2018 and recertified with latest version 2022 for Dynamatic-Oldland Aerospace and Dynamatic Manufacturing Limited. The standard addresses growing global cybersecurity challenges and improve digital trust, helps us to secure our vital information assets which are required for our business.

During the current year, the company has successfully completed all internal audits and customer 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. Data security risks are all addressed in the ISMS Policies and Procedures. The Information Security Management System (ISMS) addresses the Data Security requirements and expectations of Aerospace customers like Airbus, Boeing, Bell, and HAL.

Datacentre is upgraded to high end "virtualization", wherein, virtual servers are configured and used for various applications, the performance has enhanced, and data storage is now more effective and reliable. Vulnerability Assessment and Penetration Tests (VAPT) are conducted yearly, and any vulnerability identified are addressed and fixed.

To protect the company data from ransomware, immutable backup of internal data and customer data is implemented. Emails are protected using unified security solution for users and devices. The solution protects against the most sophisticated attacks on email, collaboration applications, endpoints. This has enabled users to access mails and use features such as online meetings more effectively. Next Generation Anti-virus (NGAV) tools are implemented to safeguard company data from ransomware, viruses and malwares for our endpoints and servers. Next generation Firewall implemented to protect the network which has Intruder detection and Intruder prevention System (IPS/IDS), threat emulation to protect from all cyber threats.

To enhance effectiveness in our functional systems, SAP Infrastructure on the cloud is implemented. Functional users can access SAP application securely over the internet. Awareness training is continuously provided 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 measures, our IT system meets the customer expectations 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. Cybersecurity posture is continuously updated and improved from time to time.

DIGITAL TRANSFORMATION: Dynamatic Technologies extended its SAP implementation to new functional area of Human Resources & Payroll in the financial year 2023-24. This project has helped the digital transformation of the entire HR department and streamline all the policies and procedures across India operations and we have integrated the SuccessFactors logins with Microsoft 365 active directory for single sign-on (SSO). Also, we developed and deployed multiple dashboards like Revenue, Procurement, Inventory, HR Costing for MIS reporting using Power-BI which is seamlessly integrated with SAP. We are also working on various automation and continual improvement projects, will help us to have better operational and cost efficiencies at group level.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Internal controls and systems serve multiple needs in any organisation. Well- designed internal control systems lay down the framework for day-to-day operations and provide guidelines for employees and most importantly, provide a certain level of security against the risks. The primary responsibility for the development and maintenance of internal control rests with an organization's management. Internal control evaluation involves everything management does to control the organization in the effort to achieve its objectives. Your Company's control system and procedures are regularly reviewed for relevance and effectiveness.

SUPPLY CHAIN MANAGEMENT (SCM) AND PRODUCTIVITY:

Dynamatic Technologies supply chain has a vision to provide flexible, sustainable and an efficient services and products lines 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, Dynamatic Manufacturing Limited has also been converted into an Export Oriented Unit (EOU). During the year, focus was laid on stabilisation of operations within the 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 & custom 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:

Environment & Safety stand foremost in the responsibility matrix of Dynamatic Technologies. It focusses on energy use, waste reduction, preventing pollution, conserving natural resources and ensuring safety of its employees and stake holders.

The Dynamatic campus at Aerotropolis has a well-managed green park. Dynamatic Technologies takes steps to ensure sustainable use of resources, maintain ecological balance, and take protective steps to minimise waste generation. A compassionate attitude towards the environment is an integral part of operations and the company's vision of sustainable and responsible growth.

The recharge wells established as part of rainwater harvesting in your Aerotropolis premises can absorb and contain more than a million litres of rainwater flowing down from the adjacent forest enriching the entire Aeropark industrial area. The plants in the aeropark road median are also always drip irrigated assuring greenery.

Dynamatic Technologies Limited is an ISO 14001-certified company. The company is ensuring its environmental 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 at optimising the usage of natural resources and implementing green technologies for production wherever possible. Wastewater treatment have been adopted at all plants to minimise water consumption and wastage, considering the fact that shortage of water is a growing concern in our country. All the manufacturing hangars of the company are naturally ventilated and solar power utilisation is encouraged. Use of "single use" plastic is avoided.

DOA teams selected for International Competitions for Quality Circles, both won Gold Medals for their presentations. The Lean and 6 Sigma projects, activities and training programs have helped in building such successful teams.

SAFETY AND HEALTH:

Assuring employees' safety by reducing potential risks and ensuring total compliance across your entire organisation has been the motto of the management of Dynamatic Technologies. A comprehensive corporate safety manual has been developed identifying the responsibility of employees and management which serves as an induction kit to all employees. Well trained safety officers and divisional HR team provide the necessary awareness training to all. A comprehensive audit by an external agency was carried out last year on industrial safety, health & welfare activities of the company. This assures stake holders that no gaps exist in the system.

To realise its aim of zero incidents emphasis has been placed on making and implementing rules, training employees on preventive measures, and setting up fool-proofing measures on site. This is further complemented 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 that are focused on the health and safety of its employees on the shop floor. Awareness campaigns have been undertaken to enforce the use of personal 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 maintaining records. The facilities are also certified for ISO 45001 on Occupational Health and Safety Management Systems by DQS.

The challenges faced during the pandemic have brought in certain discipline amongst the employees. Although normalcy has been noticed everywhere, the proactive measures such as testing, tracking, etc. are being continued in the company and these Bio-labs and Pathology labs have been maintained in house as a preventive measure. The bio–Lab is a NABL certified (ISO 15189:2012) and ICMR approved state–of-the-art Molecular Testing Lab. This lab is dedicated to its employees, stakeholders and industry partners. This lab has all necessary infrastructure and experienced Microbiologists, Research Scientists, and Laboratory Technicians.

The required devices in this regard, such as masks, face shields, hand gloves, and 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.

National Safety Week was celebrated in the plant, and a few events were conducted to raise awareness of safety while at work and while away from work. The safety committee ensures special sessions are conducted regularly and safety measures are initiated proactively in the company.

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 not only providing our employees with 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, the use of personal protective equipment on the shop floor, and continuously educating the workforce through training programmes and demonstrations. The management team also works towards implementing 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.

The company wishes to put on record its appreciation of the cooperation extended and efforts made by all employees.

Further, in view of employee health & welfare we have tied up with 2 nearby hospitals in Peenya for all medical help and exigencies. We have introduced term life insurance for all employees, group parental insurance facility is extended for employee parents. Annual health check has been carried out every year.

DTL has introduced SAP HR modules to digitise and safely protect employee data and to manage employee's attendance & leave availed data on real time basis in the system. The HR SAP system covers all the modules from hiring to retiring. The employee data is safely protected in servers and in cloud.

Reward and recognition of Employees: long term service award process to the workmen is continued. Those who have completed 15 years of continuous service have been rewarded with a Titan watch and those who have completed 25 years of continuous service have been rewarded with a gold coin with D Logo.

Employee Engagement: DTL celebrated family day on the pretext of Kannada Rajyotsava, conducted indoor and outdoor sports activities, cultural functions, and felicitation of retiring employees. DTL celebrated Women's Day on International Women's Day. Ayudha Pooja on during Dasara festival and Laxmi Pooja on Diwali. Celebrated Kannada Rajyotsava on 1st Nov 2023 and National Safety week in March 2024.

Provided recreational centre to the employee refreshment at Unit 1 and 2 with facility for playing carrom, chess and table tennis to engage employees during breaks.

Initiated Employee Day-out and engagement with refresher training, flexi working hours for managerial categories to manage work life balance.

Provided on site safety training to all the employees across the Units.

The number of people employed as on 31st March 2024 was 747. Industrial Relations were satisfactory during the year.

The Company wishes to put on record its appreciation of the co-operation extended and efforts made by all employees.

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 mature, 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 the aim of achieving mutual growth. The company has put in place an HR development framework to ensure employees' career progression and greater connection with the vision and mission of the company. This framework rides on multiple programmes and opportunities for individual training and development, skill upgrade schemes, a congenial atmosphere for labour-management relationships, 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, managing, and retaining the best talent in the market as we focus on optimising 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 dynamic 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:

A workshop on prevention, prohibition, and redressal of sexual harassment of women at the workplace was conducted, wherein, all employees participated, as a refresher training on Workplace Harassment.

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

Women's Day was celebrated by giving away a memento to all the women employees, celebrating their strength and resilience in managing home and work with ease.

One of the executives from the operations team was selected by the Army War College, Indore, to participate in the two-week Higher Command Course (HCC) Industry Joint

Capsule. This course brought the armed forces and industry representatives together for face-to-face discussions and enhanced the industry's collaboration with the armed forces.

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

Ayudha Pooja was traditionally celebrated during Navaratri in the month of October, recognizing the importance of maintaining tools and instruments that are used in operations.

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

Christmas was celebrated by emphasizing the "Joy of Giving". Grocery, home needs, essentials, blankets, clothes etc were collected by all employees of DOA and presented to a local Old Age Home.

The 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.

The 76th India's Independence Day was celebrated by hoisting the country's flag and thereafter, we visited the local government school. School bags and other school essentials were distributed to the school children.

Kannada Rajyotsava was celebrated by hoisting the Karnataka Flag and honouring the state.

Family day "Drishti" was organised on 24th February 2024. More than 3000 guests, which included employees and their families participated, making the event a grand success. Stalls showcasing the prototypes of the products manufactured in the Company were proudly displayed by the employees. Children enjoyed the activities and games. They were also recognized for their academic excellence by the MD. Quality month prizes and sports prizes were given away to the winners. The event closed with a grand cultural program by the employees.

International Day of Democracy was celebrated on September 15 to uphold and honor the values of democracy, which is one of the most popular forms of government in the world. We at DOA, pledged the preamble of the Constitution on September 15, 2023.

53rd National Safety Day on 1st March is an occasion for emphasizing the paramount importance of prioritizing safety across workplaces, communities, and organizations. It serves as a potent reminder of the need to prevent accidents, injuries, and fatalities, reinforcing the value of human life and well-being. The same was highlighted to all the employees.

The annual health checkup for all employees was done in the month of January 2024.

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.

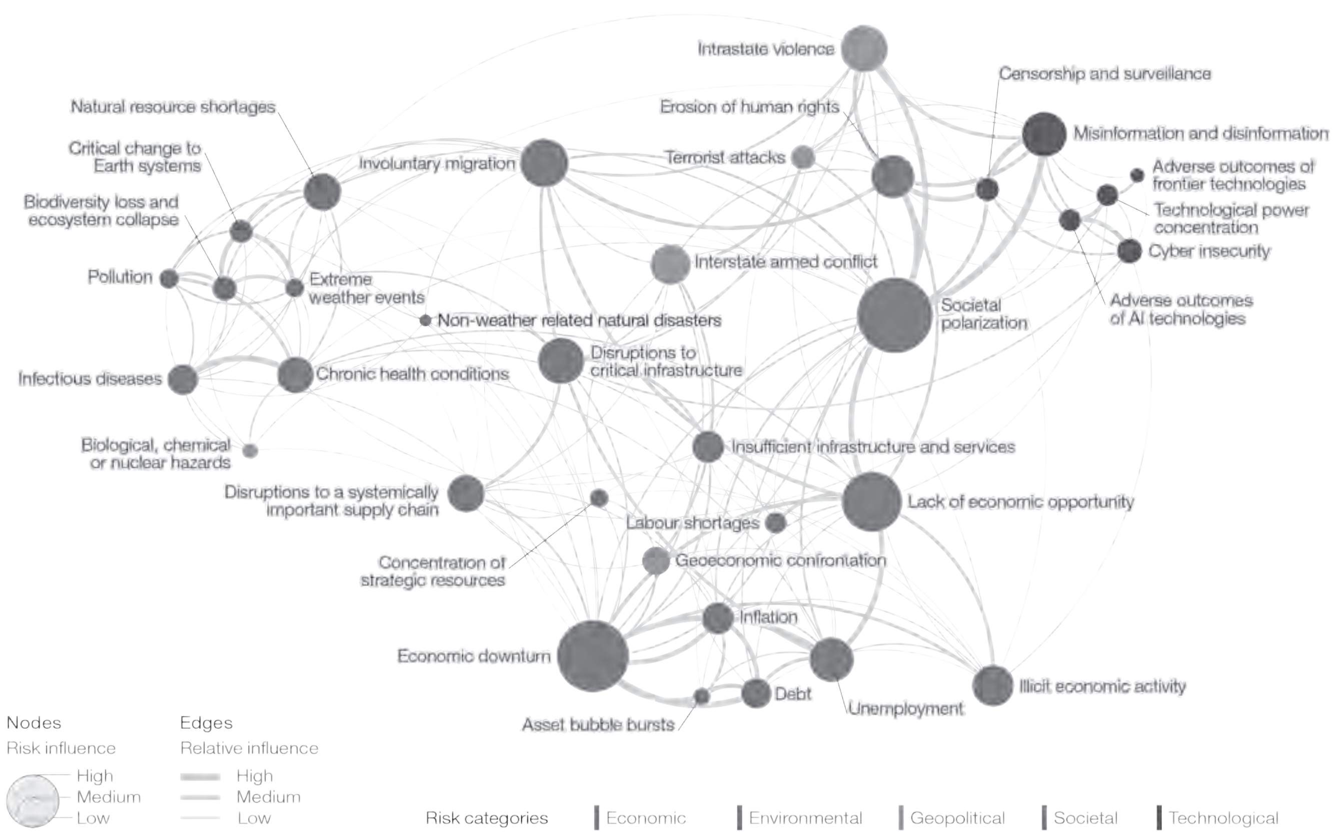
Overview

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 analysis of risks; early implementation of corrective actions; continuous monitoring and reassessment; and communication, documentation, and coordination

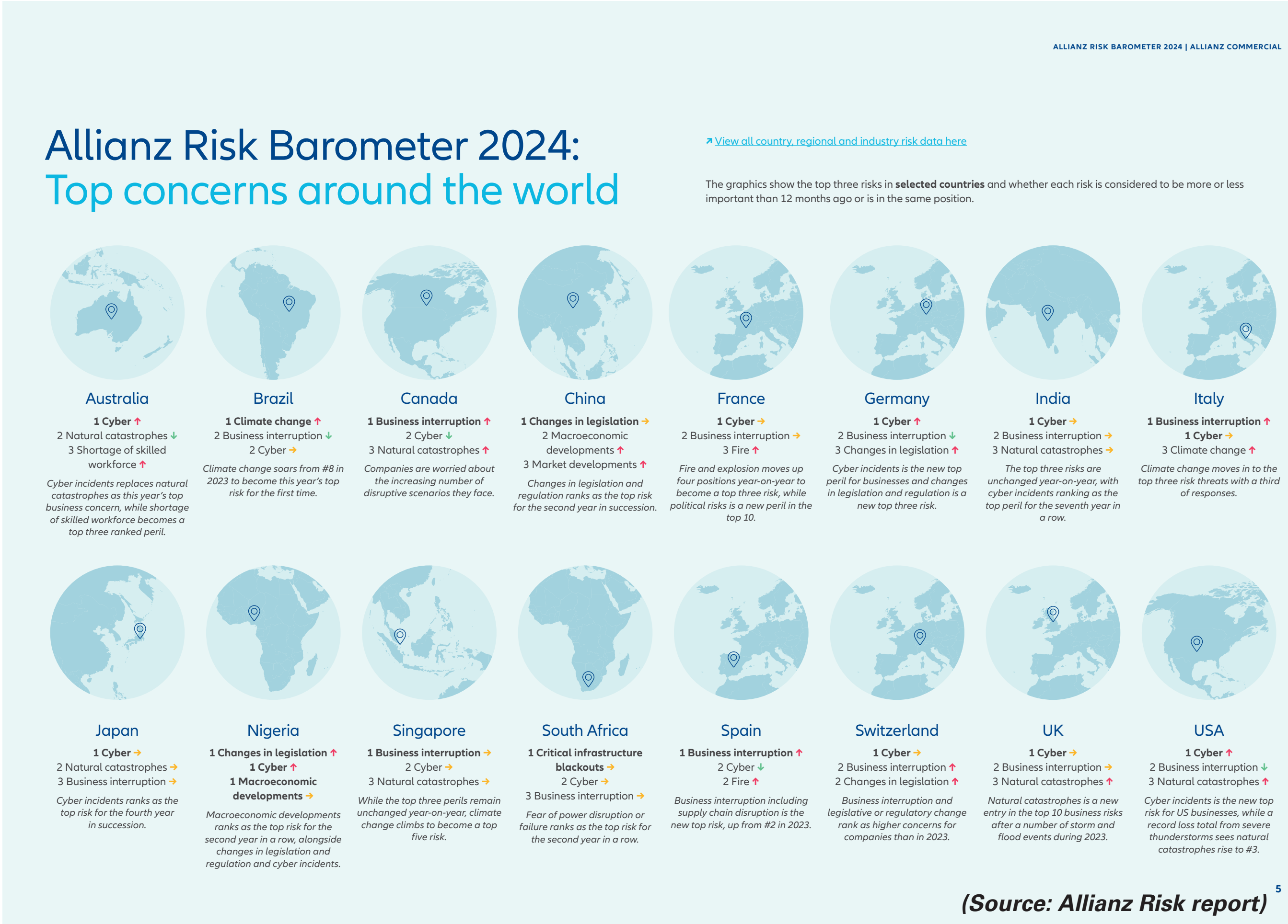
The Company has a well-defined Risk Management Policy which has been developed after taking cognizance of the relevant statutory guidelines, Company internal guidelines, empirical evidences and stakeholder feedback. Dynamatic Technologies believes that Risk Management is the culture, processes and structures 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 World Economic Forum,The Global risks report the following are the major Risks identified

Global risks landscape: an interconnections map

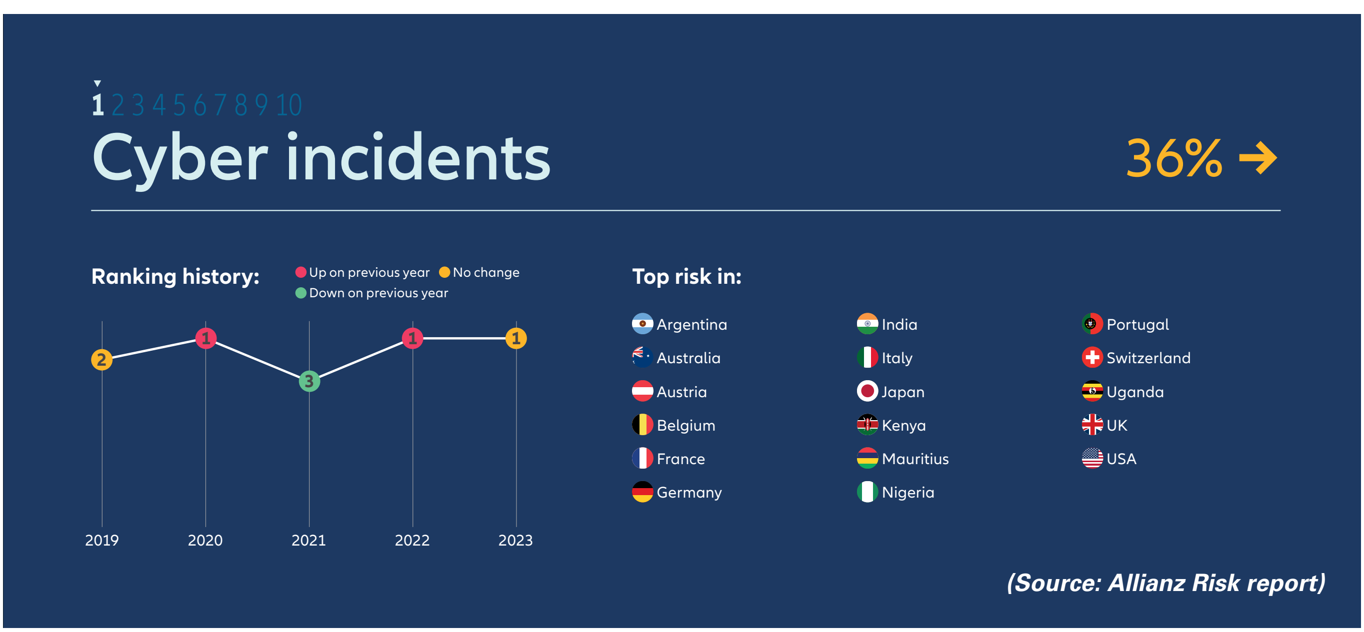


Source
World Economic Forum Global Risks Perception Survey 2023-2024.



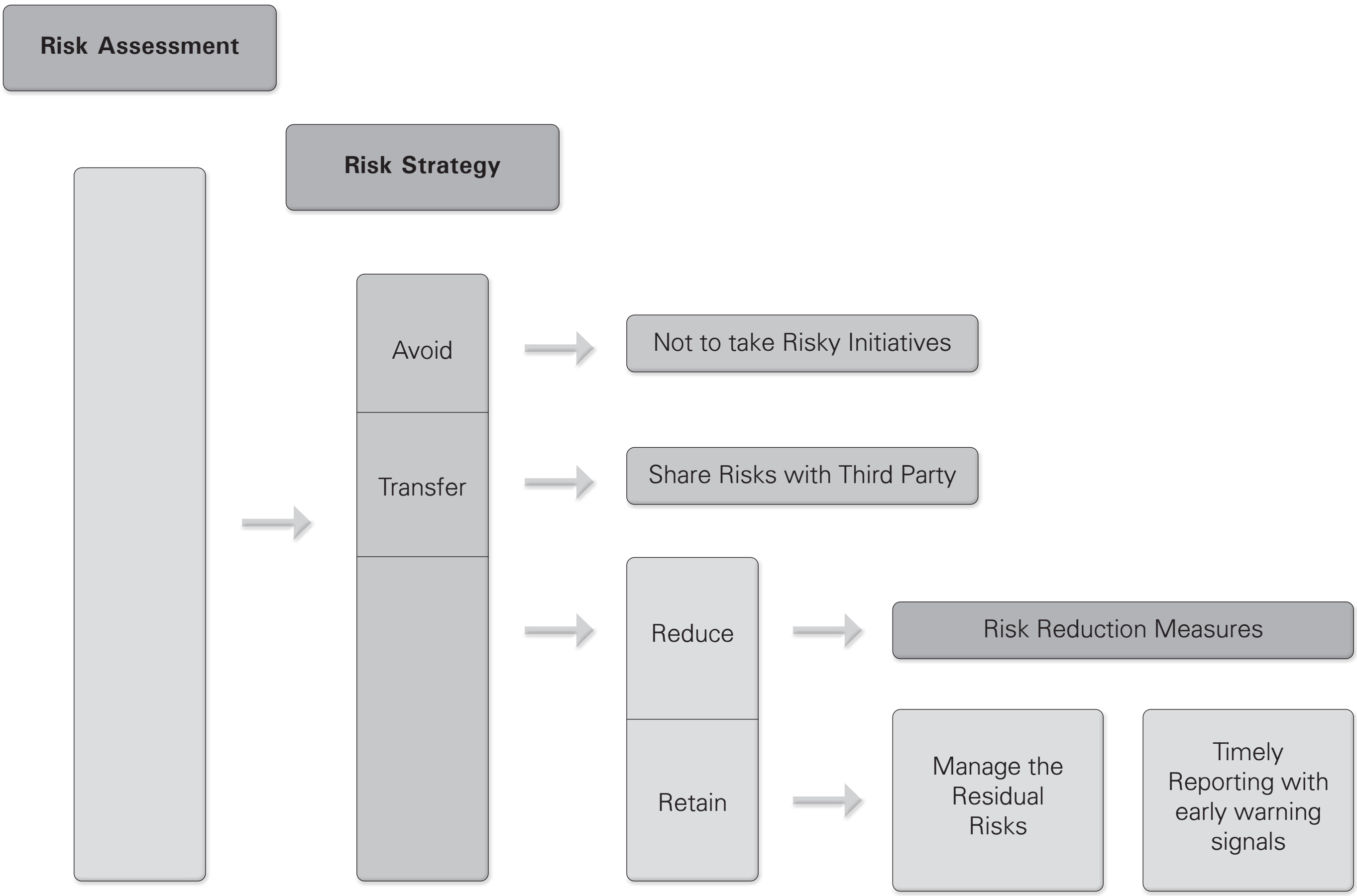
Cyber Risk

In India Cyber risks is the top risk for the sixth year in a row. The Overall trend of cyber risks in important markets is mentioned below (Source: Allianz Risk report)



Dynamatic Technologies Limited Risk Management Framework

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

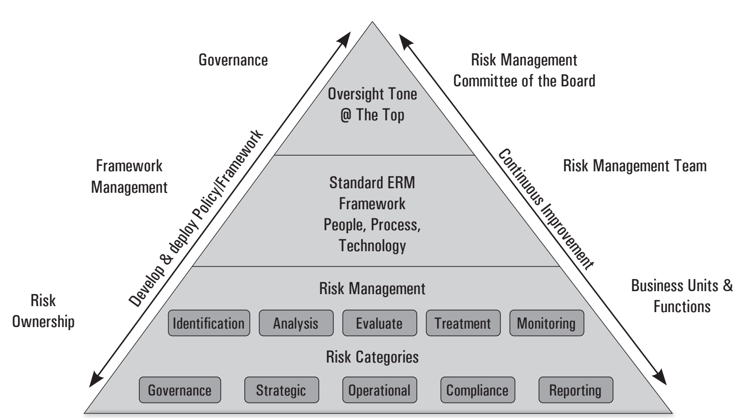


Key Business Objectives

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 which 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 crisis, 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

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BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING FOR THE FY 2023-24

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.

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. Several policies and standards are in place to underpin it sustainability core values, covering business ethics and governance, the Dynamatic Code of Conduct, Supplier Code of Conduct, the CSR Policy, and Health & Safety Policy.

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
3. Year of incorporation: 1973
4. Registered office address: JKM Plaza, Dynamatic Aerotropolis, 55, KIADB Aerospace Park, Bangalore 562149
5. Corporate address: JKM Plaza, Dynamatic Aerotropolis, 55, KIADB Aerospace Park, Bangalore 562149
6. E-mail: investors.relations@dynamatics.net
7. Telephone: + 91 80 2111 1223/ +91 80 2204 0535
8. Website: www.dynamatics.com
9. Financial year for which reporting is being done 1st April 2023 to 31st March 2024
10. Name of the Stock Exchange(s) where shares are listed: BSE & NSE
11. Paid-up Capital: INR 6,79,14,430
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 – COO Hydraulics
4	Telephone number	+ 91 80 2111 1223 +91 80 2204 0535
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.

13a. Name of Assurance Provider – NA

13b. Type of Assurance obtained - NA

II. Products/services

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

S. 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 Aeronautic, Hydraulic and Security applications. With futuristic design, engineering and manufacturing facilities in Europe and India, the company can 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.	100%

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	49.55%
2.	Hydraulic Gear Pumps and Motors Rock Shaft Assembly & Hitch Control Valves Lube Oil & Water Pumps	2813	50.44%

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	3	8
International	3	5	8

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	PAN - India
International (No. of Countries)	DTL exports to countries across Asia, Europe, and US

b. What is the contribution of exports as a percentage of the total turnover of the entity :54.48%

c. A brief on types of customers

Aerospace:

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, Deutsche Aircraft, and Thales. 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, doors 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.

Hydraulics:

The Dynamatic Hydraulics® facility has over 50 years of experience in the design and manufacture of Gear Pumps and supplies products to Agricultural, Construction and On-Highway vehicle manufacturers.

It designs and manufactures hydraulic gear pumps in both aluminium and cast iron, available in multiple frame sizes. The product range includes high-efficiency gear pumps, low noise pumps, high-pressure pumps, axial piston 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, high-flow scavenging pumps, lube oil pumps, and water pumps for high-horsepower engines, which are used in off-highway vehicles, marine, and offshore equipment. Additionally, the Company designs and builds customized hydraulic solutions, from simple hydraulic pumping units to complex marine power packs, aircraft ground support systems, and turnkey industrial installations. The key customers include global OEMs such as Mahindra & Mahindra, John Deere, JCB, Tafe, Cummins, Alexander Dennis, Macdon, ACE.

IV. Employees

18. Details as at the end of Financial Year: 2023-24

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)	429	385	90%	44	10%
2.	Other than Permanent (E)	11	9	82%	2	18%
3.	Total employees (D + E)	440	394	90%	46	10%
WORKERS						
4.	Permanent (F)	318	314	99%	4	1%
5.	Other than Permanent (G)	745	733	98%	12	2%
6.	Total workers (F + G)	1063	1047	98%	16	2%

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	8	1	12.5%
Key Management Personnel	4	-	-

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

Particulars	FY 2023-24 (Turnover rate in current FY)			FY 2022-23 (Turnover rate in previous FY)			FY 2021-22 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	25%	39%	26%	44%	50%	45%	18.58%	9.80%	17.57%
Permanent Workers	31%*	-	31%	24%	22%	24%	1.86%	-	1.84%

**The turnover is owning to transfer of employees from Dynamatic Technologies Limited (Holding Company) to Dynamatic Manufacturing Limited (Subsidiary Company) during the year.*

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

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

W	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	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 Rs.) – 58,186 Lakhs

iii. Net worth (in Rs.) – 60,044 Lakhs

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)	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	(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
Communities	-	-	-	-	-	-	-
Investors (other than share holders)	-	-	-	-	-	-	
Shareholders	The company has appointed Kfintech, SEBI registered Registrar & Transfer Agents to provide share registration and related services to shareholders and investors. During FY 2023-24, there were no investor complaints pending for resolution at the end of the year.						
Employees and workers	Yes. The grievance redressal mechanism consists of immediate reporting manager, representatives of recognized Union, Dedicated Industrial Relations Managers and HR Business Partners at each factory locations.	-	-	-	-	-	-
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)	-						

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 riskor 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 undertaken to address key KPI under environment	Positive
4	Products Solutions and Services	Opportunity	Opportunity towards improving products and services and from the sustainability aspects, address aspects of resource 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 Human Rights policy 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	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.	Negative
9	Environmental Footprint – Water management	Risk	Water scarcity can impair the company's operations and disrupt business	Employee education on saving water, more efficient use of water in campuses, Rain water harvesting, recycling of waste water.	Negative
10	Social Responsibility – Alignment with local communities	Risk	The business must be rooted in community and be aligned with the community's larger interests. Any adversarial relationship can hurt the company's ability to create longer term value.	Fostering local communities, job creation, skill development, supporting local relief efforts where required in times of crisis and paying taxes.	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.	Dynamatic Technologies Limited (DTL) policies are based on the NVG principles and conform to the international standards like ISO 9000, 14000, 27001 and 45001, UNGC principles, ILO principles and United Nations SDGs. DTL follows GRI standards for measuring its sustainability performance on Climate Change and Water and has also committed to Science Based Targets initiative (SBTi)
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 making 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 workplace.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Udayant 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.	Corporate Social Responsibility Committee (CSR Committee). For composition of CSR Committee, please refer Corporate Governance Report which forms part of this Annual Report.

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 annually 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 MD & CEO/CFO/CS, on a quarterly basis 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.	No.								

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 the 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 subcontractors 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.

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 the 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. The total number of training and awareness programmes held; 1 (One)	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. The total number of training and awareness programmes held: 1 (One)		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

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 complaints 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 – NA

8. Number of days of accounts payables ((accounts payable *365)/cost of goods/services procured) in the following format:

	2023-24 (current financial year)	2022-23 (Previous financial year)
No of days of accounts payable	130	138

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	2023-24 (current financial year)	2022-23 (previous financial year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	-	-
	b. Number of trading houses where purchases are made	-	-
	c. Purchases from top 10 trading houses as % of total purchases from trading houses.	-	-
Concentration of Sales	a. Sales to dealers/ distributors as % of total sales	15.9%	14.9%
	b. Number of dealers/ distributors to whom sales are made	48	48
	c. Sales to top 10 dealers /distributors as % of total sales to dealers/ distributors	49.8%	47.8%
Share of RPTs in	a. Purchases (purchases with related parties/total purchases)	12.4%	1.9%
	b. Sales (sales to related parties/total sales)	3.6%	4.5%
	c. Loans & advances (loans & advances given to related parties/total loans and advances)	59.9%	6%
	d. Investments (Investments in related parties/total investments made)	100%	100%

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 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., are being periodically conducted by the respective divisions.

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.

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 to 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.

(Rs. in Lakhs)

Total Investments	Current Financial Year	Previous Financial Year	Details of improvements in environmental & Social impacts
R&D	-	-	-
Capex	-	-	-

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

Yes. 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.

The Company has policies and robust processes to ensure sustainable sourcing from Business Associates. The Company's Supply Chain policy governs all the engagements with Business Associates. The Company also evaluates Business Associates' commitment to the Company's supply chain management policy during selection/award of contract.

The Company practices responsible sourcing with respect to environment, safety, human rights, and ethics, apart from economic considerations. Strict confirmation of labour principles and related laws are mandatory requirements for suppliers to qualify. Works methods and standards, along with performance of supply and services, form a critical part of technical evaluation. In addition, safety evaluation and qualification are an integral part for the award and online vendor registration process.

2(b) If yes, what percentage of inputs were sourced sustainably? 100%

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 the Pollution Control Board's authorised facilities.

d) Other waste - Non-hazardous waste is sent to the authorized agency for safe disposal.

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 Control Boards? If not, provide steps taken to address the same.

   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 the 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.

Name of Product/ Service	Description of the risk/ concern	Action taken
Nil	Nil	Nil

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).

Indicate input material	Recycled or re-used input material to total material	
	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
NIL	NIL	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:

	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Re-used	Recycled	Safely Disposed	Re-used	Recycled	Safely Disposed
Plastics (including packaging)	NA	NA	5.21	NA	NA	5.16
E-waste	NA	NA	-	NA	NA	1.77
Hazardous waste	NA	NA	17.97	NA	NA	7.54
Other Waste	NA	NA	164.61	NA	NA	104.62

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
NA	NA

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. 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.

Health awareness and health promoting programs continued to be rendered by health professionals of the company on various platforms.

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	385	385	100%	385	100%	0	0%	7	2%	0	0%
Female	44	44	100%	44	100%	1	2%	0	0%	3	7%
Total	429	429	100%	429	100%	0	0%	0	0%	0	0%
Other than Permanent employees											
Male	9	9	100%	9	100%	0	0%	0	0%	0	0%
Female	2	2	100%	2	100%	0	0%	0	0%	0	0%
Total	11	11	100%	11	100%	0	0%	0	0%	0	0%

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

% of Workers 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 Workers											
Male	314	274	87.26%	274	87.26%	0	0%	5	2%	0	0%
Female	4	4	100%	4	100%	0	0%	0	0%	0	0%
Total	**318**	**278**	**87.42%**	**278**	**87.42%**	**0**	**0%**	**0**	**0%**	**0**	**0%**
Other than Permanent Workers											
Male	733	733	100%	733	100%	0	0%	0	0%	0	0%
Female	12	12	100%	12	100%	0	0%	0	0%	0	0%
Total	**745**	**745**	**100%**	**745**	**100%**	**0**	**0%**	**0**	**0%**	**0**	**0%**

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

	2023-24 (Current financial year)	**2022-23 (Previous financial year)**
Cost incurred on well-being measures as a % of total revenue of the company	1.40%	1.12%

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

Benefits	**FY 2023-24 Current Financial Year**			**FY 2022-23 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	6%	-	Yes	8.5%	-	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, color, 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%	100%	100%
Female	NA	NA	NA	NA

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 authorized persons by gathering, validating and analysing the data.

The observations and findings / recommendations are shared with the Counsellors. 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	2023-24 (Current FY)			2022-23 (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	314	314	100%	418	418	100%
Female	4	4	100%	4	4	100%

8. Details of training given to employees and workers:

Category	2023-24 (Current FY)					2022-23 (Previous FY)				
	Total (A)	On Health and Safety Measures		On Skill Upgradation		Total (D)	On Health and Safety Measures		On Skill Upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	385	385	100%	385	100%	1045	1045	100%	1045	100%
Female	44	44	100%	44	100%	55	55	100%	55	100%
Total	**429***	**429**	**100%**	**429**	**100%**	**1100**	**1100**	**100%**	**1100**	**100%**
Workers										
Male	314	274	87%	385	100%	375	375	100%	375	100%
Female	4	4	100%	44	100%	4	4	100%	4	100%
Total	**318**	**278**	**87%**	**429**	**100%**	**379**	**379**	**100%**	**379**	**100%**

*Excludes non-permanent employees

Training is integral to safety awareness, with health and safety training included in the employee induction module at the time of joining to ensure minimum mandatory awareness of health and safety (H&S). Regular reinforcement sessions are also conducted through webinars, training, posters, e-mails, and floor meetings.

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

Category	2023-24 (Current FY)			2022-23 (Previous FY)		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	%(D/C)
Employees						
Male	385	224	58%	257	234	91.05%
Female	44	17	39%	32	26	75%
Total	**429**	**241**	**56%**	**289**	**261**	**83.90%**
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. Safety is a core value over which no business objective can have a higher priority. 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 including ISO 45001:2018 requirement.

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 to 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 workers 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/workers of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes. All the sites have access to non-occupational medical and healthcare services either on-site or through tie-ups with reputed medical entities in proximity.

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

Safety Incident/ Number	Category *(including contract workforce)*	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Nil	Nil
	Worker	Nil	Nil
Total recordable work-related injuries	Employees	Nil	Nil
	Worker	Nil	Nil
No. of fatalities	Employees	Nil	Nil
	Worker	Nil	Nil
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Worker	Nil	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 behavior-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:

	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	Nil	Nil	Nil	Nil	Nil
Health & Safety	Nil	Nil	Nil	Nil	Nil	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. Statutory audits were conducted on health and safety practices during FY 2024 for our offices in India
Working Conditions	DTL locations are subject to site safety inspections and reviews periodically by internal health & safety team 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 (B) Workers (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/ workers 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

	Total no. of affected employees/ workers		No. of employees/ workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Employees	Nil	Nil	Nil	Nil
Workers	Nil	Nil	Nil	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 - Please refer to point number 6

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 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.

Essential Indicators:

1. Describe the process for identifying key stakeholder groups of the entity:

   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 based on 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.

Stakeholder group	Whether identified as vulnerable & marginalised Group (Yes/No)	Channels of communication (E-mail, SMS, newspaper, pamphlets, advertisement, community meetings, notice board, website), other	Frequency of engagement (annually/half yearly/ quarterly/others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders	No	Annual reports, earnings calls, newspaper advertisement/notices, the Company's website, annual general meetings, and press releases.	Quarterly/yearly	Providing information and update on the Company's performance
Employees	No	Code of Conduct, trainings, workshops, employee touch base and grievance mechanisms	Need-based, quarterly	Rewards, training and development, wellness and safety measures
Customers		Meetings at the customer premises, events, conferences, trade shows, leadership meetings, programme reviews and satisfaction surveys	Need-based	Product/service information, customer feedback
Academic institutions	No	MoUs, technology meetings, conferences, and seminars	Ongoing basis	Capability development and research
Suppliers, Vendors and Partners	No	Supplier code of conduct, contracts, training & awareness, and appraisals	Ongoing and needbased	Supplier sustainability
Communities	No	CSR policy, volunteering programmes.	Quarterly and annually	Community development
Trade Union	No	Right of all personnel to form and join trade unions of their choice and bargain collectively	Need-based	Long-term settlement discussions and training & development
Competitors	No	Through industry bodies, associations, seminars, exhibitions, and events	Ongoing and needbased	representing before statutory authorities Industry
Regulatory bodies	No	Statutes and regulations	Need-based	Statutory and regulatory compliances

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 update 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 for them 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 forced 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 focussed on creating a conducive work environment through constant bilateral communication with an aim to achieve mutual growth. The Company has put in place 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 upgradation 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' s 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 / workers 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.

Category	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	429	429	100%	347	347	100%
Other than permanent	11	11	100%	127	127	100%
Total Employees	**440**	**440**	**100%**	**474**	**474**	**100%**
Workers						
Permanent	318	278	87.42%	422	422	100%
Other than permanent	745	745	100%	626	626	100%
Total Employees	**1063**	**1023**	**96.23%**	**1048**	**1048**	**100%**

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

Category	FY 2023-24 Current Financial Year					FY 2022-23 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wages		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	385	-	-	385	100%	310	-	-	310	100%
Female	44	-	-	44	100%	37	-	-	37	100%
Other than Permanent										
Male	9	-	-	9	100%	9	-	-	9	100%
Female	2	-	-	2	100%	2	-	-	2	100%
Workers										
Permanent										
Male	314	-	-	314	100%	418	-	-	418	100%
Female	4	-	-	4	100%	4	-	-	4	100%
Other than Permanent										
Male	733	-	-	733	100%	735	-	-	735	100%
Female	12	-	-	12	100%	18	-	-	18	100%

3(a) Details of remuneration/ salary/ wages, in the following format

Median remuneration/ wages:

	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	37.5	1	4.5
Key Managerial Personnel**	5	85.93	-	-
Employees other than BoD and KMP#	459	6.63	57	3.25
Workers	286	7.20	4	8.36

**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*
 # The employee numbers is calculated based on total employees during the year.

3(b) Gross wages paid to females as % of total wages paid by the entity, in the following format

	2023-24	2022-23
Gross wages paid to females as % of total wages	6.89%	-

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. The Business & Human Rights Policy has been adopted by the Company and the Audit Committee of the Board has an oversight into the progress.

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

   The company upholds the principle of fairness in all its dealings, emphasizing the importance of collaboration with business partners and others. It firmly opposes any infringement upon human rights, including forced or child labor, both within its own operations and those of its partners. DTL is committed to upholding internationally recognized human rights standards, particularly among its employees and business associates. It fosters an environment of respect and support, valuing the personal dignity of each individual and promoting diversity while unequivocally denouncing discrimination or harassment within its workforce.

Moreover, the company has implemented a comprehensive grievance resolution mechanism, adhering to principles of natural justice, confidentiality, sensitivity, non-retaliation, and fairness. Concerns are addressed with utmost care and efficiency, ensuring timely action and closure. Through a meticulous investigation process, all parties involved are afforded the opportunity to present facts and evidence, guaranteeing fairness and transparency throughout.

6. Number of Complaints on the following made by employees

	FY 2023-24			FY 2022-23		
	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	-	-	-	-	-	-
Discrimination at workplace	-	-	-	-	-	-
Child Labour	-	-	-	-	-	-
Forced Labour/ Involuntary Labour	-	-	-	-	-	-
Wages	-	-	-	-	-	-
Other human rights related issues	-	-	-	-	-	-

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	2023-24	2022-23
Total complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	NIL	NIL
Complaints on POSH as a % of female employees/workers	NIL	NIL
Complaints on POSH upheld	NIL	NIL

8. 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.

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

   Yes, Human rights are part of the integrity clauses both sales and buy side. The company's code of conduct requires suppliers to uphold human rights in their businesses, prioritizing the absence of child and forced labour and upholding the laws of the land relating to human rights related aspects.

10. Assessments for the year

Particulars	% of your plants and offices that were assessed (by entity of statutory authorities or third parties)
Child labour	100% by External Auditor
Forced/ Involuntary labour	100% by External Auditor
Sexual Harassment	100% by External Auditor
Discrimination at workplace	100% by External Auditor
Wages	100% by External Auditor
Others – Please Specify	-

11. 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

   To assess actual and potential human rights impacts, DTL regularly conducts systematic human rights risk assessments and identify its salient human rights issues at the entity level and plans to implement appropriate measures to cease, prevent or mitigate adverse human rights impacts along its full value chain.

2. Details of the scope and coverage of any Human rights due diligence conducted

   DTL's commitment to inclusivity and diversity, particularly in ensuring accessibility for differently abled individuals, is commendable. By designing work areas, restrooms, common spaces, and movement areas with accessibility in mind, DTL is not only meeting legal requirements but also fostering an environment where all employees feel valued and supported. This approach not only benefits individuals with physical disabilities but also enriches the workplace culture by promoting equality and understanding.

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

DTL 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 DTL campus at Aerotropolis, Devanahalli has a well-managed green park. The company 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.

DTL is an 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 minimise water consumption and wastage, considering shortage of water has become a growing concern in our country.

The 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.

The company has executed a Power Purchase Agreement with M/s Cleanmax Enviro Energy Solutions Private Limited to instal roof top solar power plant at the company's site and supply electricity from the solar power plant.

Essential Indicators:

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

Parameter	FY 2023-24	FY 2022-23
From renewable sources		
Total electricity consumption (GJ) (A)	-	4651.20
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed form renewable sources - GJ (A+B+C)	-	4651.20
From non-renewable sources		
Total electricity consumption (GJ) (D)	25685.94	24550.00
Total fuel consumption (GJ) (E)	1135.06	748.98
Energy consumption through other sources (GJ) (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	26821.00	25298.98
Total energy consumed (A+B+C+D+E+F)	26821.00	29950.18
Energy intensity per rupee of turnover (Total energy consumed/Revenue from operations)	0.0000046	0.0000050
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed/Revenue from operations adjusted for PPP)	0.00010	0.00011
Energy intensity in terms of physical output	10.98	-
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: No

Note: The PPP value is recorded as 22.8 for 2023-24 and 22.63 for 2022-23, as per data obtained from the website: https://data.worldbank.org/indicator/PA.NUS.PPP?end=2022&locations=IN&start=2019

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 2023-24	FY 2022-23
Water withdrawal by source (in KL)		
i) Surface Water	-	-
ii) Ground Water	33827	25260
iii) Third party water	4585	13610
iv) Seawater/desalinated water	-	-
v) Others (Rainwater use)	-	-
Total volume of water withdrawal (in KL) (i+ii+iii+iv+v)	38412	38870
Total volume of water consumption (in KL)	38412	38870
Water intensity per rupee of turnover (Water consumed/turnover) (KL/Rupees in Crores)	0.0000066	0.0000067
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption /Revenue from Operations adjusted for PPP)	0.00015	0.00015
Water intensity in terms of physical output	15.73	-
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: No

Note: The PPP value is recorded as 22.8 for 2023-24 and 22.63 for 2022-23, as per data obtained from the website:https://data.worldbank.org/indicator/PA.NUS.PPP?end=2022&locations=IN&start=2019

4. Provide the following details related to water discharged:

Parameter	FY 2023-24	FY 2022-23
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	-	-
- No treatment	-	-
- With treatment-please specify level of treatment	-	-
(ii) To Groundwater	-	-
- No treatment	-	-
- With treatment-please specify level of treatment	-	-
(iii) To Seawater	-	-
- No treatment	-	-
- With treatment-please specify level of treatment	-	-
iv) Sent to third parties	-	-
- No treatment	-	-
- With treatment-please specify level of treatment	-	-
v) Others (municipal sewerage system after State pollution control board permission)	-	-
- No treatment	-	-
- With treatment & complying with discharge Quality & Quantity limit based on Consent to Operate	806.34	-
Total water discharged (in KL)	806.34	-

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

   Yes. The 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.

6. Please provide details of air emissions (other than GHG emission) by the entity, in the following format:

Parameter	Please specify unit	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
NOx	mg/Nm^3	11.82	12.02
Sox	mg/Nm^3	6.65	7.20
Particulate matter (PM)	mg/Nm^3	24.61	27.20
Persistent organic pollutants (POP)	NA	NA	NA
Volatile organic		NA	NA
compounds (VOC)		NA	NA
Hazardous air pollutants (HAP)		NA	NA
Others please specify		NA	NA

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) and its intensity in the following format

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	81.24	-
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	-	-
Total Scope 1 and Scope 2 emissions intensity per rupee of turnover	-	0.000000014	-
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions/Revenue from Operations adjusted for PPP)		0.00000031	
Total Scope 1 and Scope 2 emission intensity in terms of physical output		0.03	
Total Scope 1 and Scope 2 emission intensity (Optional) – the relevant metric may be selected by the entity.	-	-	-

Note: The PPP value is recorded as 22.8 for 2023-24 and 22.63 for 2022-23, as per data obtained from the website: https://data.worldbank.org/indicator/PA.NUS.PPP?end=2022&locations=IN&start=2019

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

   As a part of DTL sustainability targets and ESG agenda, the company has set an ambition to enable a low-carbon society where, the company has also committed to partner with its customers and suppliers to reduce emissions and achieve carbon neutrality in its own operations. The company has taken commitment towards renewable energy and cleaner and more efficient technologies to reduce its own emissions. The company has planned to have a clear energy efficiency target with the help of its energy management systems.

   To realize the aforesaid commitment, the company has taken various initiatives such as installation of solar systems, green power procurement through third party power purchase agreements (PPAs) and is also strengthening its energy management systems to further reduce energy consumption and enhance the energy efficiency of electrical equipment at its premises.

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

Parameter	FY 2023-24	FY 2022-23
Total waste generated (in MT)		
Plastic waste (A)	5.21	5.16
E-waste (B)	-	1.77
Bio-medical waste (C)	0.333	0.507
Construction and demolition waste (D)	-	-
Battery waste (E)	-	0.17
Radioactive waste (F)	-	-
Other hazardous waste. Please specify, if any (G) (waste consists of used oil, oil soaked cotton waste & few other hazardous waste)	17.97	7.54
Other non-hazardous waste. Please specify, if any (H). (waste consists of wooden, metal (ferrous, Non-ferrous), paper & few other non hazardous waste)	164.61	104.6
Total (A+B+C+D+E+G+H)	188.1	119.77
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	0.000000032	0.000000020
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	0.00000073	0.00000046
Waste intensity in terms of physical output	0.07	-
Waste intensity (optional) – the relevant metric may be selected by the entity	-	-
For each category of waste generated total waste recovered through recycling, reusing or other recovery operations (in metric tonnes)		
Category of Waste		
(i) Recycled		
(ii) Re-used		
(iii) Other recovery operations		
(iv) Total		
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)	NIL	NIL
Category of waste		
(i) Incineration		
(ii) Landfilling		
iii) Other disposal operations		
Total		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No

Note: The PPP value is recorded as 22.8 for 2023-24 and 22.63 for 2022-23, as per data obtained from the website: https://data.worldbank.org/indicator/PA.NUS.PPP?end=2022&locations=IN&start=2019

10. 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.

A guideline applicable company-wide ensures that the legal requirements for the transport and disposal of waste are complied with locally. All manufacturing sites have a clearly designated organizational unit responsible for sorting, classifying, and handing over waste to disposal companies. DTL conducts regular audits at the locations where the wastes are disposed to ensure it is treated and disposed in a scientific manner with minimum impact on the environment. Segregation of wastes is ensured at its place of generation. Process changes are also aimed at reducing generation of hazardous wastes. The thrust is on recycling and reuse of hazardous wastes. Those which cannot be reused are disposed in line with statutory requirements.

To offer a green product to the customers and meet various national/international regulations on material management, DTL has established a strong internal material compliance management system to reduce usage of hazardous and toxic chemicals in our products and processes.

11. 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.

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

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

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

Leadership Indicators:

1. 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 technological interventions, rainwater harvesting, recycling and reuse of wastewater, communication, and employee engagement.

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Water withdrawal by source (in kiloliters)		
(i) Surface water	-	-
(ii) Groundwater	33827	25260
(iii) Third party water	4585	13610
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kiloliters)	38412	38870
Total volume of water consumption (in kiloliters)	38412	38870
Water intensity per rupee of turnover (Water consumed / turnover)	0.0000066	0.0000067
Water intensity (optional) the relevant metric may be selected by the entity	-	-

Water discharge by destination and level of treatment (in kiloliters)	
(i) Into Surface water	Sewage treatment process: 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
No treatment	
With treatment please specify level of treatment	
(ii) Into Groundwater	
No treatment	
With treatment please specify level of treatment	
(iii) Into Seawater	
No treatment	
With treatment please specify level of treatment	
(iv) Sent to third-parties	
No treatment	
With treatment please specify level of treatment	
(v) Others	
No treatment	-
With treatment please specify level of treatment	806.34
Total water discharged (in kilolitres)	806.34

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N). If yes, name of external agency: No

2. Please provide details of total Scope 3 emissions & its intensity, in the following format – Not Applicable
3. With respect to the ecologically sensitive areas reported at Question 11 of essential Indicators above, provide details of significant direct and indirect impact of the entity on biodiversity in such areas along with prevention and remediation activities - Not Applicable
4. 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

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

5. 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 that is fully aligned to ISO 22301:2019, CMMI-SVC 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.
6. 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
7. 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 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.	Aerospace & Aviation Sector Skill Council (AASSC)	National
7.	Fluid Power Society of India	National
8.	US-India Business Council	International
9.	Indo American Chamber of Commerce (IACC)	International
10.	Indo-Canadian Business Chamber	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 and education with a focus on women's education and on local development of its communities.

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 society.

Dynamatic Biosecurity Laboratory situated in the Dynamatic Aerotropolis, 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.

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, Haematology, 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 on 8th March 2024. All women employees were honoured by a memento signed by the CTO, celebrating their uniqueness and strength. The theme was "Inspire inclusion".

Dynamatic Technologies invited and honoured women who have made achievement in their respective professional fields. 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 in the event. CEO & MD addressed all the women employees on this occasion.

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.

ESSENTIAL INDICATORS:

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current FY 24- 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 2023-24	FY 2022-23
Directly sourced from MSMEs / small producers	22.7%	33%
Sourced directly from within the district and neighboring districts	NA	NA

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost.

Location	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Rural	-	-
Semi-Urban	-	-
Urban	-	-
Metropolitan	100%	100%

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 Sustainability, Promoting Education 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, 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 them. 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 complaints 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

7. Provide the following information relating to data breachers:

   a. Number of instances of data breaches - Nil

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

   c. Impact, if any, of the data breaches : 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 of the Company's DNA. The Company continues to work together and with our 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 help 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 position DTL as a trusted partner and have ongoing communication in 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

CORPORATE GOVERNANCE
REPORT

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE FOR THE YEAR 2023-24

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, accountability and report the same in the Annual Report for the benefit of the stakeholders.

Corporate Governance involves the value systems of a Company including the moral, ethical, and legal value framework within which business decisions are taken.

Effective corporate governance practices constitute 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, 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, recognize employee participation and volunteering in environmental and social initiatives that contribute to Organizational Excellence, Sustainability, Human Resources Development, 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 following 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, regarding 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 2024, the Company has eight Directors. Out of the eight 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 2024, 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.

Six board meetings were held during the year under review and the gap between two meetings did not exceed one hundred and twenty days. The said meetings were held on:

29th May 2023, 22nd June 2023, 9th August 2023, 10th November 2023, 13th February 2024, and 22nd March 2024. The necessary quorum was present for all the meetings.

The names and categories of the Directors on the Board, their attendance at board meetings held during the year under review and at the last Annual General Meeting ("AGM"), name of other listed entities in which the Director is a director and the number of Directorships and Committee Chairmanships / Memberships held by them in other public limited companies as on 31st March 2024, 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 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						
	22nd Sept 2023	29th May 2023	22nd June 2023	9th August 2023	10th November 2023	13th February 2024	22nd March 2024	Percentage(%) of attendance
Govind Mirchandani* DIN:00022583	NA	Y	Y	Y	NA	NA	NA	100 %
Malavika Jayaram* DIN:02252302	NA	Y	Y	Y	NA	NA	NA	100%
Pierre de Bausset DIN:07178878	Y	Y	Y	Y	Y	Y	Y	100 %
Pradyumna Vyas DIN:02359563	Y	Y	Y	Y	Y	Y	Y	100 %
Dietmar Hahn DIN:06414463	Y	Y	Y	Y	-	Y	Y	83.33 %
James Tucker DIN:07093258	Y	Y	Y	Y	Y	Y	Y	100 %
Arvind Mishra^ DIN:07892275	NA	Y	Y	NA	NA	NA	NA	100 %
P S Ramesh DIN:05205364	Y	Y	Y	Y	Y	Y	-	83.33 %
Udayant Malhoutra DIN:00053714	Y	Y	Y	Y	Y	Y	Y	100 %
Gaitri Issar Kumar# DIN: 10245539	Y	NA	NA	NA	Y	Y	Y	100 %
Ajay Kumar# DIN: 01975789	NA	NA	NA	NA	NA	Y	Y	100 %

**Retired on 14th August 2023*

^Resigned on 8th August 2023

#Ms. Gaitri Issar Kumar and Dr. Ajay Kumar were inducted as Independent Directors w.e.f. 9th August 2023 and 10th November 2023 respectively.

B. COMPOSITION OF THE BOARD AND DIRECTORSHIPS / SHAREHOLDINGS IN THE COMPANY / MEMBERSHIP HELD BY DIRECTORS DURING THE YEAR 2023-24

Name of the Director	Category	Other Public Companies excluding this Company	Committee Memberships held in public Company (Audit & Stakeholders Relationship Committee Only)		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	-	-	Nil	-
		2.Dynamatic Manufacturing Limited	-	-	Nil	
Ms. Malavika Jayaram* DIN:02252302	Independent and Non-Executive Director	-	-	-	Nil	-
Prof. Pradyumna Vyas DIN:02359563	Independent and Non-Executive Director	1. Dynamatic Manufacturing Limited	-	-	Nil	1.Titan Company Limited (Independent Director) *(Resigned w.e.f 24.03.2024)*
		2. JKM Erla Automotive Limited				
Mr. Pierre de Bausset DIN:07178878	Independent and Non-Executive Director	-	-	-	Nil	-
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 & COO - Hydraulics	1. JKM Automotive Limited	-	-	Nil	-
		2. JKM Erla Automotive Limited				
		3. JKM Research Farm Limited				
		4. Dynamatic Manufacturing Limited				
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	-	-		
Ms. Gaitri Issar Kumar* DIN:10245539	Independent and Non- Executive Director				NIL	
Dr. Ajay Kumar* DIN:01975789	Independent and Non-Executive Director	-			30	1. Cyient DLM Ltd.

Note:*

1. Mr. Govind Mirchandani & Ms Malavika Jayaram retired on 14th August 2023
2. Mr. Arvind Mishra resigned w.e.f 8th August 2023
3. Ms. Gaitri Issar Kumar was inducted w.e.f. 9th August 2023
4. Dr. Ajay Kumar was inducted w.e.f. 10th November 2023

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

Prior to the Board Meeting dated 9th August 2023, all the Executive Directors including Independent Directors were invited to the company's Eisenwerk Erla (facility in Germany) and were taken on a factory tour to showcase the Metallurgy facility.

At Erla facility in Germany, the directors were familiarized with the metallurgy business operations of the company. A factory visit was organized where the independent directors were introduced to the metallurgy process. This included a visit to the foundry, one-on-one discussions with the workers and supervisors, a tour of the plant, and a visit to the local metallurgy museum in Erla.

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 regarding 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, Ms. Gaitri Issar Kumar Dr. Ajay Kumar 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	Prof. Pradyumna Vyas, Mr. James Tucker, Mr. Dietmar Hahn, Mr. P S Ramesh, Mr. Udayant Malhoutra, Dr. Ajay Kumar
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. James Tucker Mr. Dietmar Hahn Mr. Pierre de Bausset Dr. Ajay Kumar Ms. Gaitri Issar Kumar

Responsibilities of the Chairman and Executive Directors:

The Company has Mr. Pierre de Bausset, Independent Director as the Chairman of the Board.

Mr. P. S. Ramesh is the Executive Director of the Company along with Mr. Udayant Malhoutra (CEO & Managing Director), who is also a Promoter Director.

The Executive Directors of the Subsidiary Companies incorporated abroad are part of the Board as Non-Executive Directors of the Company. There is clear demarcation of responsibilities and authority among these officials.

The Senior Management makes periodic presentations to the Board on the Company performance and business growth of the business units.

Independent Directors

An Independent Director is a person other than an officer or employee of the Company or its subsidiaries or any other individual having a material pecuniary relationship or transactions with the Company which, in the opinion of the Board of Directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a Director and all the Independent Directors possess the requisite qualifications and are experienced in diversified fields and the Independent Directors fulfils the conditions specified in the SEBI 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 29th January 2024 and 27th May 2024, 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. Appraise the newly inducted Independent Directors regarding the performance Evaluation of Non-Independent Directors, Chairman and the entire Board.

b. reviewed the performance of Non-Independent Directors and the entire Board;

c. reviewed the performance of the Chairperson of the Company, considering the views of Executive Directors and Non-Executive Directors;

d. assessed the quality, quantity, and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties. All the Independent Directors attended the Meeting of Independent Directors held on 29th January 2024 and 27th May 2024. The Independent Directors expressed their satisfaction to the desired level on the governance of the Board.

Term of Directors:

Independent Directors term is 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 Civil Services, 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 Company'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 to ensure balanced representation of Directors on the Board at all times.

Compensation to Directors (CTC) for the year ended 31st March 2024 is as follows:

(Amount in Rs)

Name of the Director	Remuneration		Total
	Sitting Fees	Salary	
Mr. Govind Mirchandani[1]	12,00,000	-	12,00,000
Ms. Malavika Jayaram[1]	5,00,000	-	5,00,000
Prof. Pradyumna Vyas	18,00,000	-	18,00,000
Mr. Pierre de Bausset	20,00,000	-	20,00,000
Mr. Dietmar Hahn	-	-	-
Mr. James David Tucker	-	-	-
Ms. Gaitri Issar Kumar[3]	10,00,000	-	10,00,000
Dr Ajay Kumar[4]	7,00,000	-	7,00,000
Mr. P S Ramesh, Executive Director & COO – Hydraulics	-	1,17,25,985	1,17,25,985
Mr. Arvind Mishra[2], Executive Director and Global Chief Operating Officer-Hydraulics, Head of Homeland Security	-	38,00,417	38,00,417
Mr. Udayant Malhoutra, CEO & Managing Director	-	1,21,99,080	1,21,99,080

Note:

1. Mr. Govind Mirchandani & Ms. Malavika Jayaram retired on 14th August 2023

2. Mr. Arvind Mishra resigned on 8th August 2023, and his remuneration stated above is excluding final settlement payment towards leave enchashment, notice pay and gratuity.

3. Ms. Gaitri Issar Kumar was inducted w.e.f. 9th August 2023

4. Dr Ajay Kumar was inducted w.e.f. 10th November 2023

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 board meetings shall be one-third of its total strength or two 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 Regulation 18 read with part C of schedule II of the Listing Regulations and Section 177 of the Companies Act, 2013 and the rules framed thereunder. The Board reviews the scope of the Committee and its terms of reference from time to time.

The Audit Committee has met six times in the FY 2023-24 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 4 (Four) Independent Directors and 1 (One) Executive Director as on 31st March 2024:

- **Mr. Pierre de Bausset, Chairman**
- Prof. Pradyumna Vyas
- Ms. Gaitri Issar Kumar
- Dr Ajay Kumar
- 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 II 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.
- Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue etc.) the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of public issue or rights issue or preferential issue or qualified institutional placement, and making appropriate recommendations to the board to take up steps in this matter.
- Reviewing the utilisation of loans and/or advances from/investment by the holding company in subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments.
- 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:

- Six 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 22nd September 2023, and was attended by Mr. Pierre de Bausset, 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 2023-24:

Audit Committee meetings were held on

- 29th May 2023
- 22nd June 2023
- 9th August 2023
- 10th November 2023
- 13th February 2024
- 22nd March 2024

The requisite quorum was present in above meetings.

Name of the Member	No. of meetings attended
Mr. Govind Mirchandani[1]	3
Mr. Pierre de Bausset (Chairman of the Audit Committee w.e.f. 14th Aug 2023)	6
Ms. Gaitri Issar Kumar[2]	3
Prof. Pradyumna Vyas	3
Dr. Ajay Kumar[3]	2
Mr. P S Ramesh	5

Note:

1. Mr. Govind Mirchandani retired on 14th Aug 2023

2. Ms. Gaitri Issar Kumar was inducted in to the committee w.e.f 14th Aug 2023

3. Dr. Ajay Kumar was inducted w.e.f 10th Nov 2023

The Internal Auditors, representatives of the Statutory Auditors, Chief Financial Officer and CEO & Managing Director of the Company attend as invitees and participated 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. Pierre de Bausset, Chairman of the Audit committee was present at the Annual General Meeting held on 22nd September 2023.

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 based on 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 Senior Management.
- Oversee familiarisation programs for Directors and devising a policy on diversity of Board of Directors.

Other details:

- Three Nomination and Remuneration Committee meetings were held during the year under review.
- 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 22nd September 2023, and was attended by Prof. Pradyumna Vyas, the Chairman of the Nomination and Remuneration Committee.

Composition:

The Committee comprises 3 (three) Independent Directors as on 31st March 2024:

- **Prof. Pradyumna Vyas, Chairman**
- Mr. Pierre de Bausset
- Ms. Gaitri Issar Kumar

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 2023-24:

The Nomination and Remuneration Committee was constituted by the Board on 8th November 2013. During the FY 2023-24, the Committee had 3 (Three) meetings.

Nomination and Remuneration Committee meeting were held on 29th May 2023, 8th August 2023, and 9th November 2023

Name of the Member	No. of meetings attended
Prof. Pradyumna Vyas, Chairman	3
Mr. Govind Mirchandani[1]	2
Mr. Pierre de Bausset	3
Ms. Gaitri Issar Kumar[2]	1

Note:

1. Mr. Govind Mirchandani retired on 14th August 2023

2.Ms. Gaitri Issar Kumar was inducted in to the committee w.e.f 14th Aug 2023

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 2023 - 24, 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 based on 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 are 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 2023-24 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 also reimburses out of-pocket expenses incurred by the Directors for attending the meetings as on 31st March 2024.

(Amount in Rs)

Directors	Sitting Fees
Mr. Govind Mirchandani[1] (Independent Director)	12,00,000
Ms. Malavika Jayaram (Women Independent Director)	5,00,000
Prof. Pradyumna Vyas (Independent Director)	18,00,000
Mr. Pierre de Bausset (Independent Director)	20,00,000
Ms. Gaitri Issar Kumar[2] (Women Independent Director)	10,00,000
Dr. Ajay Kumar[3] (Independent Director)	7,00,000
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*
Note:
1. Mr. Govind Mirchandani & Ms. Malavika Jayaram retired on 14th August 2023
2. Ms. Gaitri Issar Kumar was inducted in to the committee w.e.f 14th Aug 2023
3. Dr Ajay Kumar was inducted w.e.f. 10th November 2023

c) (i) & (ii) The Remuneration details of Managing Director / Executive Directors are mentioned below:

Particulars	Mr. P S Ramesh	Mr. Arvind Mishra *(Resigned on 8th August 2023)*	Mr. Udayant Malhoutra
Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	1,00,57,262	35,73,463	1,04,50,548
Allowances and perquisites	9,91,563	3,11,135	10,56,185
Performance linked Incentive (One Time)	-	-	-
Gratuity / Leave Salary / Notice pay	-	99,01,430	-
Stock option	-	-	-
No. of Shares held	-	-	5,23,460
Terms of Service Contract	He is appointed for a term of 1 Year with effect from 14th November 2023 to 13th November 2024 and the same is approved by the shareholders in the AGM held on 22nd September 2023	Resigned w.e.f 8th August 2023	He is appointed for a term of 3 Years with effect from 1st October 2023 to 30th September 2026 and the same is approved by the shareholders in the AGM held on 22nd September 2023
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 CEO & MD 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 based on 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. The Risk Management Policy and Terms of Reference of RMC are 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 a detailed risk management policy that includes a framework for identification of internal and external risks specifically faced by listed entity, including financial, operational, sectoral, sustainability (particularly ESG related risks), information, cyber security risks or any other risk as may be determined by the committee.
- To ensure that appropriate methodology, processes, and systems are in place to monitor and evaluate risks associated with the business of the company.
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems.
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.
- The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by board of directors.
- 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 6 (Six) Directors as on 31st March 2024:

- **Mr. Pierre de Bausset, Chairman**
- Ms. Gaitri Issar Kumar
- Prof. Pradyumna Vyas
- Dr Ajay Kumar
- Mr. P S Ramesh
- Mr. Udayant Malhoutra

Attendance at the Risk Management Committee Meetings (RMC) held during the year 2023-24:

RMC meetings were held on 8th August 2023 and 29th January 2024

Name of the Member	No. of meetings attended
Mr. Govind Mirchandani, Chairman[1]	1
Ms. Malavika Jayaram	1
Mr. Pierre de Bausset	2
Mr. P S Ramesh	2
Mr. Udayant Malhoutra	2
Ms. Gaitri Issar Kumar[2]	1
Dr. Ajay Kumar[3]	1

Note:

1. Mr. Govind Mirchandani & Ms. Malavika Jayaram retired on 14th August 2023

2. Ms. Gaitri Issar Kumar was inducted w.e.f. 9th August 2023

3. Dr. Ajay Kumar was inducted w.e.f. 10th November 2023

- 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 regarding 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 22nd September 2023 and was attended by Prof. 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 2024 are as under:

The Stakeholders' Relationship Committee comprises 3 (three) Directors as on 31st March 2024. They are

- **Prof. Pradyumna Vyas, Chairman**
- Mr. Pierre de Bausset
- Mr. Udayant Malhoutra

The Chairman is heading the Committee.

Attendance at the Committee Meetings held during the year 2023-24:

- 29th May 2023
- 9th August 2023
- 10th November 2023
- 13th February 2024

Name of the Member	No. of meetings attended
Prof. Pradyumna Vyas	4
Mr. Govind Mirchandani[1]	2
Mr. Udayant Malhoutra	4
Mr. Pierre de Bausset	2

Note:

1. Mr. Govind Mirchandani retired on 14th August 2023

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 2023-24:

Details of complaints received and attended to during the financial year 2023-24 are given below:

No. of complaints pending as on 1st April 2023	Nil
No. of complaints received during the year	3
No. of complaints resolved during the year	3
No. of complaints pending as on 31st March 2024	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 AGM.

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 November 3, 2021, and December 14, 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 had 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 must 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 RTA. 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 the Financial Year 2023-24, 29 demat requests for dematerialization comprising 4,331 shares and 5 requests for share transmissions/deletion of name comprising 1,180 shares were received and processed.

Shareholders who are still holding shares in physical form are requested to dematerialize their shares at the earliest, as this will be more advantageous to deal in securities. For queries / clarification / assistance, shareholders are advised to approach the Company's Registrar and Share Transfer Agents.

Transfer of Unclaimed/Unpaid Amounts to the Investor Education and Protection Fund

Pursuant to the applicable provisions of the Act and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), as amended from time-to-time, the declared dividends, which remained unpaid or unclaimed for a period of 7 (seven) years and shares in relation to such unpaid/unclaimed dividend shall be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government.

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.

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
2022-23 (Interim Dividend)	10.08.2022	09.08.2029	09.09.2029
2022-23 (Final Dividend)	22.09.2023	21.09.2030	21.10.2030
2023-24 (Interim Dividend)	13.02.2024	12.02.2031	12.03.2031

Shareholders are requested to get in touch with the RTA for encashing the Unclaimed Dividend amount, if any, standing to the credit of their account.

During the Financial Year 2023-24, 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 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 regarding 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.

Furnishing of PAN, KYC details and Nomination by holders of physical securities.

SEBI Circular Number: SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37, dated March 16, 2023 mandated members holding shares in physical mode to furnish PAN, email address, mobile number, bank account details, nomination, and any service request and complaint shall be entertained only upon registration of the PAN, Bank details and nomination. SEBI also has mandated to ensure that the members PAN be linked to Aadhar by March 31, 2023, or any other date as may be specified by the Central Board of Direct Taxes. Currently CBDT extended the date till May 31, 2024. In this context, the company had through M/s KFin Technologies Limited, sent communication dated 03.05.2023 and 16.09.2023 to those shareholders holding physical shares, and whose PAN, KYC and Nomination details are not available with the Company.

Members desiring to send their nomination in the prescribed Form No. SH-13 may send duly filled form to KFin at the below mentioned address. Members holding shares in electronic form may contact their respective DP for availing this facility.

Therefore, those shareholders who have not furnished some of the mandatory documents/details against their respective physical holdings are herewith requested to immediately furnish the aforesaid documents/details to M/s KFin Technologies Limited, the Registrar & Transfer Agents of the Company in the prescribed format or contact KFin Technologies Limited, Unit: Dynamatic Technologies Limited, Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032, Email: einward.ris@kfintech.com for further assistance on this matter.

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 2024:

- **Mr. Udayant Malhoutra, Chairman**
- Prof. Pradyumna Vyas
- 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 8 (Eight) Directors as on 31st March 2024.

The Committee comprises the following members:

- **Prof. Pradyumna Vyas, Chairman**
- Mr. Pierre de Bausset
- Ms. Gaitri Issar Kumar
- Dr Ajay Kumar
- Mr. Dietmar Hahn
- Mr. James Tucker
- Mr. P S Ramesh
- Mr. Udayant Malhoutra

The Technical and Operations heads attend the Committee meeting to present the improvements made regarding 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 5 (five) Directors as on 31st March 2024.

The Committee comprises the following members:

- **Prof. Pradyumna Vyas, Chairman**
- Ms. Gaitri Issar Kumar
- Mr. Pierre de Bausset
- Mr. P S Ramesh
- 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 of 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 2023-24 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 2024 are as under:

Composition:

- **Ms. Gaitri Issar Kumar - Chairperson**
- Prof. Pradyumna Vyas
- Mr. P S Ramesh

During the financial year 2023-24, the Committee had one (1) meeting on 29th May 2023.

INDEPENDENT DIRECTORS COMMITTEE:

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. Pierre de Bausset - Lead Independent Director**
- Ms. Gaitri Issar Kumar
- Prof. Pradyumna Vyas
- Dr Ajay Kumar

During the financial year 2023-24, the Committee had One (1) meeting on 29th January 2024.

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 2024.

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
2020-2021 AGM	through Audio/ Visual means	16th September 2021	• There were no special resolution passed during the meeting under review.
2021-2022 AGM	through Audio/ Visual means	9th September 2022	• There were no special resolution passed during the meeting under review
2021-2022 EGM	through Audio/ Visual means	9th March 2023	• To offer, issue and allot 4,50,000 Equity Shares of the Company to investors on Preferential basis
2022-2023 AGM	Physical	22nd September 2023	• Re-appointment of Mr. Udayant Malhoutra (DIN 00053714) as CEO and Managing Director for a term of 3 (Three) years • Re-appointment of Mr. P S Ramesh (DIN: 05205364) as Executive director & COO – Hydraulics for a term of 1 (One) year • Appointment of Ms. Gaitri Issar Kumar (DIN 10245539) as Non-Executive Independent Director

Postal Ballot:

Date of postal ballot notice	Resolution passed	Voting results	Approval date	Scrutinizer
10th November 2023	1. Appointment of Dr. Ajay kumar (DIN:01975789) as an independent director to the company	Voting in favour: 100% Voting against: 0.00%	23rd January 2024	Pramod S M BMP & Co. LLP., (Membership No FCS 7834, CP. No 13784)
	2. Re-appointment of Mr. Pierre de bausset (DIN:07178878) as an independent director of the company.	Voting in favour: 100% Voting against: 0.00%		
	3. Re-appointment of Prof. Pradyumna vyas (DIN:02359563) as an independent director of the company.	Voting in favour: 100% Voting against: 0.00%		

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. Mr. Pramod S M, designated partner of BMP & Co, LLP, Company Secretaries in practice, had acted as the scrutinizer for past postal ballots and e-voting. 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.

The 49th AGM of the Company is being conducted through physical mode at the Registered office of the Company.

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, Bangalore – 562149, 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 2023-24 to the Stock Exchanges, where the shares of the Company are listed in India.

ANNUAL GENERAL MEETING FOR THE YEAR 2023-24:

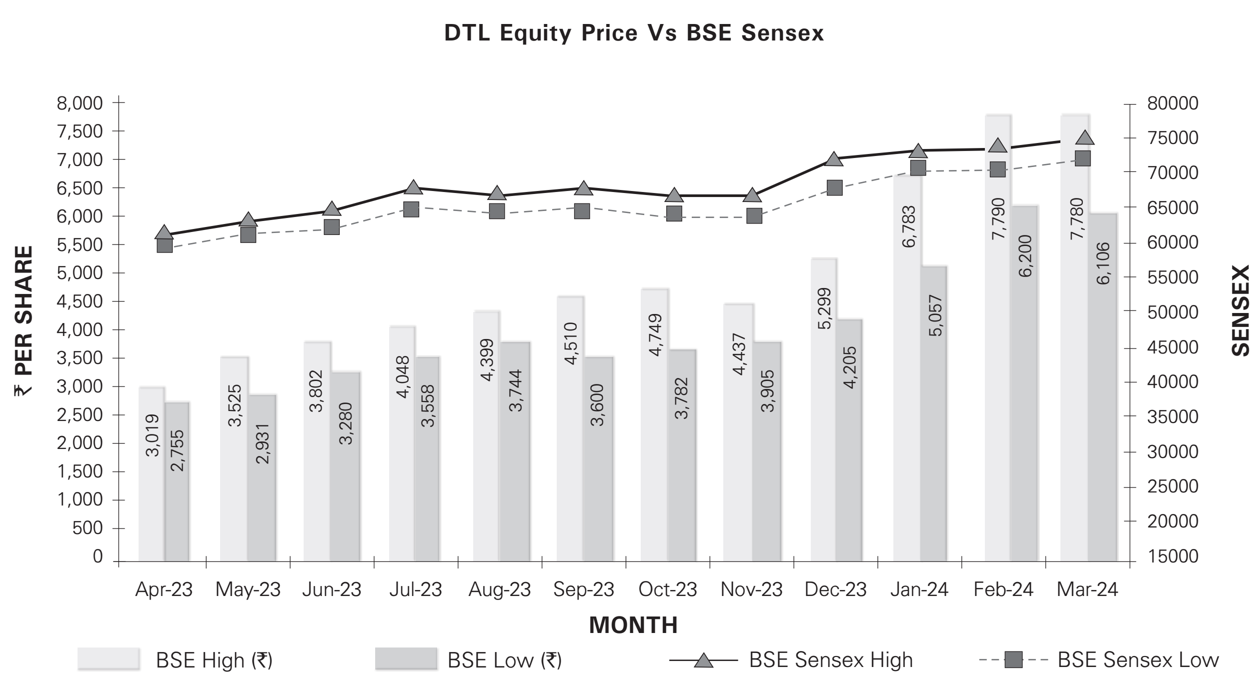
<table>
<tr><td>Date and time:</td><td colspan="2">5th September 2024;</td></tr>
<tr><td>Venue:</td><td colspan="2">JKM Plaza, Dynamatic Aerotropolis 55, KIADB Aerospace Park, Bangalore, Karnataka 562149</td></tr>
<tr><td rowspan="7">Financial calendar:</td><td colspan="2">Our tentative calendar for declaration of results for the Financial Year 2024-25 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 2024</td><td>On 9th August 2024</td></tr>
<tr><td>30th September 2024</td><td>On or before 11th November 2024</td></tr>
<tr><td>31st December 2024</td><td>On or before 10th February 2025</td></tr>
<tr><td>31st March 2025</td><td>On or before 23rd May 2025</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 30th August 2024 to 5th September 2024 (both days inclusive).</td></tr>
<tr><td>Dividend payment date</td><td colspan="2">The dividend, as recommended by the Board of Directors, if declared at the ensuing Annual General Meeting will be paid after 5th September 2024, to those Members whose names appear on the Company's Register of Members as on 2nd August 2024 being the Record Date for determining the shareholders who are entitled to receive Dividend.</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>
<tr><td>Registrar & Transfer Agents</td><td colspan="2">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</td></tr>
</table>

Share market price data

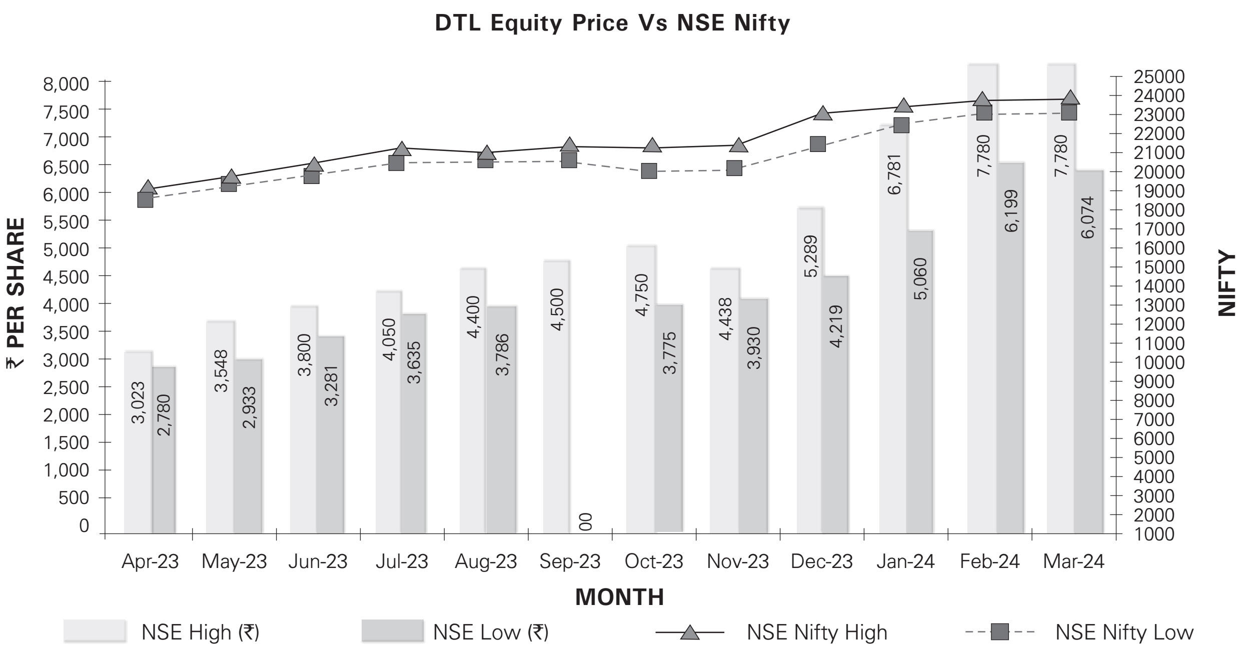
The monthly high and low quotations and volume of shares traded on Bombay Stock Exchange Limited and National Stock Exchange of India Limited for the financial year 2023-24

Month	BSE			NSE		
	High (Rs)	Low (Rs)	Volume of shares traded	High (Rs)	Low (Rs)	Volume of shares traded
Apr-23	3019.00	2755.05	13,518	3,023.45	2,780.25	1,93,460
May-23	3525.00	2931.65	44,739	3,548.05	2,933.10	3,66,669
Jun-23	3802.35	3280.55	26,651	3,800.00	3,281.00	3,02,161
Jul-23	4048.95	3558.00	20,069	4,050.00	3,635.95	1,72,296
Aug-23	4399.95	3744.30	24,897	4,400.00	3,786.10	2,46,343
Sep-23	4510.00	3600.05	35,818	4,500.00	3,600.00	4,25,313
Oct-23	4749.55	3782.45	26,970	4,750.00	3,775.05	3,69,944
Nov-23	4437.50	3905.95	19,021	4,438.75	3,930.00	1,86,212
Dec-23	5299.95	4205.05	2,13,327	5,289.90	4,219.95	6,02,248
Jan-24	6783.05	5057.75	44,890	6,781.90	5,060.10	4,88,694
Feb-24	7790.80	6200.10	56,061	7,780.00	6,199.00	5,42,334
Mar-24	7780.00	6106.40	34,709	7,780.00	6,074.00	4,26,757

COMPARISON OF COMPANY'S SHARE PRICE MOVEMENT WITH 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 of listed companies can be transferred only in dematerialized form w.e.f. April 1, 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 2024:

Sl. No.	Category	No. of Holders	% To Holders	Amount (Rs)	% To Amount
1	1-5000	15,731	96.70	60,76,410	8.94
2	5,001- 10,000	258	1.59	18,81,400	2.77
3	10,001- 20,000	120	0.74	17,50,190	2.58
4	20,001- 30,000	39	0.24	9,80,790	1.44
5	30,001- 40,000	26	0.16	9,23,030	1.36
6	40,001- 50,000	13	0.08	5,95,470	0.88
7	50,001- 1,00,000	35	0.21	25,80,840	3.80
8	1,00,001& Above	45	0.28	5,31,26,300	78.23
TOTAL:		**16,267**	**100**	**6,79,14,430**	**100**

SHAREHOLDING PATTERN AS ON 31st MARCH 2024

Category	No. of Shares	% of shareholding
PROMOTERS HOLDING:		
Indian Promoters:		
Udayant Malhoutra	5,23,460	7.71
JKM Holdings Private Limited	1,112,538	16.38
Udayant Malhoutra and Company Private Limited	6,42,011	9.45
JKM Offshore India Private Limited	4,42,071	6.51
Christine Hoden (India) Private Limited	95,100	1.40
Greenearth Biotechnologies Limited	22,927	0.34
Barota Malhoutra	4,938	0.07
Primella Sanitary Products Private Limited	100	0.0
Vita Private Limited	100	0.0
Wavell Investments Private Limited	0	0
TOTAL	**28,43,245**	**41.87**
NON-PROMOTERS HOLDING		
Mutual Funds / UTI	3,82,168	5.63
Alternate Investment Funds	3,92,154	5.77
Financial Institutions / Banks	383	0.00
Central Government / State Government (S)	0	0
Venture Capital Funds	0	0
Insurance Companies	0	0
Foreign Institutional Investors	11,21,210	16.51
SUB TOTAL	**18,95,915**	**27.91**
OTHERS		
Private Corporate Bodies	3,69,184	5.44
Indian Public	13,86,319	20.41
Clearing Agents	57	0.00
NBFC Registered with RBI	0	0
NRIs/OCBs	81,955	1.21
Trust	4,146	0.06
IEPF	48,453	0.71
HUF	1,62,169	2.39
SUB TOTAL	**20,52,283**	**30.22**
GRAND TOTAL	**67,91,443**	**100**

Status of Dematerialisation of shares

Particulars	31st March 2023		31st March 2024	
	No. of shares	% of total shares	No. of shares	% of total shares
National Securities Depository Limited	59,21,438	87.19	59,79,968	88.05
Central Depository Services (I) Limited	8,13,986	11.88	7,59,787	11.19
Total Dematerialized	67,35,424	99.07	67,39,755	99.24
Physical	56,019	0.93	51,688	0.76
Grand Total	**67,91,443**	**100%**	**67,91,443**	**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 49th 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 by the Company with related parties as defined under the Act and the Listing Regulations, during the Financial Year 2023-24 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 conflicted 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 on all matters related to the capital markets during the last three years. No penalty or strictures were imposed on the Company by any of these authorities.

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 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 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 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 Managing Director & CEO.

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 only one material unlisted subsidiary company which is JKM Erla Automotive Limited which is classified as per SEBI LODR Regulations. 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 2024. 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 2023-24, 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 2023-2024.

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 2023-24 (Rs in lakhs)
Statutory audit fees	170
Certification	5
Out of pocket expenses	5
Total	**180**

p. Disclosures under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Number of complaints filed during the financial year 2023-24

Number of complaints filed during the financial year 2023-24	-NIL-
Number of complaints disposed off during the financial year 2023-24	-NIL-
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 2023-24, 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: NA

u. Loans and advances in the nature of loans to firms/ companies in which Directors are interested:

The Company and its subsidiaries have not given any loans or advances to any firm / company in which its directors are interested.

PLANT LOCATIONS:

1. JKM Plaza, Dynamatic Aerotropolis, 55, KIADB Aerospace Park, Bangalore – 562149, 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. Cheney Manor, Swindon, Wiltshire, SN2 2PZ, United Kingdom
7. Jarvis Street, Barton Hill, Bristol, BS5 9TR, United Kingdom
8. Gießereistraße 1, 08340 Schwarzenberg/Erzgeb, Germany
9. Plot No. 77-78, Industrial Estate, Peenya 2nd Stage, Bengaluru 560 058, Karnataka, India

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 2111 1223 +91 80 2204 0535
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:
Tel +91 80 2111 1223 +91 80 2204 0535 (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, 2024

Place : Bangalore
Date : 28th May 2024

UDAYANT MALHOUTRA
CEO & Managing Director
DIN No.: 00053714

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

The Members

Dynamatic Technologies Limited

Dynamatic Technologies Limited
JKM Plaza, Dynamatic Aerotropolis 55,
KIADB Aerospace Park,
Bengaluru – 562149

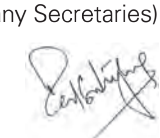
I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Dynamatic Technologies Limited having **CIN : L72200KA1973PLC002308, and having Regd. Office at JKM Plaza, Dynamatic Aerotropolis 55, KIADB Aerospace Park, Bengaluru – 562149** (hereinafter 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. I have conducted online verification and examination of records as facilitated by the Company for the purpose of issuing this Report.

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 2024 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.

Sr. No:	Name of the Director & DIN	Designation	Date of First Appointment in the Company
1.	PIERRE ANTOINE JEAN MARIE ANNE DE BAUSSET ROQUEFORT DUCHAINE D &07178878	Independent director	11/02/2019
2.	AJAY KUMAR & 01975789	Independent Director	10/11/2023
3.	GAITRI ISSAR KUMAR & 10245539	Independent Director	09/08/2023
4.	PRADYUMNA RAMESHCHANDRA VYAS & 02359563	Independent Director	11/02/2019
5.	RAMESH SHIVARAMAIAH POLENAHALLY & 05205364	Executive Director	14/11/2014
6.	DIETMAR HAHN & 06414463	Non-Executive director	08/11/2012
7.	JAMES DAVID TUCKER & 07093258	Non-Executive Director	14/02/2015
8.	UDAYANT MALHOUTRA & 00053714	MD & CEO	01/10/1989

Note: 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: 28th May 2024

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,

The Members of

Dynamatic Technologies Limited

I have examined all the relevant records of Dynamatic Technologies Limited ("the Company") for the purpose of certifying compliance with the conditions of the Corporate Governance under the SEBI (LODR) Regulations, 2015 for the financial year ended 31st March 2024. 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. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. We further state that such compliance 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

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has, to the extent applicable, 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: 28th May 2024
UDIN: F006162F000431433

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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."

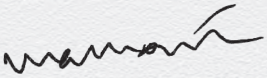
- Mahatma Gandhi

MESSAGE FROM THE CEO & MANAGING DIRECTOR

Dynamatic Technologies has consistently achieved high growth rates despite market, social, and economic challenges, due to its proactive and balanced business policies. These policies emphasize continual product improvement, customer value, employee quality of life, financial and supplier security, and social contribution. The company adopts a holistic and integrated approach to business development, believing that happy employees are high performers who drive innovation and customer satisfaction. This ensures the long-term economic relevance of the enterprise, creating a secure environment for financiers and suppliers and generating sustainable profits. Dynamatic Technologies' core mission is to enrich the quality of life of the community and preserve ecological balance and heritage through a strong environmental 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. The business model should always remain flexible, adapting quickly to challenges and continuously reinventing itself. A focus on safety, human resource development, and enhancement of intellectual property will help de-risk the company and contribute to societal development. Ultimately, sustainable business policies are 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.

Recharge wells established as part of rainwater harvesting at the Aerotropolis premises.

- To comply with all legal requirements expected of the Company in every country we are present.
- 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:

SKILL Development

Training curriculum on CNC operator Cum Programmer – Milling and Turning has been developed and established for in-house training purpose and the same curriculum is now being used for training the students at our adopted ITI. This curriculum meets the international standards. All the trainers have undergone Train-The-Trainer program.

1.1. CUSTOMER CENTRIC RESEARCH

Over the years, Dynamatic Technologies' divisions and subsidiaries have forged deep and lasting relationships with all their stakeholders, enabling continuous growth. These relationships are built on mutual trust and respect, leveraging collective capabilities to deliver complex technological solutions at economically viable prices. The company is committed to providing innovative and creative solutions to its customers on an ongoing basis, with every business process centred around the customer. Dynamatic Technologies firmly believes that its success is a reflection of its ability

We interact constantly with our customers, striving to understand and satisfy their needs. By understanding applications and anticipating future trends, we aim to meet both stated and unstated needs. We spend considerable time in the field, listening to farmers, mechanics, drivers, and equipment handlers, often suggesting improvements to our customers before their own customers do. Our technology and quality processes are 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 in Bangalore, Swindon, Bristol (U.K.), and Erla (Germany). All these facilities 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. As a result, we have built a successful business model capable of returning high yields to investors and improving the quality of life for all employees and the communities in which we operate. As Dynamatic Technologies globalizes, these values will be extended worldwide, with new learnings, best practices, processes, and experiences being absorbed into the existing organization.

1.3 HUMAN CAPITAL

Dynamatic Technologies is built upon a foundation of core values, commitment to quality, and equal opportunity. The company strives to attract the finest talent available and provides a result-oriented environment based on meritocracy and egalitarianism. At Dynamatic Technologies, we firmly believe that the key to sustained growth lies not merely in adding physical capacities but in dramatically enhancing and utilizing 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

At Dynamatic Technologies, we are driven by the fundamental objective of enhancing the value of the company for all stakeholders, including shareholders, customers, suppliers, financiers, employees, and society at large. We firmly believe that sustained growth is fostered by a work ethic founded upon the core values of integrity, transparency, professionalism, empowerment, and accountability. We endeavour to uphold and nurture these values in all facets of our operations.

As a responsible corporate citizen, we understand that sustained growth can only be achieved by paying equal attention to the Triad of Sustainability: Economic Growth, Environmental Friendliness, and Social Equity. We are committed to these elements over the long term and are prepared to take actions commensurate with 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 is kept well within safe limits.
- Foster a culture of empowerment.
- Elevation of workers into management cadre.
- Promote the usage of six sigma practices amongst all employees.
- Practice open dialogue with employees, customers, government agencies, trade associations and with communities all around our facilities.
- Undertake disaster relief programs in times of need (earthquake, floods, Tsunami, etc.).
- Interactive sessions with local community.
- Increase employment of Women.
- Increase employment of individuals coming from disadvantaged communities.

Women's Day was celebrated in the month of March 2024

ETHICS

The Code of Business Conduct for employees across the Dynamatic Group and the Code of Conduct for Board Members & Senior Management Personnel have been formulated as formal articulations of our approach and position on various dimensions of business ethics and integrity. The Code of Business Conduct for employees provides policy guidance on a wide range of issues including ethics, labor, and human rights. It addresses the prevention of fraudulent and corrupt practices, freedom of association, elimination of child and forced labor, advertisement and media policy, avoidance of conflicts of interest, prevention of sexual harassment, and unyielding integrity always.

CORPORATE GOVERNANCE

We believe that sound corporate governance is vital to enhancing the trust reposed in us by our stakeholders. Accordingly, we consistently strive to 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 achieve 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 corporate governance requirements, both mandatory and voluntary, to fulfil our responsibility towards the stakeholders. The detailed Corporate Governance Report forms part of this Annual Report.

GREEN INITIATIVE IN CORPORATE GOVERNANCE

The Ministry of Corporate Affairs (MCA), through its circulars introduced a 'Green Initiative in Corporate Governance,' allowing companies to serve documents to shareholders electronically. In support of this initiative, which aligns with our commitment to environmental conservation and sustainable development, we encourage our shareholders to register their email IDs with the Company or Registrar & Share Transfer Agent. This will enable us to send documents such as notices of general meetings, annual reports, and other communications via email. Over time, we will phase out the sending of hard copies. All documents will be available on the Company's website, www.dynamatics.com, and can be inspected at the Company's Registered Office during office hours.

Ensuring Environmental SUSTAINABILITY

Ecological balance, protection of flora and fauna, animal, welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water

CONSOLIDATED
FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S 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 31, 2024, 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, 2024, 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-paragraph (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 4 to the consolidated financial statements. In the consolidated financial statements of the Group, the gross carrying value of goodwill is INR 9,397 lakhs as at March 31, 2024. 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, 2024.

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, Corporate Governance Report 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 and will 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 on the other information that we obtained prior to the date of this auditor's report, 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.

Responsibilities of Management and Those Charged with Governance 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. 95,146 lakhs as at March 31, 2024, total revenues of Rs. 86,233 lakhs and net cash inflows amounting to Rs. 368 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. 12,906 lakhs as at March 31, 2024, total revenues of Rs. 156 lakhs and net cash outflows amounting to Rs. 8 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 maintained by the Group including relevant records relating to the preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, except in relation to compliance with the requirements of audit trail, refer paragraph (i)(vi) below.

   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, 2024 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, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

f) The modification relating to the maintenance of accounts and other matters connected therewith, is as stated in paragraph (b) above.

g) 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.

h) 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.

i) 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) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the 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, other than as disclosed in Note 54 to the financial statements, 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, as disclosed in Note 54 to the financial statements, 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 final dividend proposed for the previous year, declared and paid by the Parent during the year is in accordance with section 123 of the Act, as applicable.

The interim dividend declared and paid by the Parent during the year and until the date of this report is in accordance with section 123 of the Companies Act 2013.

As stated in Note 55 to the consolidated financial statements, the Board of Directors of the Parent have proposed final dividend for the year which is subject to the approval of the members of the Parent at the ensuing Annual General Meeting. Such dividend proposed is in accordance with section 123 of the Act, as applicable

The 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.

vi) Based on our examination which included test checks and that performed by the respective auditors of the subsidiary companies and based on the other auditors' reports of its subsidiary companies incorporated in India whose financial statements have been audited under the Act, except for the instances mentioned below, the Parent and its subsidiary companies incorporated in India have used accounting software for maintaining their respective books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software.

- Audit trail was not enabled for certain tables for the period April 1, 2023 to February 19, 2024 in the accounting software used by the Parent and one subsidiary.
- In respect of one subsidiary, the accounting software used by the subsidiary did not have a feature of recording audit trail (edit log).

Refer note 57 of the financial statements.

Additionally, during the course of our audit, we did not come across any instance of audit trail feature being tampered with in respect of the accounting software for the period for which the audit trail feature was operating.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the year ended March 31, 2024.

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: 24206920BKANYU5385

Bangalore, May 28, 2024

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 (g) 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, 2024, 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, 2024, 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

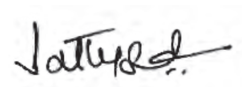
Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to two subsidiary companies, which are companies incorporated in India, is based solely on the corresponding reports of 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: 24206920BKANYU5385

Bangalore, May 28, 2024

CONSOLIDATED BALANCE SHEET

All amounts are in INR lakhs unless otherwise stated

Particulars	Notes	As at 31 March 2024	As at 31 March 2023
ASSETS			
Non-current assets			
a) Property plant and equipment	3	57,292	44,338
b) Other Intangible assets	3	2,434	2,449
c) Goodwill	4	9,397	10,473
d) Capital work in progress		998	7,852
e) Right-of-use assets	40	10,034	10,910
f) Financial assets			
(i) Investments	5	33	33
(ii) Other financial assets	6	676	1,267
g) Income tax asset (net)	7	606	593
h) Other non-current assets	8	273	648
Total non - current assets		**81,743**	**78,563**
Current assets			
a) Inventories	9	30,564	29,988
b) Financial assets			
(i) Trade receivables	10	29,882	25,766
(ii) Cash and cash equivalents	11	5,083	13,783
(iii) Bank balances other than cash and cash equivalents above	12	1,058	2,303
(iv) Loans	13	129	86
(v) Other financial assets	14	1,208	1,022
c) Other current assets	15	7,558	9,807
Total current assets		**75,482**	**82,755**
Assets classified as held for sale	52	-	5,562
Total Assets		**1,57,225**	**1,66,880**
EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	16	679	679
b) Other equity	17	66,095	53,518
Total equity		**66,774**	**54,197**
Liabilities			
Non-current liabilities			
a) Financial liabilities			
(i) Borrowings	18	19,319	22,529
(ii) Lease Liabilities	40	10,264	10,584
(iii) Other financial liabilities	19	-	500
b) Provisions	20	2,847	3,193
c) Deferred tax liabilities (net)	21	268	229
d) Other non-current liabilities	22	96	313
Total non-current liabilities		**32,794**	**37,348**
Current liabilities			
a) Financial liabilities			
(i) Borrowings	23	26,497	39,311
(ii) Trade Payables	24		
(a) total outstanding dues of micro and small enterprises		1,295	2,313
(b) total outstanding dues of creditors other than micro and small enterprises		17,220	20,630
(iii) Lease liabilities	40	2,429	2,930
(iv) Other financial liabilities	25	5,757	6,530
b) Provisions	26	1,310	921
c) Current tax liabilities (net)	27	1,461	802
d) Other current liabilities	28	1,688	1,898
Total current liabilities		**57,657**	**75,335**
Total liabilities		**90,451**	**1,12,683**
Total equity and liabilities		**1,57,225**	**1,66,880**

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: Bangalore
Date: 28 May 2024

for and on behalf of the Board of Directors of
Dynamatic Technologies Limited

UDAYANT MALHOUTRA
Chief Executive Officer & Managing Director
DIN : 00053714

P S RAMESH
Executive Director, Chief Operating Officer - Hydraulic
DIN : 05205364

CHALAPATHI P
Chief Financial Officer

SHIVARAM V
Head - Legal, Compliance & Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

All amounts are in INR lakhs unless otherwise stated except for earnings per share information

Particulars	Notes	For the year ended 31 March 2024	For the year ended 31 March 2023
Income			
Revenue from operations	29	1,42,933	1,31,577
Other income	30	4,282	976
Total income		**1,47,215**	**1,32,553**
Expenses			
Cost of materials and components consumed	31	66,194	65,957
Change in inventory of finished goods and work-in-progress	32	621	(2,855)
Employee benefit expense	33	30,167	25,342
Finance costs	34	6,255	6,538
Depreciation and amortisation expenses	35	6,636	7,042
Other expenses	36	30,010	25,007
Total expenses		**1,39,883**	**1,27,031**
Profit before tax and exceptional items		**7,332**	**5,522**
Exceptional gain	37	6,231	-
Profit before tax		**13,563**	**5,522**
Current tax	49	1,316	1,667
Deferred tax	49	66	(424)
Income tax expense		**1,382**	**1,243**
Profit after tax		**12,181**	**4,279**
Other Comprehensive Income			
Items that will not to be reclassified subsequently to profit and loss			
Remeasurement gain/(loss) on defined benefit plans	43	(125)	(15)
Income tax relating to items that will not be reclassified to profit and loss		27	4
Items that will be reclassified to profit or loss			
Foreign currency fluctuations under a cash flow hedge - gain/(loss)		508	(324)
Exchange differences in translating financial statements of foreign operations		801	1,011
Other comprehensive income for the year, net of tax		**1,211**	**676**
Total comprehensive income for the year		**13,392**	**4,955**
Earnings per equity share (of INR 10 each) Basic and diluted (in INR):	48	179.40	67.32
Number of weighted average outstanding shares used in computing earnings per share		67,91,443	63,55,005

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: Bangalore
Date: 28 May 2024

for and on behalf of the Board of Directors of
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DIN : 00053714

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Executive Director, Chief Operating Officer - Hydraulic
DIN : 05205364

CHALAPATHI P
Chief Financial Officer

SHIVARAM V
Head - Legal, Compliance & Company Secretary

CONSOLIDATED STATEMENT OF CASH FLOWS

All amounts are in INR lakhs unless otherwise stated

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Profit before tax	13,563	5,522
Adjustments:		
Depreciation and amortisation on Property, plant and equipment and Intangible assets	3,932	3,404
Amortisation of Right to use Assets	2,704	3,638
Finance costs	5,365	5,556
Interest on Lease liabilities	718	862
Unrealised foreign exchange differences	(205)	868
Interest income	(209)	(231)
Loss allowance on financial assets (net)	115	204
Gain on sale of property, plant and equipment and Intangible assets, (net)	(468)	(30)
Exceptional Items (Refer Note 37)	(6,231)	-
Liabilities written back	(2,986)	-
Unwinding of fair value interest on dismantling liability	-	36
Operating cash flow before working capital changes	**16,298**	**19,829**
Changes in operating assets and liabilities		
Changes in inventories	(75)	(3,858)
Changes in trade receivables	(3,216)	(4,735)
Changes in loans	17	143
Changes in other financial assets	458	(402)
Changes in other assets	1,990	(940)
Changes in trade payables	(3,873)	519
Changes in provisions	(88)	89
Changes in other financial liabilities	(533)	1,509
Changes in other current liabilities	(551)	1,753
Cash generated from operations	**10,427**	**13,907**
Income taxes paid, net of refund	(693)	(807)
Net cash generated from operating activities (A)	**9,734**	**13,100**
Cash flows from investing activities		
Purchase of property, plant and equipment and intangibles assets	(7,488)	(8,492)
Proceed from the sales of assets classified as held for sale	10,710	-
Changes in bank deposits (having original maturity of more than three months), net	1,245	(55)
Interest income received	151	251
Net cash generated from /(used in) investing activities (B)	**4,618**	**(8,296)**
Cash flows from financing activities		
Proceeds from issue of equity shares	-	11,291
Proceed from long term borrowings	16,411	4,770
Repayment of long term borrowings	(27,595)	(7,382)
Proceeds from/(Repayment of) short term borrowings, net	(1,731)	8,854
Payment of Lease liabilities	(3,453)	(4,662)
Interest paid	(5,926)	(5,451)
Dividend paid	(811)	(190)
Net cash generated from /(used in) financing activities (C)	**(23,105)**	**7,230**
Net decrease in cash and cash equivalents (A + B + C)	(8,753)	12,034
Cash and cash equivalents at the beginning of the year	13,783	1,722
Effect of exchange rate changes on cash and cash equivalent	53	27
Cash and cash equivalents at the end of the year (Refer Note 11)	**5,083**	**13,783**

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: Bangalore
Date: 28 May 2024

for and on behalf of the Board of Directors of
Dynamatic Technologies Limited

UDAYANT MALHOUTRA
Chief Executive Officer &
Managing Director
DIN : 00053714

P S RAMESH
Executive Director, Chief Operating Officer - Hydraulic
DIN : 05205364

CHALAPATHI P
Chief Financial Officer

SHIVARAM V
Head - Legal, Compliance
& Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(A) Equity Share Capital

i) Current reporting period

Balance as at 1 April 2023	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the year	Balance as at 31 March 2024
679	-	-	679

ii) Previous reporting period

Balance as at 1 April 2022	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the year	Balance as at 31 March 2023
634	-	45	679

(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 2023	**15**	**240**	**154**	**3,010**	**23,318**	**23,953**	**-**	**(508)**	**3,336**	**53,518**
Profit for the year	-	-	-	-	-	12,181	-	-	-	**12,181**
Exchange difference on translation of foreign operations	-	-	-	-	-	-	-	-	801	**801**
Other comprehensive income for the year	-	-	-	-	-	-	(98)	508	-	**410**
Transfer to retained earnings	-	-	-	-	-	(98)	98	-	-	**-**
Final dividend	-	-	-	-	-	(475)	-	-	-	**(475)**
Interim dividend	-	-	-	-	-	(340)	-	-	-	**(340)**
Balance as at 31 March 2024	**15**	**240**	**154**	**3,010**	**23,318**	**35,221**	**-**	**-**	**4,137**	**66,095**
Balance as at 1 April 2022	**15**	**240**	**154**	**3,010**	**12,072**	**19,875**	**-**	**(184)**	**2,325**	**37,507**
Profit for the year	-	-	-	-	-	4,279	-	-	-	**4,279**
Exchange difference on translation of foreign operations	-	-	-	-	-	-	-	-	1,011	**1,011**
Other comprehensive income for the year	-	-	-	-	-	-	(11)	(324)	-	**(335)**
Transfer to retained earnings	-	-	-	-	-	(11)	11	-	-	**-**
Issue of equity shares	-	-	-	-	11,246	-	-	-	-	**11,246**
Interim dividend	-	-	-	-	-	(190)	-	-	-	**(190)**
Balance as at 31 March 2023	**15**	**240**	**154**	**3,010**	**23,318**	**23,953**	**-**	**(508)**	**3,336**	**53,518**

for **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

SATHYA P KOUSHIK
Partner
Membership No. 206920

Place: Bangalore
Date: 28 May 2024

for and on behalf of the Board of Directors of **Dynamatic Technologies Limited**

UDAYANT MALHOUTRA
Chief Executive Officer & Managing Director
DIN : 00053714

P S RAMESH
Executive Director, Chief Operating Officer - Hydraulic
DIN : 05205364

CHALAPATHI P
Chief Financial Officer

SHIVARAM V
Head Legal, Compliance & Company Secretary

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 and aerospace components. 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, and

(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 is in conformity with Ind AS, management requires 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 to 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:

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 49:

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 20, 26 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 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 5, 6, 10, 13, 14 and 44:

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The 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.

(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 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.

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 44 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 50. Subsidiaries are all entities over which the Group has control. The parent controls an entity when it is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date the Parent acquires control until the date the control ceases.

Inter-company transactions, balances and unrealised gains and losses on inter-company transactions between group companies are eliminated. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment losses from the Group perspective. Amounts reported in separate financial statements of subsidiaries are adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interest, if any. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interest even if this results in the non-controlling interest having a deficit balance.

Non-controlling interest are presented in the 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 Material 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 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 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 tenure
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 tenure 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 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 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 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 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 statement of profit and loss.

c) Non-financial assets

Property, plant and equipment and Intangible assets

Property, plant and equipment and Intangible 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 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.

iv Leases

a) 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-of use assets and lease liabilities for leases of low value 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.

b) 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 customers and is measured based on the consideration to which the Group expects to be entitled to in a contract with a customer and excludes trade discounts, volume rebates and amounts collected on behalf of government. 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.

Where the Group's contracts with customers 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 is made to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

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. to determine whether the performance obligation is satisfied at a point in time or over a period of time.

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.

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 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 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 statement of profit and loss. Any gain or loss on derecognition is recognized in the 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 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 statement of profit and loss.

Equity investments at FVTOCI:

These assets are subsequently measured at fair value. Dividends are recognized as income in the 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 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 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 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 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 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 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 Group 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 Group 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 Group 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 Group 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

a) 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.

b) 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 statement of profit and loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

c) 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.

d) 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 statement of profit and loss during the period in which the employee renders the related service.

e) 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 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 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 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 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:

a) 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.

b) Assets held for sale:

Non-current assets and disposal group are classified as "Held for Sale" if their carrying amount is intended to be recovered principally through sale rather than through continuing use. The condition for classification of "Held for Sale" is met when the non-current asset or the disposal group is available for immediate sale and the same is highly probable of being completed within one year from the date of classification as "Held for Sale". Non-current assets and disposal group held for sale are measured at the lower of carrying amount and fair value less cost to sell. Non-current assets and disposal group that ceases to be classified as "Held for Sale" shall be measured at the lower of carrying amount before the non-current asset and disposal group was classified as "Held for Sale" adjusted for any depreciation/ amortization and its recoverable amount at the date when the disposal group no longer meets the "Held for sale" criteria.

3 Property, plant and equipment and intangible assets

3.1 Property, plant and equipment

(Rs in Lakhs)

Particulars	Owned												Leased	Total
	Freehold land	Buildings	Plant and Machinery	Measuring Instruments	Electrical Installations	Data Processing Equipment	Office Equipment	Furniture and Fixtures	Tools, Dies and Moulds	Vehicles	Motor Boat	Leasehold improvements	Land (Note i)	
Gross carrying amount:														
Balance as at 1 April 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**
Additions	-	13	1,843	11	5	125	129	58	276	46	-	180	-	**2,686**
Deletion/adjustments	-	-	(1,234)	(2)	(16)	-	(201)	-	(16)	(22)	-	-	-	**(1,491)**
Translation adjustment	41	751	1,626	-	-	23	238	37	58	11	-	17	-	**2,802**
Balance as at 31 March 2023	**3,465**	**14,507**	**26,899**	**1,369**	**1,179**	**2,046**	**3,583**	**1,103**	**5,822**	**770**	**402**	**1,088**	**12,708**	**74,941**
Balance as at 1 April 2023	**3,465**	**14,507**	**26,899**	**1,369**	**1,179**	**2,046**	**3,583**	**1,103**	**5,822**	**770**	**402**	**1,088**	**12,708**	**74,941**
Additions	-	7,413	4,307	38	937	472	229	210	414	556	-	772	-	**15,348**
Assets classified from discontinued operations (Refer Note 52)	1,089	-	-	-	-	-	-	-	-	-	-	-	-	**1,089**
Deletion/adjustments	-	-	(437)	(14)	(14)	(87)	(37)	(84)	(15)	(69)	-	(347)	-	**(1,104)**
Translation adjustment	22	177	776	-	-	45	54	32	108	10	-	25	-	**1,249**
Balance as at 31 March 2024	**4,576**	**22,097**	**31,545**	**1,393**	**2,102**	**2,476**	**3,829**	**1,261**	**6,329**	**1,267**	**402**	**1,538**	**12,708**	**91,523**
Accumulated depreciation:														
Balance as at 1 April 2022	**-**	**2,744**	**14,120**	**411**	**157**	**1,365**	**2,278**	**877**	**3,521**	**475**	**220**	**377**	**-**	**26,545**
Depreciation for the year	-	414	1,679	60	32	192	231	74	399	36	18	62	-	**3,197**
Depreciation on deletion	-	-	(1,087)	-	(1)	-	(180)	-	(14)	(21)	-	-	-	**(1,303)**
Translation adjustment	-	383	1,507	-	-	22	170	30	41	8	-	3	-	**2,164**
Balance as at 31 March 2023	**-**	**3,541**	**16,219**	**471**	**188**	**1,579**	**2,499**	**981**	**3,947**	**498**	**238**	**442**	**-**	**30,603**
Balance as at 1 April 2023	**-**	**3,541**	**16,219**	**471**	**188**	**1,579**	**2,499**	**981**	**3,947**	**498**	**238**	**442**	**-**	**30,603**
Depreciation for the year	-	538	1,738	235	92	155	244	59	409	47	18	98	-	**3,633**
Depreciation on deletion	-	-	(417)	-	-	(58)	(29)	(47)	-	-	-	(298)	-	**(849)**
Translation adjustment	-	88	552	-	-	42	41	29	83	4	-	5	-	**844**
Balance as at 31 March 2024	**-**	**4,167**	**18,092**	**706**	**280**	**1,718**	**2,755**	**1,022**	**4,439**	**549**	**256**	**247**	**-**	**34,231**
Net carrying amount:														
Balance as at 31 March 2024	**4,576**	**17,930**	**13,453**	**687**	**1,822**	**758**	**1,074**	**239**	**1,890**	**718**	**146**	**1,291**	**12,708**	**57,292**
Balance as at 31 March 2023	**3,465**	**10,966**	**10,680**	**898**	**991**	**467**	**1,084**	**122**	**1,875**	**272**	**164**	**646**	**12,708**	**44,338**

Note:

(i) Leasehold land aggregating INR 12,708 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) Dynamatic Limited, UK (DLUK) has entered into binding offer from a potential buyer to purchase 100 ordinary shares of Yew Tree Investments Limited (YITL), a 100% wholly owned subsidiary. The offer includes purchase of land and building held by YITL in Bristol which is subject to obtaining necessary permission from local planning authority by the potential buyer and DLUK has received an advance of GBP 0.86 Million during the year. The tentative timeframe for completion of aforesaid transaction is 2-3 year, in case the potential buyer fails to get necessary approvals/permission from the local authority, the advance will not be refunded to the potential buyer. The sale of shares and land and building will not be completed within one year and hence, the land and building do not meet the criteria of classification as Assets Held For Sale as per Ind AS 105.

(Rs in Lakhs)

3.2 Intangible assets

Particulars	Owned intangible assets		Total
	Application Software	Prototype development	
Gross carrying amount:			
Balance as at 1 April 2022	**1,121**	**2,755**	**3,876**
Additions	107	20	**127**
Translation adjustment	38	55	**93**
Balance as at 31 March 2023	**1,266**	**2,830**	**4,096**
Balance as at 1 April 2023	**1,266**	**2,830**	**4,096**
Additions	131	75	**206**
Deletion	(5)	-	**(5)**
Translation adjustment	7	110	**117**
Balance as at 31 March 2024	**1,399**	**3,015**	**4,414**
Accumulated amortization:			
Balance as at 1 April 2022	**680**	**708**	**1,388**
Amortisation for the year	99	108	**207**
Translation adjustment	31	21	**52**
Balance as at 31 March 2023	**810**	**837**	**1,647**
Balance as at 1 April 2023	**810**	**837**	**1,647**
Amortisation for the year	122	177	**299**
Amortisation on deletion	-	-	**-**
Translation adjustment	7	27	**34**
Balance as at 31 March 2024	**939**	**1,041**	**1,980**
Net carrying amount:			
Balance as at 31 March 2024	**460**	**1,974**	**2,434**
Balance as at 31 March 2023	**456**	**1,993**	**2,449**

4 Goodwill

Particulars	As at 31 March 2024	As at 31 March 2023
Carrying value at the beginning of the year	10,473	10,099
Translation differences	259	374
Goodwill impaired (Refer Note 37)	(1,335)	-
Carrying value at the end of the year	**9,397**	**10,473**

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 CGUs, 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 CGUs. The carrying amount of the CGU was computed by allocating the net assets to operating segments for the purpose of impairment testing.

The carrying value of goodwill, net of translation differences and impairment allocated to operating segment are as follows:

Entity acquired	Allocated operating segment	As at 31 March 2024	As at 31 March 2023
Dynamatic Limited, UK	Hydraulics and Aerospace	5,685	5,476
JKM Erla Holdings GmbH, Germany (consolidated)	Metallurgy	3,712	4,997
Total Carrying value at the end of the year		**9,397**	**10,473**

As at 31 March 2024, the estimated recoverable amount of the Metallurgy CGU was below its carrying amount. Accordingly, an impairment loss of Rs. 1,335 lakhs has been recognized (Refer Note 37) and the carrying value of the CGU post the aforesaid impairment is Rs. 3,712 lakhs.

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 CGUs 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 2024	As at 31 March 2023
Discount rate*	15% to 15.7%	18.50% to 19%
Terminal growth rate **	1.5% to 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.

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.

5 Non-current investments

Particulars	As at 31 March 2024	As at 31 March 2023
Unquoted equity shares		
Investment carried at fair value through statement of Profit and Loss		
332,000 equity shares (31 March 2023: 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	-	-

6 Other non- current financial assets

Particulars	As at 31 March 2024	As at 31 March 2023
Unsecured, considered good		
Security deposits	676	1,267
	676	**1,267**

7 Income tax assets (net)

Particulars	As at 31 March 2024	As at 31 March 2023
Advance income tax and tax deducted at source, net of provision	606	593
	606	**593**

8 Other non-current assets

Particulars	As at 31 March 2024	As at 31 March 2023
Unsecured, considered good		
Capital advances	81	648
Prepaid expenses	192	-
	273	**648**

(Rs in Lakhs)

9 Inventories (Valued at lower of cost and net realizable value)

Particulars	As at 31 March 2024	As at 31 March 2023
Work-in-progress	12,571	14,644
Raw materials and components	12,178	9,934
Finished goods	4,389	4,195
Stores and spares	1,426	1,215
	30,564	**29,988**

10 Trade receivables

Particulars	As at 31 March 2024	As at 31 March 2023
Unsecured, considered good		
Trade receivable	30,922	26,737
Less: Allowances for credit losses	(1,040)	(971)
Net trade receivables	**29,882**	**25,766**

All trade receivables are 'current'.

Trade Receivables ageing schedule as at 31 March 2024:

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	17,029	11,689	729	510	90	875	30,922
Less: Allowances for credit loss							(1,040)
Net trade receivables							**29,882**

Trade Receivables ageing schedule as at 31 March 2023:

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	17,072	7,835	685	233	381	531	26,737
Less: Allowances for credit loss							(971)
Net trade receivables							**25,766**

Note: There are no disputed trade receivables as at 31 March 2024 and 31 March 2023.

The Group's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in note 45.

11 Cash and cash equivalents

Particulars	As at 31 March 2024	As at 31 March 2023
Cash on hand	32	15
Balance with banks		
- in current accounts	5,051	13,768
	5,083	**13,783**

Cash and cash equivalents as defined in Ind AS 7 "Statements of Cash Flows"

(Rs in Lakhs)

12 Bank balances other than cash and cash equivalents above

Particulars	As at 31 March 2024	As at 31 March 2023
In deposit accounts-held as margin money (due to mature within 12 months from the reporting date)*	1,052	2,301
Unpaid dividend	6	2
	1,058	**2,303**

*Balances in margin money deposits represents deposits made for non-fund based limits with banks, which are available for use to settle a liability for not more than 12 months from the balance sheet date.

13 Current Loans

Particulars	As at 31 March 2024	As at 31 March 2023
Unsecured, considered good		
Loans to employees	129	86
	129	**86**

14 Other current financial assets

Particulars	As at 31 March 2024	As at 31 March 2023
Unsecured, considered good		
Accrued interest	58	-
Security deposit	1,150	1,022
	1,208	**1,022**

15 Other current assets

Particulars	As at 31 March 2024	As at 31 March 2023
Unsecured, considered good		
Advance for supply of goods	1,128	2,646
Advance for supply of goods to related parties (Refer Note 47)	652	1,060
Unbilled revenue - Refer note below	5	280
Prepaid expenses	2,510	2,398
Balances with government authorities	3,263	3,423
	7,558	**9,807**

Unbilled revenue ageing schedule as at 31 March 2024:

Particulars	Outstanding for following periods from date of transaction						Total
	Not Due	Less than 6 months	6 months 1 year	1-2 years	2-3 years	More than 3 years	
Unbilled revenue	5	-	-	-	-	-	5

Unbilled revenue ageing schedule as at 31 March 2023:

Particulars	Outstanding for following periods from date of transaction						Total
	Not Due	Less than 6 months	6 months 1 year	1-2 years	2-3 years	More than 3 years	
Unbilled revenue	156	-	79	45	-	-	280

(Rs in Lakhs)

16 Equity share capital

Particulars	As at 31 March 2024	As at 31 March 2023
Authorised		
Equity shares		
20,000,000 equity shares (31 March 2023: 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 2023: 500,000 shares) of par value of INR 100 each	500	500
	2,500	**2,500**
Issued, subscribed and fully paid up		
Equity shares		
6,791,443 equity shares (31 March 2023: 6,791,443 equity shares) of par value of INR 10 each	679	679
	679	**679**

i. Reconciliation of shares outstanding at the beginning and at the end of the reporting period

Particulars	31 March 2024		31 March 2023	
	Number of shares	Amount (INR in lakhs)	Number of shares	Amount (INR in lakhs)
Shares outstanding at the beginning of the year	67,91,443	679	63,41,443	634
Shares issued during the year*	-	-	4,50,000	45
Shares outstanding at the end of the year	67,91,443	679	67,91,443	679

*The Board of Directors subsequent to members approval dated 9 March 2023, allotted 4,50,000 equity shares to non-promoter persons on preferential basis for an amount of INR. 112,90,50,000 (Rupees one hundred twelve crore ninety lacs and fifty thousand only), in accordance with Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI (ICDR) Regulations"), as amended from time to time. As on the Board meeting date 29 May 2023, the proceeds of the preferential allotment has been utilized towards prepayment of debt and for general corporate purposes.

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.

(Rs in Lakhs)

iii. Details of shareholders holding more than 5% of equity shares in the Company

	Particulars	31 March 2024		31 March 2023	
		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	7.71%	5,23,460	7.71%
ii)	JKM Holdings Private Limited	11,12,538	16.38%	11,12,538	16.38%
iii)	Udayant Malhoutra and Company Private Limited	6,42,011	9.45%	6,42,011	9.45%
iv)	JKM Offshore India Private Limited	4,42,071	6.51%	4,42,071	6.51%
v)	Samena Special Situations Mauritius	5,55,754	8.18%	5,55,754	8.18%
vi)	HDFC Trustee Company Limited	3,82,071	5.63%	4,13,594	6.09%

iv Disclosure of Shareholding of Promoters

Disclosure of shareholding of promoters as at 31 March 2024 is as follows:

Sr. No	Shares held by promoters	As at 31 March 2024		As at 31 March 2023		% Change during the year
	Promoter name	No of Shares	% of total shares	No of Shares	% of total shares	
1	Udayant Malhoutra	5,23,460	7.71%	5,23,460	7.71%	0.00%
2	JKM Holdings Private Limited	11,12,538	16.38%	11,12,538	16.38%	0.00%
3	Udayant Malhoutra and Company Private Limited	6,42,011	9.45%	6,42,011	9.45%	0.00%
4	JKM Offshore India Private Limited	4,42,071	6.51%	4,42,071	6.51%	0.00%
5	Christine Hoden (India) Private Limited	95,100	1.40%	95,100	1.40%	0.00%
6	Greenearth Biotechnologies Limited	22,927	0.34%	22,927	0.34%	0.00%
7	Barota Malhoutra	4,938	0.07%	4,938	0.07%	0.00%
8	Vita Private Limited	100	0.00%	100	0.00%	0.00%
9	Primella Sanitary Products Private Limited	100	0.00%	100	0.00%	0.00%
		28,43,245	**41.87%**	**28,43,245**	**41.87%**	**0.00%**

Disclosure of shareholding of promoters as at 31 March 2023 is as follows:

Sr. No	Shares held by promoters	As at 31 March 2023		As at 31 March 2022		% Change during the year
	Promoter name	No of Shares	% of total shares	No of Shares	% of total shares	
1	Udayant Malhoutra	5,23,460	7.71%	5,23,460	8.25%	0.00%
2	JKM Holdings Private Limited	11,12,538	16.38%	11,12,538	17.54%	0.00%
3	Udayant Malhoutra and Company Private Limited	6,42,011	9.45%	6,42,011	10.12%	0.00%
4	JKM Offshore India Private Limited	4,42,071	6.51%	4,42,071	6.97%	0.00%
5	Wavell Investments Private Limited	-	0.00%	95,000	1.50%	-1.50%
6	Greenearth Biotechnologies Limited	22,927	0.34%	22,927	0.36%	0.00%
7	Barota Malhoutra	4,938	0.07%	4,938	0.08%	0.00%
8	Vita Private Limited	100	0.00%	100	0.00%	0.00%
9	Christine Hoden (India) Private Limited	95,100	1.40%	100	0.00%	1.50%
10	Primella Sanitary Products Private Limited	100	0.00%	100	0.00%	0.00%
		28,43,245	**41.87%**	**28,43,245**	**44.83%**	**-**

(Rs in Lakhs)

17 Other equity*

Particulars	As at 31 March 2024	As at 31 March 2023
Capital reserves	15	15
Capital redemption reserve	240	240
Reserve on amalgamation	154	154
General reserve	3,010	3,010
Securities premium	23,318	23,318
Retained earnings	35,221	23,953
Foreign currency translation reserve	4,137	3,336
Cash flow hedge reserve - Currency Basis Spread	-	(508)
	66,095	**53,518**

* Refer Statement of Changes for detailed movement of each component of Other Equity.

(i) Capital reserve :

Capital reserve was created on account of subsidy received during the year ended 31 March 2005 and is not freely available for dividend distribution.

(ii) Capital Redemption Reserve :

During the year ended 31 March 2005, an amount of INR 240 was transferred to capital redemption reserve upon redemption of preference share, in accordance with 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.

(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 receivables. 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 currency trade receivables and highly probable future forecasted transactions.

(Rs in Lakhs)

18 Non-current borrowings

Particulars	As at 31 March 2024	As at 31 March 2023
Secured		
Term loans		
- from banks [refer footnote (i)]	9,532	24,850
- Financial institutions [refer footnote (ii)]	10,362	8,697
Financial lease obligation [refer footnote (iii)]	3,546	1,666
Unsecured loans		
Term loans		
- from financial institutions [Refer footnote (ii)]	-	909
Total Borrowings	**23,440**	**36,122**
Less: Current Maturities of long term borrowings from banks (Secured)	(1,405)	(10,675)
Less: Current Maturities of long term borrowings from financial institutions (Secured)	(1,758)	(2,112)
Less: Current Maturities of financial lease obligation (Secured)	(958)	(423)
Less: Current Maturities of long term borrowings from financial institutions (Unsecured)	-	(383)
Net non-current borrowings	**19,319**	**22,529**

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 Nil (31 March 2023: INR 16,187) repayable in 32 quarterly instalments. First instalment starting from 15 October 2018 with interest rate ranging from 10.75% to 11.25% per annum (31 March 2023: interest rate ranging from 10.05% to 10.30% per annum) for Rupee Term Loans and 5.06% per annum (31 March 2023: 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 Nil (31 March 2023: 4,010) repayable in 48 monthly instalments. First instalment starting from March 2022 with interest rate ranging from 8.75% to 9.95% per annum (31 March 2023: 8.25% 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 9,000 (31 March 2023: INR Nil) repayable in 28 quarterly instalments. First instalment starting from 1 June 2024 with interest rate at 9.60% per annum.	First pari passu charge on the entire movable and immovable fixed assets of the Company, present and future. Second pari passu charge on the entire current assets of the Company. First charge over Debt Service Reserve Account (DSRA).
Term loan from bank aggregating to INR 129 (31 March 2023: INR Nil) repayable in 60 monthly instalments. First instalment starting from 31 October 2023 with interest rate at 8.90% per annum.	Hypothecation of asset (cars).
Term loan from bank aggregating to INR Nil (31 March 2023 : INR 2,949) repayable in 15 quarterly instalments. The rate of interest is 6.69% per annum (31 March 2023: 6.69% per annum).	Secured by movable and immovable fixed assets of Eisenwerk Erla GmbH, Germany subsidiary.

(Rs in Lakhs)

Details of repayment terms, interest and maturity	Nature of security
Term loan from bank aggregating to INR Nil (31 March 2023 : INR 684) repayable in 32 quarterly instalments. First instalment starting from Sep 2022. The rate of interest is at 3.00% per annum (31 March 2023: 3% per annum).	Loan availed by Eisenwerk Erla Gmbh, Germany secured by 100% Guarantee from Government to the Bank.
Term loan from bank aggregating INR 403 (31 March 2023 : INR 302) repayable in 33 monthly instalments with rate of interest Base Rate plus 2.5% per annum (31 March 2023: 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 Nil (31 March 2023 : INR 211) repayable in 24 monthly instalments. First instalment starting from Feb 2022. Term loan from bank aggregating INR Nil (31 March 2023 : INR 507) repayable as bullet payment in January 2024. The rate of interest Base Rate plus 1.58% per annum for both loans (31 March 2023: Base Rate plus 1.58% per annum).	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 Nil (31 March 2023: INR 5,040) repayable in 32 quarterly instalments first instalment starting from 15 October 2018 with interest rate of Overnight SOFR + 5.15% per annum (31 March 2023: Overnight SOFR + 5.15% 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 3,080 (31 March 2023: 3,657) repayable in 20 quarterly instalments first instalment starting from 30 June 2023 with interest rate of 10.75% per annum (31 March 2023: 9.75% 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. First charge over Debt Service Reserve Account (DSRA). Personal guarantee issued by the promoter.
Term Loan from financial institutions aggregating to INR 7,000 (31 March 2023: INR Nil) repayable in 20 quarterly instalments first instalment starting from 30 September 2024 with interest rate of 10.25% 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.
Term Loan from financial institutions aggregating to INR 282 (31 March 2023: INR Nil) repayable in 60 monthly instalments with interest rate of 10.25% per annum.	Hypothecation of assets (cars).
Term Loan from financial institutions aggregating to INR Nil (31 March 2023:INR 444) repayable in 24 monthly instalments with interest rate of 12.25% per annum.	Un-secured Loan.
Term Loan from financial institutions aggregating to INR Nil (31 March 2023: INR 173) repayable in 60 monthly instalments with interest rate of 11.00% per annum.	Un-secured Loan.
Term Loan from financial institutions aggregating to INR Nil (31 March 2023: INR 292) repayable in 30 monthly instalments with interest rate of 13.25% per annum.	Un-secured Loan.

(iii) Leasing Finance / HP from banks aggregating INR 3,546 (31 March 2023: INR 1,666) 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.

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19 Other non-current financial liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Derivatives liability	-	500
	-	**500**

(Rs in Lakhs)

20 Non-current provisions

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for employee benefits:		
Provision for gratuity (Refer Note 43)	2,387	2,217
Provision for compensated absences	460	449
Other provisions		
Provision for decommissioning costs (Refer Note 41(b))	-	527
	2,847	**3,193**

21 Deferred tax liabilities (net) (Refer Note 49)

Particulars	As at 31 March 2024	As at 31 March 2023
Deferred tax liabilities		
Property, plant and equipment and intangible assets	2,204	1,805
Total deferred tax liabilities (A)	**2,204**	**1,805**
Deferred tax assets		
Right-of-use assets and Lease liabilities	662	658
Provision for gratuity and compensated absences	646	593
Provision for loss allowance	108	78
Provision for warranty	173	89
Others	347	158
Total deferred tax assets (B)	**1,936**	**1,576**
Net deferred tax liability (A - B)	**268**	**229**

22 Other non-current liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Deferred government grant	96	277
Others	-	36
	96	**313**

23 Current borrowings

Particulars	As at 31 March 2024	As at 31 March 2023
Secured Loans		
Loans from banks repayable on demand		
Cash credit and working capital demand loans*	16,802	18,546
Current maturities of long-term borrowings (Refer Note 18)	4,121	13,210
Unsecured Loans		
From banks		
Bill discounting facility from banks##	5,574	7,172
Current maturities of long-term borrowings (Refer Note 18)	-	383
	26,497	**39,311**

*Cash credit and working capital demand loans from banks carry interest ranging between 9.35% - 11.15% per annum (31 March 2023 : 10.65% - 12.65% 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 Currency from banks carry interest ranging between 6m Secured Overnight Financing Rate (SOFR) +3.00% and Sterling Over Night Index Average (SONIA) +4.00% per annum (31 March 2023 : 6m SOFR+3.00% and SONIA+4.00% 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 Group has taken receivable invoice discounting facility from banks which carry interest rate of 2.5% per annum (31 March 2023 : 2.5% 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.

(Rs in Lakhs)

24 **Trade payables**

Particulars	As at 31 March 2024	As at 31 March 2023
Dues of micro and small enterprises	1,295	2,313
Dues to creditors other than micro and small enterprises	17,220	20,630
	18,515	**22,943**

Trade Payables ageing schedule as at 31 March 2024:

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	1,238	53	4	-	-	1,295
Others	10,087	6,675	108	253	97	17,220
Total	**11,325**	**6,728**	**112**	**253**	**97**	**18,515**

Trade Payables ageing schedule as at 31 March 2023:

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	1,373	940	-	-	-	2,313
Others	8,908	10,969	537	97	119	20,630
Total	**10,281**	**11,909**	**537**	**97**	**119**	**22,943**

All trade payables are current and there are no disputed traded payables.

25 **Other current financial liabilities**

Particulars	As at 31 March 2024	As at 31 March 2023
Accrued expenses	5,517	6,022
Capital creditors	107	252
Security deposits	57	57
Interest accrued but not due	70	197
Unpaid dividend	6	2
	5,757	**6,530**

The Company's exposure to currency and liquidity risk are disclosed in Note 45.

26 **Current provisions**

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for employee benefits:		
Provision for gratuity (Refer Note 43)	448	335
Provision for compensated absences	74	67
Other provisions		
Provision for warranties (Refer Note 41(a))	689	352
Others (Refer Note 41(c))	99	167
	1,310	**921**

27 **Current tax liabilities (net)**

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for income tax (Net of Advance Tax and Tax Deducted at Source)	1,461	802
	1,461	**802**

28 **Other current liabilities**

Particulars	As at 31 March 2024	As at 31 March 2023
Advance received from customers	1,162	906
Statutory liabilities	526	992
	1,688	**1,898**

(Rs in Lakhs)

29 **Revenue from operations**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
(A) Sale of products		
Revenue from sale of products (Refer note 51)	1,41,632	1,30,001
Total revenue from sale of products (A)	**1,41,632**	**1,30,001**
(B) Other operating revenue		
Export incentives	15	17
Scrap sales	1,286	1,559
Total other operating revenue (B)	**1,301**	**1,576**
Total revenue from operations (A+B)	**1,42,933**	**1,31,577**

30 **Other income**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest income on financial assets carried at amortised cost	209	231
Net gain on foreign currency transactions and translation	503	322
Gain on sale of Property, plant and equipment and intangible assets	468	30
Liabilities written back (Refer Note 37)	2,947	-
Miscellaneous income	155	393
	4,282	**976**

31 **Cost of materials and components consumed**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Inventory of materials and components at the beginning of the year	9,934	9,822
Add: Purchases of materials and components	68,438	66,069
Less: Inventory of materials and components at the end of the year	(12,178)	(9,934)
	66,194	**65,957**

32 **Changes in inventory of finished goods and work-in-progress**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Opening stock		
- Finished goods	4,195	2,746
- Work-in-progress	14,644	11,974
	18,839	**14,720**
Closing stock		
- Finished goods	(4,389)	(4,195)
- Work-in-progress	(12,571)	(14,644)
	(16,960)	**(18,839)**
Add: Foreign currency translation adjustments	(1,258)	1,264
	621	**(2,855)**

33 **Employee benefits expense**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Salaries, wages and bonus	25,303	21,569
Contribution to provident fund and other funds	1,111	964
Gratuity expense (Refer Note 43)	350	312
Expenses related to compensated absence	77	79
Staff welfare expenses	3,326	2,418
	30,167	**25,342**

(Rs in Lakhs)

34 Finance costs

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest expense on financial liabilities at amortised cost*	4,587	5,042
Interest expense on lease liabilities (Refer Note 40)	718	862
Unwinding of discount on dismantling cost	-	36
Interest on delayed payment of taxes	172	84
Other borrowing cost	778	514
	6,255	**6,538**

*Interest expense consist realised & unrealised Forex exchange loss of INR 53 Lakhs (31 March 2023: INR 191 Lakhs) on re-statement and settlement of foreign currency term loans.

35 Depreciation and amortisation expense

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation on property, plant and equipment (Refer Note 3.1)	3,633	3,197
Depreciation of Right-of-use assets (Refer Note 40)	2,704	3,638
Amortization of intangible assets (Refer Note 3.2)	299	207
	6,636	**7,042**

36 Other expense

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Power and fuel	8,303	7,045
Subcontractor charges	4,605	4,369
Consumption of stores, loose tools and spare parts	3,906	2,966
Legal and professional fees	1,709	1,581
Repairs and maintenance:		
- plant and machinery	1,662	1,662
- buildings	201	154
- others	1,853	691
Insurance	1,126	939
Travelling and conveyance	1,015	912
Freight outward	978	934
Rent	825	838
Security charges	384	437
Packing expenses	544	430
Rates and taxes	389	306
Membership and subscriptions	348	268
Loss allowance on financial assets, net	69	204
Provision provided towards the advance to supplier	52	-
Bank charges	212	248
Printing and stationery	251	171
Communication	162	135
Corporate social responsibility expenses	191	107
Net loss on foreign currency transactions and translation	249	56
Directors sitting fees	71	42
Miscellaneous	905	512
	30,010	**25,007**

37 Exceptional Items

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Gains from the sale of windfarm land (Refer Note 52)	6,237	-
Gains from the corporate restructuring in German subsidiary*	1,763	-
Impairment of goodwill*	(1,335)	-
Termination charges on Cross Currency Swap	(434)	-
	6,231	**-**

*The Parent's investments in its German operations are held in Eisenwerk Erla GmbH, Germany (EEG), an indirect step down wholly owned subsidiary of the Company. EEG, is wholly owned by JKM Erla Holdings GmbH, Germany (JKM Erla), which is a wholly owned subsidiary of JKM Erla Automotive Limited, India (JEAL), another wholly owned subsidiary of the Parent. EEG is currently undergoing a transformation from automotive and foundry businesses to the aerospace business. Considering the various challenges involved, viz., the supply chain crisis at OEMs, current inflation in Europe, and the steep and unpredictable increase in the cost of gas and electricity being faced by corporations across Europe, EEG undertook corporate restructuring measures through the "Protective Shield Process by Self-Administration" under the applicable German Laws, and in this regard, a financial resolution plan was filed before the local court at Chemnitz, which got approved by creditors in favour of EEG. Consequent to this, the local court at Chemnitz passed its final order and ended the protective shield through self-administration proceedings effective 1 August 2023, and related credit balances and net gains were adjusted. Of the same, an amount of Rs. 2,544 Lakhs has been recognized under other income and INR 1,763 lakhs under exceptional items.

Owing to the aforesaid intra-group restructuring measures, JKM Erla engaged in the business of setting up automotive component processing/manufacturing units was decided to be dismantled with the aim of streamlining the Group's holding structure for German operations, and accordingly an application has been made before appropriate authorities and is awaiting necessary order. In the interim, the 100% shareholdings held by JKM Erla in EEG was assigned to JEAL and this intra-group restructuring does not impact the consolidated financial statements of the Group.

The restructuring carried out by EEG also envisaged refinancing of certain borrowings of EEG by way intra-group loans. To fund these intra-group loans, during the year, the Parent borrowed a term loan from a bank, the proceeds of which were permitted to be utilized in investment in overseas subsidiaries. As part of the annual impairment assessment of goodwill relating to the German operations, the Company has recognized an impairment loss of Rs. 1,335 Lakhs in the year ended 31 March 2024.

38 Contingent Liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Claims against the Group not acknowledged as debts#		
Income tax	1,349	1,722
Indirect tax	858	878
	2,207	**2,600**

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 2024	As at 31 March 2023
Capital Commitment		
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	446	985

There are no other material commitments.

(Rs in Lakhs)

40 Leases

(i) Following are the change in the carrying value of Right-of-use of assets for the year ended 31 March 2024:

Particulars	Category of ROU assets			Total
	Plant & Machinery	Building	Vehicles	
Balance as at 1 April 2023	4,545	6,339	26	10,910
Addition/Modification	12	1,496	-	1,508
Amortisation for the year	(1,820)	(868)	(16)	(2,704)
Translation adjustment	108	212	-	320
Balance as at 31 March 2024	**2,845**	**7,179**	**10**	**10,034**

(ii) Following are the change in the carrying value of Right-of-use assets for the year ended 31 March 2023:

Particulars	Category of ROU assets			Total
	Plant & Machinery	Building	Vehicles	
Balance as at 1 April 2022	5,819	5,611	105	11,535
Addition/Modification	1,220	1,563	-	2,783
Amortisation for the year	(2,572)	(986)	(80)	(3,638)
Translation adjustment	78	151	1	230
Balance as at 31 March 2023	**4,545**	**6,339**	**26**	**10,910**

(iii) The following is the break up of current & non-current lease liabilities:

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current lease liabilities	10,264	10,584
Current lease liabilities	2,429	2,930
	12,693	**13,514**

(iv) The following is the movement of lease liabilities during the year ended:

Particulars	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	13,514	14,323
Addition/Modification	1,508	2,783
Finance cost during the year	718	862
Lease payment/adjustment during the year	(3,453)	(4,662)
Translation adjustment	406	208
Total	**12,693**	**13,514**

(v) The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at 31 March 2024	As at 31 March 2023
Payable within 1 year	3,204	3,679
Payable between 1-5 years	6,607	6,887
Payable later than 5 years	4,926	5,584
Total	**14,737**	**16,150**

The Group 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 825 (31 March 2023: INR 838).

(Rs in Lakhs)

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 2024	As at 31 March 2023
Opening balance	352	368
Provisions recognised and (utilized) during the year (Net)*	337	(16)
Closing balance	**689**	**352**

(b) Provision for asset decommissioning

Particulars	As at 31 March 2024	As at 31 March 2023
Opening balance	527	514
Utilised during the year	(527)	(23)
Unwinding of discount	-	36
Closing balance	**-**	**527**

(c) Other provision

Particulars	As at 31 March 2024	As at 31 March 2023
Opening balance	167	332
Provisions recognised and (utilized) during the year (Net)*	(68)	(165)
Closing balance	**99**	**167**

* 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 and Medical division which offers cutting edge security products, technologies and manufacturing of medical kit respectively.

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'.

(Rs in Lakhs)

A Operating segment information for the year ended 31 March 2024 and 31 March 2023 is as follows:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Segment revenue		
a) Hydraulics	44,834	46,166
b) Aerospace	51,009	43,737
c) Metallurgy	47,081	41,661
d) Others	9	13
Revenue from operations	**1,42,933**	**1,31,577**
Segment results (profit/ (loss) before finance costs, other income and tax from each segment)		
a) Hydraulics	2,547	7,502
b) Aerospace	9,331	7,905
c) Metallurgy	1,010	(42)
d) Others	(775)	(1,336)
e) Unallocated	(2,808)	(2,945)
Total	**9,305**	**11,084**
Unallocable		
- Finance costs	(6,255)	(6,538)
- Other income	4,282	976
- Exceptional income	6,231	-
Profit before tax	**13,563**	**5,522**

Particulars	As at 31 March 2024	As at 31 March 2023
Segment assets		
a) Hydraulics	44,295	41,510
b) Aerospace	75,597	66,775
c) Metallurgy	25,008	29,959
d) Others	4,812	5,520
e) Unallocated	7,513	17,554
Segment assets from continuing operations	**1,57,225**	**1,61,318**
f) Other assets classified as held for sale (Refer Note 52)	-	5,562
Segment assets (continuing and discontinued operations)	**1,57,225**	**1,66,880**
Segment liabilities		
a) Hydraulics	23,596	22,553
b) Aerospace	12,900	11,844
c) Metallurgy	5,750	11,857
d) Others	787	2,588
e) Unallocated	47,418	63,841
Segment liabilities	**90,451**	**1,12,683**

Information about reportable segments for the period from 1 April 2023 to 31 March 2024 is as follows:

	Particulars	Hydraulics	Aerospace	Metallurgy	Others	Unallocated	Total
a)	Depreciation and amortisation expense	1,224	3,717	1,457	59	179	**6,636**
b)	Capital expenditure	1,515	5,717	636	129	703	**8,700**

(Rs in Lakhs)

Information about reportable segments for the period from 1 April 2022 to 31 March 2023 is as follows:

	Particulars	Hydraulics	Aerospace	Metallurgy	Others	Unallocated	Total
a)	Depreciation and amortisation expense	1,246	3,777	1,764	116	139	**7,042**
b)	Capital expenditure	748	7,205	462	711	85	**9,211**

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 2024	31 March 2023	31 March 2024	31 March 2023
India	30,162	33,223	32,514	33,684
Europe (other than UK)	53,271	48,457	14,323	17,537
United Kingdom	28,606	22,846	27,914	26,042
United States	15,882	15,108	-	-
Canada	14,241	10,434	-	-
Rest of the world	771	1,509	-	-
Total	**1,42,933**	**1,31,577**	**74,751**	**77,263**

*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	31 March 2024	31 March 2023
Customer 1*	-	-

*None of the customers of the Group has 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 2024	As at 31 March 2023
	Net defined benefit liability, gratuity plan	2,835	2,552
	Liability for compensated absences	534	516
	Total employee benefit liability	**3,369**	**3,068**
a)	**Gratuity**		
	Non-current	2,387	2,217
	Current	448	335
		2,835	**2,552**
b)	**Compensated absences**		
	Non-current	460	449
	Current	74	67
		534	**516**

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.

(Rs in Lakhs)

A Funding

The Group expects to pay INR 132 in contributions to its defined benefit plans in financial year 2024-25.

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 2024	As at 31 March 2023
Obligation at the beginning of the year	2,602	2,424
Interest cost	195	167
Current service cost	159	145
Benefit paid directly by employer	(47)	-
Benefit paid from the fund	(193)	(151)
Actuarial (Gains)/Losses on Obligations recognised in Other Comprehensive Income (OCI)		
- Changes in demographic assumptions	-	-
- Changes in financial assumptions	53	(43)
- Experience adjustments	73	60
Obligation at the end of the year	**2,842**	**2,602**

(ii) Reconciliation of present value of plan assets

Particulars	As at 31 March 2024	As at 31 March 2023
Plan assets at the beginning of the year, at fair value	50	90
Interest income on plan assets	4	6
Contributions	146	103
Benefits paid	(192)	(151)
Return on plan assets, excluding interest income recognised in OCI	(1)	2
Plan assets at the end of the year, at fair value	**7**	**50**
Net defined benefit liability	**2,835**	**2,552**

C (i) Expense recognized in Statement of profit and loss

Particulars	For the year ended	
	31 March 2024	31 March 2023
Current service cost	159	145
Interest cost	191	167
Net gratuity cost	**350**	**312**

(ii) Remeasurement recognized in other comprehensive income

Particulars	For the year ended	
	31 March 2024	31 March 2023
Actuarial loss/(gain) on defined benefit obligation	126	17
Return on plan assets, excluding interest income	(1)	(2)
Total loss/(gain) recognised in other comprehensive income	**125**	**15**

D Plan assets

Particulars	As at 31 March 2024	As at 31 March 2023
Insurance fund	7	50
	7	**50**

(Rs in Lakhs)

E Defined benefit obligation

(i) Actuarial assumptions

Particulars	For the year ended	
	31 March 2024	**31 March 2023**
Rate of return on planned assets	7.21% - 7.23%	7.47% - 7.50%
Discounting rate	7.21% - 7.23%	7.47% - 7.50%
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 (2012-14) Urban
Weighted average duration of defined benefit obligation (in years)	8 - 11	8 - 11
Average Expected Future Service	11 - 12	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.

(iv) **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 2024	As at 31 March 2023
Projected Benefit Obligation on Current Assumptions (Gross)	2,842	2,602
Impact of change in discount rate by +1%	(190)	(174)
Impact of change in discount rate by -1%	218	199
Impact of change in salary rate by +1%	205	190
Impact of change in salary rate by -1%	(186)	(170)
Impact of change in employee turnover rate by +1%	19	22
Impact of change in employee turnover rate by -1%	(22)	(25)

Defined contribution plan

The Group's contribution to Provident Fund aggregating to INR 635 (31 March 2023: INR 577) has been recognised in the Statement of Profit and Loss under the head employee benefit expense.

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.

(Rs in Lakhs)

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			
	31 March 2024	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value					
Loans (Non-current and Current)	129	-	-	-	-
Trade receivables, net of loss allowance	29,882	-	-	-	-
Cash and cash equivalents	5,083	-	-	-	-
Bank balances other than cash and cash equivalents	1,058	-	-	-	-
Other financial assets (Non-current and Current)	1,884	-	-	-	-
Financial assets measured at fair value					-
Investments in equity shares	33	-	-	33	33
Total financial assets	**38,069**	**-**	**-**	**33**	**33**
Financial liabilities not measured at fair value					
Borrowings (Non-current and Current)	45,816	-	-	-	-
Lease Liabilities (Non-current and Current)	12,693	-	-	-	-
Trade payables	18,515	-	-	-	-
Other financial liabilities (Non-current and Current)	5,757	-	-	-	-
Total financial liabilities	**82,781**	**-**	**-**	**-**	**-**

Particulars	Carrying amount	Fair value			
	31 March 2023	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value					
Loans (Non-current and Current)	86	-	-	-	-
Trade receivables, net of loss allowance	25,766	-	-	-	-
Cash and cash equivalents	13,783	-	-	-	-
Bank balances other than cash and cash equivalents	2,303	-	-	-	-
Other financial assets (Non-current and Current)	2,289	-	-	-	-
Financial assets measured at fair value					-
Investments in equity shares	33	-	-	33	33
Total financial assets	**44,260**	**-**	**-**	**33**	**33**
Financial liabilities not measured at fair value					
Borrowings (Non-current and Current)	61,840	-	-	-	-
Lease Liabilities (Non-current and Current)	13,514	-	-	-	-
Trade payables	22,943	-	-	-	-
Other financial liabilities (Non-current and Current)	7,030	-	500	-	500
Total financial liabilities	**1,05,327**	**-**	**500**	**-**	**500**

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 2024		
	Exposure in INR	Fair Value - Assets	Fair Value - Liabilities
Derivatives designated as cashflow hedges			
Currency Swaps for receivables including firm commitments and highly probable forecasted transactions	-	-	-

Particulars	31 March 2023		
	Exposure in INR	Fair Value - Assets	Fair Value - Liabilities
Derivatives designated as cashflow hedges			
Currency Swaps for receivables including firm commitments and highly probable forecasted transactions	5,650	-	500

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.

(Rs in Lakhs)

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 2024 and 31 March 2023 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 2024 amounting to INR 29,882 (31 March 2023: INR 25,766). 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 2024**	**As at 31 March 2023**
Balance as at the beginning of the year	971	783
Amounts written off	-	(16)
Net measurement of loss allowance	69	204
Balance as at the end of the year	**1,040**	**971**

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)

(i). Term loan from bank aggregating to INR 9,000 (31 March 2023: INR Nil) repayable in 28 quarterly instalments. First instalment starting from 1 June 2024 with interest rate at 9.60% per annum. First pari passu charge on the entire movable and immovable fixed assets of the Company, present and future. Second pari passu charge on the entire current assets of the Company. First charge over Debt Service Reserve Account (DSRA).

(ii). Term loan from bank aggregating to INR 129 (31 March 2023: INR Nil) repayable in 60 monthly instalments. First instalment starting from 31 October 2023 with interest rate at 8.90% per annum. This loan was secured by hypothecation of assets (cars).

(iii). Term loan from bank aggregating INR 403 (31 March 2023 : INR 302) repayable in 33 monthly instalments with rate of interest Base Rate plus 2.5% per annum (31 March 2023: 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.

b)

(i). Term Loan from financial institutions aggregating to INR 3,080 (31 March 2023: 3,657) repayable in 20 quarterly instalments first instalment starting from 30 June 2023 with interest rate of 10.75% per annum (31 March 2023: 9.75% 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. First charge over Debt Service Reserve Account (DSRA). Personal guarantee issued by the promoter.

(ii). Term Loan from financial institutions aggregating to INR 7,000 (31 March 2023: INR Nil) repayable in 20 quarterly instalments first instalment starting from 30 September 2024 with interest rate of 10.25% 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.

(iii). Term Loan from financial institutions aggregating to INR 282 (31 March 2023: INR Nil) repayable in 60 monthly instalments with interest rate of 10.25% per annum. This loan is secured by hypothecation of assets (cars).

c) Leasing Finance / HP from banks aggregating INR 3,546 (31 March 2023: INR 1,666) 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.

(Rs in Lakhs)

d) Cash credit and working capital demand loans from banks carry interest ranging between 9.35% - 11.15% 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 Currency from banks carry interest ranging between 6m SOFR+3.00% and SOFR +3.50% 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.

As at 31 March 2024

Particulars	Contractual cash flows				
	Carrying amount	Total	0-1 years	1-5 years	5 years and above
Borrowings*	45,816	45,816	26,497	16,114	3,205
Lease liabilities	12,693	14,737	3,204	6,607	4,926
Trade payables	18,515	18,515	18,515	-	-
Other financial liabilities (Non-current & Current)	5,757	5,757	5,757	-	-
Total	**82,781**	**84,825**	**53,973**	**22,721**	**8,131**

As at 31 March 2023

Particulars	Contractual cash flows				
	Carrying amount	Total	0-1 years	1-5 years	5 years and above
Borrowings*	61,840	61,840	38,737	22,974	129
Lease liabilities	13,514	16,150	3,679	6,887	5,584
Trade payables	22,943	22,943	22,943	-	-
Derivatives	500	578	70	508	
Other financial liabilities (Non-current & Current)	6,530	6,530	6,530	-	-
Total	**1,05,327**	**1,08,041**	**71,959**	**30,369**	**5,713**

* Including current maturities of long term borrowings.

As disclosed in note 18 and 23, the Group has secured bank loan that contains loan covenants. A future breach of covenant may require the Company to repay the loan earlier than indicated in the above table. Except for these financial liabilities, it is not expected that cash flows included in maturity analysis could occur significantly earlier.

iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

A) Currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currency of the Group companies. The functional currency of the Holding Company is primarily INR. The currencies in which these transactions are primarily denominated are USD, GBP, EURO and CAD 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 2024		As at 31 March 2023	
		Amount in foreign currency in Lakhs	Amount in INR	Amount in foreign currency in Lakhs	Amount in INR
Trade receivables	USD	155	12,924	120	9,893
	EURO	2.3	210	0.8	71
	GBP	41	4,313	37	3,780
Other current financial assets	EURO	-	-	1	94
	USD	12	1,001	5	528
Trade payables	USD	35	2,918	21	1,690
	EURO	4	360	3	310
	GBP	2	210	2	216
	CAD	2	123	1	56
Current borrowings	GBP	-	-	20	2,000
	USD	15	1,251	127	10,445
	EURO	10	899	5	422
Other financial liabilities	USD	-	-	69	5,650

The following significant exchange rates have been applied:

Currency	Year end spot rate	
	31 March 2024	31 March 2023
USD/INR	83.38	82.17
EURO/INR	89.94	89.05
GBP/INR	105.20	101.33
CAD/INR	61.54	60.78

Sensitivity analysis

A reasonably possible strengthening/ (weakening) of the USD, EURO and GBP against INR at 31 March 2024 and 31 March 2023 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 2024						
USD (3% movement)	293	(293)	-	-	219	(219)
EURO (3% movement)	(32)	32	-	-	(24)	24
GBP (3% movement)	123	(123)	-	-	92	(92)
CAD (3% movement)	(4)	4	-	-	(3)	3
31 March 2023						
USD (3% movement)	(127)	127	(200)	200	(245)	245
EURO (3% movement)	(15)	15	-	-	(11)	11
GBP (3% movement)	45	(45)	-	-	34	(34)

(Rs in Lakhs)

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 2024	31 March 2023
Financial Assets - Fixed rate instruments		
Bank Deposits	1,058	2,303
Total	**1,058**	**2,303**
Financial Liabilities		
Variable rate borrowings (including current maturities of long term borrowings)	41,722	55,493
Fixed rate borrowings (including current maturities of long term borrowings)	4,094	6,347
Total borrowings	**45,816**	**61,840**

(b) Sensitivity

Particulars	Profit and loss		Equity, net of tax	
	1% increase	1% decrease	1% increase	1% decrease
31 March 2024				
Variable rate borrowings	(417)	417	(312)	312
31 March 2023				
Variable rate borrowings	(555)	555	(415)	415

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 2024	31 March 2023
Borrowings (Non-current and Current)	45,816	61,840
Less: Cash and cash equivalents	(5,083)	(13,783)
Adjusted net debt	**40,733**	**48,057**
Total equity	66,774	54,197
Net debt to equity ratio	**0.61**	**0.89**

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 Promoter Group
Ms. Ahilya Malhoutra	Daughter of Mr. Udayant Malhoutra (Promoter)

(Rs in Lakhs)

Key executive management personnel	Designation
Udayant Malhoutra	Chief Executive Officer and Managing Director
P.S. Ramesh	Executive Director, Chief Operating Officer - Hydraulic
Arvind Mishra	Executive Director and Global Chief Operating Officer - Hydraulics & Head - Homeland Security (Resigned effective from 8 August 2023).
Chalapathi P	Chief Financial Officer
Shivaram V	Head Legal, Compliance & Company Secretary

(ii) List of subsidiaries (including step-down subsidiaries)

Name of the entity	Subsidiary/ Step Subsidiary	Country of domicile	Holding as at	
			31 March 2024	31 March 2023
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 2024	31 March 2023
Purchase of raw materials	Wavell Investments Private Limited	420	462
Rent expense	JKM Holdings Private Limited	4	4
	Mr. Vivek Malani	22	22
Trade advances given	Wavell Investments Private Limited	-	42
Remuneration	Ms. Ahilya Malhoutra	21	12

(iv) Balance receivable from and payable to related parties as at the balance sheet date:

Particulars	Related Parties	As at 31 March 2024	As at 31 March 2023
Trade advance receivable	Wavell Investments Private Limited	652	1,060
Trade payables	Wavell Investments Private Limited	-	356
Rent Payable	Mr. Vivek Malani	2	2
Security deposits provided	JKM Holding Private Limited	35	35
	Mr. Vivek Malani	17	17

(v) Compensation of key managerial personnel*

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Udayant Malhoutra	122	121
P.S. Ramesh	117	117
Arvind Mishra	137	117
Chalapathi P	102	103
Shivaram V	50	51
	528	**509**

*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.

(Rs in Lakhs)

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 2024	For the year ended 31 March 2023
a)	Net profit for the year attributable to equity shareholders:	12,181	4,279

b) **Reconciliation of basic and diluted shares used in computing earnings per share:**

Particulars	As at 31 March 2024	As at 31 March 2023
Weighted average number of equity shares outstanding at the beginning of the year	67,91,443	63,41,443
Add: Weighted average number for equity shares issued during the year	-	13,562
Weighted average number of equity shares outstanding at the end of the year	**67,91,443**	**63,55,005**

c) **Earnings per share**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Basic and Diluted earnings per share (a/b) in INR	179.40	67.32

49 Income tax

A Amount recognized in statement of profit and loss

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Current income tax	1,316	1,667
Deferred tax	66	(424)
Income tax expense reported in the statement of profit and loss	**1,382**	**1,243**

B Income tax recognized in other comprehensive income

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Net gain / (loss) on remeasurement of defined benefit liability / (assets)	(125)	(15)
Foreign currency fluctuations under a cash flow hedge - gain/(loss)	508	(324)
Income tax expense to OCI	**27**	**4**

C Reconciliation of effective tax rate

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Profit before income tax	13,563	5,522
Tax using the Holding Company's domestic tax rate 25.17% (31 March 2023: 25.17%)	3,414	1,390
Impact of windfirm land gain tax exemption	(1,570)	-
Impact of non - deductible expenses for tax purposes	(462)	(147)
Income tax expense	**1,382**	**1,243**

(Rs in Lakhs)

D Deferred tax relates to the following:

Particulars	As at 1 April 2023	Recognized in profit or loss	Recognized in OCI	As at 31 March 2024
Property, plant and equipment and intangible assets	(1,805)	(399)	-	(2,204)
Right-of-use assets & Lease liabilities	658	4	-	662
Provision for gratuity and compensated absences	593	26	27	646
Provision for loss allowance	78	30	-	108
Provision for warranty	89	84	-	173
Others	158	189	-	347
Deferred tax assets / (liabilities)	**(229)**	**(66)**	**27**	**(268)**

Particulars	As at 1 April 2022	Recognized in profit or loss	Recognized in OCI	As at 31 March 2023
Property, plant and equipment and intangible assets	(2,563)	758	-	(1,805)
Right-of-use assets & Lease liabilities	705	(47)	-	658
Provision for gratuity and compensated absences	702	(105)	(4)	593
Provision for loss allowance	197	(119)	-	78
Provision for warranty	93	(4)	-	89
Others	213	(55)	-	158
Deferred tax assets / (liabilities)	**(653)**	**428**	**(4)**	**(229)**

*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 2024	31 March 2023
Carry forwards of business loss	2,322	2,130
Carry forward of unabsorbed depreciation	6,278	6,312
Carry forwards of long term capital loss ('LTCL')	16,789	16,789
Potential tax benefits on carry forward of business loss and unabsorbed depreciation @ 25.17% (31 March 2023: 25.17%)	2,165	2,125
Potential tax benefits on carry forward of LTCL @ 20% (31 March 2023: 20%)	3,358	3,358
Unrecognised deferred tax asset	**5,523**	**5,483**

*The business losses expire in 2030-31. The deductible temporary differences do not expire under current tax legislation.

(Rs in Lakhs)

50 Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements:

31 March 2024

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)	90%	60,044	78%	9,448	35%	427	74%	9,875
Foreign Subsidiaries:								
Dynamatic Limited UK*	28%	18,862	0%	29	-	-	0%	29
Eisenwerk Erla GmbH #	35%	23,319	41%	5,012	-	-	37%	5,012
JKM Global Pte Limited, Singapore	8%	5,490	-1%	(78)	-	-	-1%	(78)
Indian Subsidiaries:								
JKM Erla Automotive Limited	19%	12,493	-6%	(750)	-	-	-6%	(750)
Dynamatic Manufacturing Limited (formerly known as JKM Ferrotech Limited)	4%	2,886	-12%	(1,425)	-	(17)	-11%	(1,442)
JKM Research Farm Limited	4%	2,639	0%	1	-	-	0%	1
JKM Automotive Limited	0%	-	-	-	-	-	-	-
Consolidated adjustments	-87%	(58,959)	0%	(56)	66%	801	6%	745
Total	**100%**	**66,774**	**100%**	**12,181**	**100%**	**1,211**	**100%**	**13,392**

31 March 2023

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)	94%	51,033	69%	2,965	71%	(335)	53%	2,630
Foreign Subsidiaries:								
Dynamatic Limited UK*	34%	18,156	52%	2,236	-	-	45%	2,236
Eisenwerk Erla GmbH #	34%	18,179	9%	388	-	-	8%	388
JKM Global Pte Limited, Singapore	10%	5,572	1%	39	-	-	1%	39
Indian Subsidiaries:								
JKM Erla Automotive Limited	24%	13,243	0%	(8)	-	-	0%	(8)
Dynamatic Manufacturing Limited (formerly known as JKM Ferrotech Limited)	2%	828	-20%	(875)	-	-	-18%	(875)
JKM Research Farm Limited	5%	2,638	1%	35	-	-	1%	35
JKM Automotive Limited	0%	-	0%	-	-	-	0%	-
Consolidated adjustments	-103%	(55,452)	-12%	(501)	29%	1,011	10%	510
Total	**100%**	**54,197**	**100%**	**4,279**	**100%**	**676**	**100%**	**4,955**

* includes results of Yew Tree Investments Limited, UK and Dynamatic US LLC

includes results of JKM Erla Holdings GmbH, Germany

(Rs in Lakhs)

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 2024 and 31 March 2023 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 2024

Particulars	Hydraulics	Aerospace	Metallurgy	Others	Grand Total
Market or type of customer					
Government	154	19	-	-	173
Non-government	44,680	50,990	47,081	9	1,42,760
Total revenue from contract with customers#	**44,834**	**51,009**	**47,081**	**9**	**1,42,933**
Timing of revenue recognition					
Goods or services transferred at point in time	44,834	51,009	47,081	9	1,42,933
Goods or service transferred over time	-	-	-	-	-
Total revenue from contract with customers#	**44,834**	**51,009**	**47,081**	**9**	**1,42,933**

For the year ended 31 March 2023

Particulars	Hydraulics	Aerospace	Metallurgy	Others	Grand Total
Market or type of customer					
Government	130	697	-	-	827
Non-government	46,036	43,040	41,661	13	1,30,750
Total revenue from contract with customers#	**46,166**	**43,737**	**41,661**	**13**	**1,31,577**
Timing of revenue recognition					
Goods or services transferred at point in time	46,166	43,737	41,661	13	1,31,577
Goods or service transferred over time	-	-	-	-	-
Total revenue from contract with customers#	**46,166**	**43,737**	**41,661**	**13**	**1,31,577**

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 2024	31 March 2023
Revenue from contract with customers	1,41,632	1,30,001
Other operating revenue		
Export incentive	15	17
Scrap sales	1,286	1,559
Revenue from reportable segment (Refer Note 42)	**1,42,933**	**1,31,577**

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.

52 Discontinued operations and assets held for sale

On 6 January 2024, the Company has completed the sale of wind farm lands admeasuring 357.867 acres including building, situated at Varapatti Village, Sulur Taluk, Coimbatore, in favour of Tamil Nadu Industrial Development Corporation Limited (TIDCO), for the setting up of the Southern Defence Industrial Corridor for a compensation amount of Rs. 10,710.81 Lakhs.

The company has retained land measuring appx. 87 acres having greater strategic value for future development and accordingly the cost of 87 acres amounting to INR 1,089 Lakhs been re-classified from held to sale to property, plant and equipment.

Carrying value of assets and liabilities classified as held for sale:

Particulars	As at 31 March 2024	As at 31 March 2023
Assets classified as held for sale		
Property plant & equipment	-	5,562
Assets of disposal group held for sale	**-**	**5,562**
Liabilities directly associated with assets classified as held for sale	**-**	**-**
Liabilities of disposal group held for sale	**-**	**-**

53 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 2023	Cash flows	Non Cash Changes			31 March 2024
				Interest Expense	Written back	Foreign exchange movement	
1	**Non- Current Borrowings**						
i)	**Secured**						
a)	Term loan from banks*	24,850	(13,723)	-	(1,593)	(2)	9,532
b)	Term loan from financial institutions*	8,697	1,665	-	-	-	10,362
c)	Finance lease obligation *	1,666	1,783	-	-	97	3,546
ii)	**Unsecured**						
a)	Term loan from financial institutions*	909	(909)	-	-	-	-
2	**Current Borrowings**						
i)	**Secured**						
a)	Cash credit and working capital demand loans	18,546	78	-	(1,865)	43	16,802
ii)	**Unsecured**						
a)	Bill discounting facility from banks	7,172	(1,809)	-	-	211	5,574
b)	Interest accrued but not due on borrowings	197	(5,926)	5,799	-	-	70
		62,037	**(18,841)**	**5,799**	**(3,458)**	**349**	**45,886**

(Rs in Lakhs)

	Particulars	1 April 2022	Cash flows	Non Cash Changes			31 March 2023
				Interest Expense	Written back	Foreign exchange movement	
1	**Non- Current Borrowings**						
i)	**Secured**						
a)	Term loan from banks*	30,107	(5,538)	-	-	281	24,850
b)	Term loan from financial institutions*	5,861	2,189	-	-	647	8,697
c)	Finance lease obligation *	1,838	(172)	-	-	-	1,666
ii)	**Unsecured**						
a)	Term loan from financial institutions*	-	909	-	-	-	909
2	**Current Borrowings**						
i)	**Secured**						
a)	Cash credit and working capital demand loans	12,973	5,250	-	-	323	18,546
ii)	**Unsecured**						
a)	Bill discounting facility from banks	3,568	3,604	-	-	-	7,172
b)	Interest accrued but not due on borrowings	92	(5,451)	5,556	-	-	197
	Total liabilities from financing activities	**54,439**	**791**	**5,556**	**-**	**1,251**	**62,037**

* includes current maturities of long term borrowings

54 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 Parent and its subsidiaries ('Group') has not traded / invested in Crypto currency or virtual currency.

(iii) Refer Note 37 regarding the corporate restructuring measures carried out by Eisenwerk Erla GmbH, Germany (EEG), an indirect step-down wholly owned subsidiary of the Parent, which also envisaged refinancing of certain borrowings of EEG by way intra-group loans. To fund these intra-group loans, during the year, the Parent borrowed a term loan from a bank, under terms that permitted utilization of the proceeds for investment in overseas subsidiaries. During the year, as part of the aforesaid restructuring measures, the Parent has given a loan to JKM Global Pte Ltd (a wholly owned direct subsidiary), with the objective of funding EEG. Other than the above, 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 wilful 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

55 On 13 February 2024, the Board of Directors of the Company had declared an interim dividend of Rs.5 per equity share (50%) for the financial year 2023-24 and paid to the shareholders during the current quarter ended 31 March 2024. The Board of Directors of the Company vide meeting dated 28 May 2024, have subject to approval of shareholders declared final dividend of INR 5 per equity shares (50%) for the financial year 2023-24 and the same will be disbursed to the shareholders after ensuing Annual General Meeting.

56 The Code on Wages, 2019 and Code on Social Security, 2020 ("the Codes") relating to employee compensation and post-employment benefits that received Presidential assent have not been notified. Further, the related rules for quantifying the financial impact have not been notified. The Company will assess the impact of the Codes when the rules are notified and will record any related impact in the period the Codes become effective.

57 The Parent and one subsidiary enabled audit trail for its accounting software with effect from 20 February 2024. Further, the accounting software used by one subsidiary does not have a feature of recording audit trail (edit log). The management is in the process of evaluating the requirements of the Rule 3(1) of the Companies (Accounts) Rules, 2014 with respect to this application system.

58 The consolidated financial statements were approved for issue by the Board of Directors on 28 May 2024.

for and on behalf of the Board of Directors of

Dynamatic Technologies Limited

UDAYANT MALHOUTRA
Chief Executive Officer &
Managing Director
DIN : 00053714

P S RAMESH
Executive Director, Chief Operating
Officer - Hydraulic
DIN : 05205364

CHALAPATHI P
Chief Financial Officer

SHIVARAM V
Head - Legal, Compliance
& Company Secretary

Place: Bangalore

Date: 28 May 2024

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STANDALONE
FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S 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, 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of material 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, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, 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 ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

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
1	**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 referred to in Note 4 (ii), (iii) and (iv) is INR 35,215 lakhs net of cumulative impairment provision of INR 15,619 lakhs as at March 31, 2024. 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 the respective 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, 2024.

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, Corporate Governance Report 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.

Responsibilities of Management and Those Charged with Governance 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 accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. 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 financial statements 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 and Board of Directors 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 the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's 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 controls 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 with reference to standalone financial statements 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 financial controls 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, except for not complying with the requirement of audit trail as stated in (i)(vi) below.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

   f) The modification relating to the maintenance of accounts and other matters connected therewith, is as stated in paragraph (b) above.

   g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements 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 with reference to standalone financial statements.

   h) 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.

   i) 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 37 to the standalone financial statements;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

      iv.

      (a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note 58 to the financial statements 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, as disclosed in the Note 58 to the financial statements, 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 final dividend proposed for the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.

The interim dividend declared and paid by the Company during the year and until the date of this report is in accordance with section 123 of the Companies Act 2013.

As stated in Note 59 to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. Such dividend proposed is in accordance with section 123 of the Act, as applicable.

vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that audit trail was not enabled to log any direct data changes for the period of April 1, 2023 to February 19, 2024. (Refer Note 61 of the financial statements). Additionally, during the course of our audit, we did not come across any instance of audit trail feature being tampered with in respect of the accounting software for the period for which the audit trail feature was operating.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the year ended March 31, 2024.

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: 24206920BKANYT8802

Bangalore, May 28, 2024

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(g) 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 with reference to standalone financial statements of Dynamatic Technologies Limited ("the Company") as at March 31, 2024 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 with reference to standalone financial statements based on the internal control with reference to standalone financial statements 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 with reference to standalone financial statements of the Company 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 with reference to standalone financial statements. 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 with reference to standalone financial statements 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 with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, 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 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 with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to standalone financial statements

A company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to standalone financial statements 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 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 financial statements.

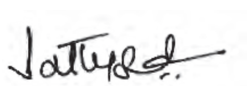
Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, 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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements 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 with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to standalone financial statements 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: 24206920BKANYT8802

Bangalore, May 28, 2024

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, all property, plant and equipment were due for physical verification during the year and were physically verified by the Management during the year. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

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, 2024 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 made investments in, provided guarantee or security and granted loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, in respect of which:

(a) The Company has provided loans or advances in the nature of loans during the year and details of which are given below:

Particulars	Loans (Amount in Rs. Lakhs)
A. Aggregate amount granted / provided during the year:	
- Wholly owned subsidiary	6,766
B. Balance outstanding as at balance sheet date in respect of above cases: (gross)	
- Wholly owned subsidiary	6,859

The Company has not provided any guarantee or security to any entity during the year.

(b) The investments made and the terms and conditions of the grant of all the above- mentioned loans provided during the year are, in our opinion, prima facie not prejudicial to the Company's interest.

(c) In respect of loans granted by the Company, the schedule of repayment of principal has been stipulated and the repayments of principal amounts and receipts of interest, as applicable, are regular as per stipulation.

(d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

(e) None of the loans granted by the Company have fallen due during the year.

(f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) 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, 2024 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, 2024 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)
Customs Act, 1962	Customs Duty	16	FY 2013-14	The Customs Excise and Service Tax Appellate Tribunal (Appeals)
Customs Act, 1962	Customs Duty	207	July 2017 – August 2018	The Customs Excise and Service Tax Appellate Tribunal (Appeals)
Finance Act, 1994	Service Tax	1	October 2009 – March 2011	The Customs Excise and Service Tax Appellate Tribunal (Appeals)
Central Excise Act, 1944	Excise Duty	57	FY 2012-13 and FY 2013-14	The Customs Excise and Service Tax Appellate Tribunal (Appeals)
Central Excise Act, 1944	Excise Duty	0.4	February 2002 – December 2002	The Commissioner of Central Excise (Appeals)
Central Excise Act, 1944	Excise Duty	1	FY 2009-10	The Customs Excise and Service Tax Appellate Tribunal (Appeals)
Central Goods & Services Tax Act, 2017	Goods and Services Tax	259	FY 2017-18	The Commissioner of Central Excise (Appeals)
Central Goods & Services Tax Act, 2017	Goods and Services Tax	49	FY 2017-18 to FY 2020-21	Additional Commissioner Appeals (II)

(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. 16,088 lakhs outstanding as at March 31, 2024 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. On an overall examination of the financial statements of the Company, we report that the Company has taken funds from the following entities and persons on account of or to meet the obligations of its subsidiaries as per details below:

Nature of fund taken	Name of lender	Amount Borrowed (Rs. Lakhs)	On account of or to meet the obligations of subsidiary		
			Name of the subsidiary	Relation	Nature of transaction for which funds utilized
Term Loan	Axis Finance Limited	7,000	JKM Global Pte Ltd (JKM Global)	JKM Global is a Wholly owned subsidiary of the Company	Refer Note 58. The funds were utilized for refinancing the borrowings of Eisenwerk Erla GmbH, Germany (EEG), [an indirect step-down wholly owned subsidiary of the Company] through intra-group loans

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 3(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 3(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 2023 and the final internal audit reports which were issued after the balance sheet date covering the period of January to March 2024 in the audit of the Company for the year ended March 31, 2024.

(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 3(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 3(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.

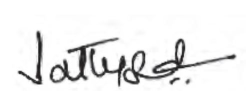
(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence 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 3(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: 24206920BKANYT8802

Bangalore, May 28, 2024

STANDALONE BALANCE SHEET

All amounts are in INR lakhs unless otherwise stated

Particulars	Notes	As at 31 March 2024	As at 31 March 2023
ASSETS			
Non-current assets			
a) Property, plant and equipment	3	30,359	20,224
b) Other Intangible assets	3	276	280
c) Capital work in progress	3	119	7,097
d) Right-of-use assets	40	1,760	978
e) Financial assets			
(i) Investments	4	37,663	34,834
(ii) Loan	5	6,859	-
(iii) Other financial assets	6	455	681
f) Income tax assets (net)	7	226	380
g) Other non-current assets	8	273	643
Total non-current assets		**77,990**	**65,117**
Current assets			
a) Inventories	9	11,919	10,898
b) Financial assets			
(i)Trade receivables	10	20,688	16,263
(ii) Cash and cash equivalents	11	519	9,505
(iii) Bank balances other than cash and cash equivalents above	12	1,058	2,303
(iv) Loans	13	88	76
(v) Other financial assets	14	1,225	1,271
c) Other current assets	15	3,715	6,010
Total current assets		**39,212**	**46,326**
d) Assets classified as held for sale	53	-	5,562
Total Assets		**1,17,202**	**1,17,005**
EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	16	679	679
b) Other equity	17	59,365	50,304
Total equity		**60,044**	**50,983**
Liabilities			
Non-current liabilities			
a) Financial liabilities			
(i) Borrowings	18	16,423	21,075
(ii) Lease liabilities	40	1,297	550
(iii) Other financial liabilities	19	-	500
b) Provisions	20	2,168	2,536
c) Deferred tax liabilities (net)	21	3,454	3,778
Total non-current liabilities		**23,342**	**28,439**
Current liabilities			
a) Financial liabilities			
(i) Borrowings	22	19,156	23,612
(ii) Trade Payables	23		
(a) total outstanding dues of micro and small enterprises		1,198	2,307
(b) total outstanding dues of creditors other than micro and small enterprises		9,278	7,997
(iii) Lease liabilities	40	629	723
(iv) Other financial liabilities	24	1,681	1,596
b) Provisions	25	375	321
c) Current income tax liabilities (net)	26	1,038	800
d) Other current liabilities	27	461	227
Total current liabilities		**33,816**	**37,583**
Total Liabilities		**57,158**	**66,022**
Total Equity and Liabilities		**1,17,202**	**1,17,005**

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: Bangalore
Date: 28 May 2024

for and on behalf of the Board of Directors of
Dynamatic Technologies Limited

UDAYANT MALHOUTRA
Chief Executive Officer &
Managing Director
DIN : 00053714

P S RAMESH
Executive Director, Chief Operating
Officer - Hydraulic
DIN : 05205364

CHALAPATHI P
Chief Financial Officer

SHIVARAM V
Head - Legal, Compliance
& Company Secretary

STANDALONE STATEMENT OF PROFIT AND LOSS

All amounts are in INR lakhs unless otherwise stated except for earnings per share information

Particulars	Notes	For the year ended 31 March 2024	For the year ended 31 March 2023
Income			
Revenue from operations	28	58,186	58,112
Other income	29	1,830	536
Total Income		**60,016**	**58,648**
Expenses			
Cost of materials and components consumed	30	29,400	27,207
Change in inventory of finished goods and work-in-progress	31	(1,615)	(189)
Employee benefits expense	32	8,492	9,218
Finance costs	33	5,026	5,158
Depreciation and amortisation expense	34	2,410	2,419
Other expenses	35	10,805	10,453
Total expenses		**54,518**	**54,266**
Profit before tax and exceptional items		**5,498**	**4,382**
Exceptional Gain	36	5,132	-
Profit before tax		**10,630**	**4,382**
Current tax	51	1,478	1,582
Deferred tax	51	(297)	(115)
Income tax expense		**1,181**	**1,467**
Profit for the year after tax		**9,449**	**2,915**
Other Comprehensive Income			
Items that will not to be reclassified subsequently to profit and loss			
Remeasurement of defined benefit plans		(108)	(15)
Income tax relating to items that will not be reclassified to profit and loss		27	4
Items that will be reclassified subsequently to profit and loss			
Foreign currency fluctuations under a cash flow hedge - gain/(loss), (net of tax)		508	(324)
Other comprehensive income for the year, net of income tax		**427**	**(335)**
Total comprehensive income for the year		**9,876**	**2,580**
Earning per equity share			
Basic and diluted (in INR):	49	139.16	45.86
Number of weighted average outstanding shares used in computing earnings per share		67,91,443	63,55,005

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)

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DIN : 05205364

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SHIVARAM V
Head - Legal, Compliance & Company Secretary

STANDALONE STATEMENT OF CASH FLOWS

All amounts are in INR lakhs unless otherwise stated

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Profit before tax	10,630	4,382
Adjustments:		
Depreciation and amortisation on Property, plant & equipment and intangible assets	1,686	1,341
Amortisation of Right-of-use assets	724	1,078
Finance costs	4,630	4,747
Interest on lease liabilities	224	291
Unrealised foreign exchange differences	(360)	793
Interest income	(720)	(228)
Loss allowance on financial assets, net	115	136
Exceptional items (Refer Note 36)	(5,132)	-
Gain on sale of property, plant and equipment and intangible assets, net	(468)	(30)
Unwinding of fair value interest on dismantling liability	-	36
Operating cash flow before working capital changes	**11,329**	**12,546**
Changes in operating assets and liabilities		
Changes in inventories	(1,021)	(738)
Changes in trade receivables	(4,451)	(2,106)
Changes in loans	(12)	14
Changes in other financial assets	808	324
Changes in other assets	2,103	(561)
Changes in trade payables	178	1,373
Changes in provisions	(395)	(445)
Changes in other financial liabilities	226	165
Changes in other current liabilities	234	13
Cash generated from operations	**8,999**	**10,585**
Income taxes paid, net of refund	(1,086)	(1,156)
Net cash generated from operating activities (A)	**7,913**	**9,429**
Cash flows from investing activities		
Purchase of property, plant and equipment and intangibles assets	(3,205)	(6,182)
Proceed from the sales of assets classified as held for sale	10,710	-
Proceed from the sales of other property, plant and equipment	485	-
Inter-company loan provided to subsidiary company	(6,859)	-
Additional investment in equity shares of subsidiary company	(3,500)	(1,025)
Changes in bank deposits (having original maturity of more than three months), net	1,245	(55)
Interest income received	150	248
Net cash used in investing activities (B)	**(974)**	**(7,014)**
Cash flows from financing activities		
Proceeds from issue of equity shares	-	11,291
Proceed from long term borrowings	16,411	4,645
Repayment of long term borrowings	(26,721)	(5,937)
Proceeds from/(Repayment of) short term borrowings, net	1,467	2,664
Payment of Lease liabilities	(1,080)	(1,598)
Interest paid	(5,191)	(4,452)
Dividend paid	(811)	(190)
Net cash (used in)/generated from financing activities (C)	**(15,925)**	**6,423**
Net increase/(decrease) in cash and cash equivalents (A + B +C)	(8,986)	8,838
Cash and cash equivalents at the beginning of the year	9,505	667
Cash and cash equivalents at the end of the year (Refer note 11)	**519**	**9,505**

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: Bangalore
Date: 28 May 2024

for and on behalf of the Board of Directors of
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Chief Executive Officer &
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Executive Director, Chief Operating Officer - Hydraulic
DIN : 05205364

CHALAPATHI P
Chief Financial Officer

SHIVARAM V
Head - Legal, Compliance
& Company Secretary

STANDALONE STATEMENT OF CHANGES IN EQUITY

All amounts are in INR lakhs unless otherwise stated

(A) Equity Share Capital

i) Current reporting period

Balance as at 1 April 2023	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the year	Balance as at 31 March 2024
679	-	-	679

ii) Previous reporting period

Balance as at 1 April 2022	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the year	Balance as at 31 March 2023
634	-	45	679

(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 2023	**15**	**240**	**154**	**3,138**	**28,656**	**18,609**	**-**	**(508)**	**50,304**
Profit for the year	-	-	-	-	-	9,449	-	-	**9,449**
Other comprehensive income for the year	-	-	-	-	-	-	(81)	508	**427**
Transfer to retained earnings	-	-	-	-	-	(81)	81	-	**-**
Final Dividend	-	-	-	-	-	(475)	-	-	**(475)**
Interim Dividend	-	-	-	-	-	(340)	-	-	**(340)**
Balance as at 31 March 2024	**15**	**240**	**154**	**3,138**	**28,656**	**27,162**	**-**	**-**	**59,365**
Balance as at 01 April 2022	**15**	**240**	**154**	**3,138**	**17,410**	**15,895**	**-**	**(184)**	**36,668**
Profit for the year	-	-	-	-	-	2,915	-	-	**2,915**
Other comprehensive income for the year	-	-	-	-	-	-	(11)	(324)	**(335)**
Transfer to retained earnings	-	-	-	-	-	(11)	11	-	**-**
Issue of equity shares	-	-	-	-	11,246	-	-	-	**11,246**
Interim Dividend	-	-	-	-	-	(190)	-	-	**(190)**
Balance as at 31 March 2023	**15**	**240**	**154**	**3,138**	**28,656**	**18,609**	**-**	**(508)**	**50,304**

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: Bangalore
Date: 28 May 2024

for and on behalf of the Board of Directors of **Dynamatic Technologies Limited**

UDAYANT MALHOUTRA
Chief Executive Officer & Managing Director
DIN : 00053714

P S RAMESH
Executive Director, Chief Operating Officer - Hydraulic
DIN : 05205364

CHALAPATHI P
Chief Financial Officer

SHIVARAM V
Head Legal, Compliance & Company Secretary

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

1 (i) 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, Automotive and Hydraulic industries. The Company is listed in India with National Stock Exchange and Bombay Stock Exchange.

2 Material 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, and

(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.

Assumptions and estimation uncertainties

The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these standalone financial statements have been disclosed in the following notes:

(i) Useful life of property, plant and equipment and intangible assets - Note 3:

The useful life of the assets are determined in accordance with Schedule II of the Companies Act, 2013. In cases, where the useful life is different from that or is not prescribed in Schedule II, it is based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance.

(ii) Income taxes- Note 51:

In assessing the realisability of deferred tax assets, the Management considers whether some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. The Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, the Management believes that the Company will realize the benefits of those deductible differences. The amount of the deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

(iii) **Provisions and contingencies- Note 20, 25 and 37 :**

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 44 :

The obligation arising from the defined benefit plan is determined on the basis of actuarial assumptions which include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined with reference to market yields at each financial year end on the government bonds.

(v) **Impairment of financial assets- Note 4, 5, 6, 10, 13, 14 and 46:**

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.

(vi) 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 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) **Assets held for sale: (Refer Note 53):**

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.

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 45: 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 tenure 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

(i) 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-of use assets and lease liabilities for leases of low value 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.

(ii) 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 comparison of cost and net realizable value is made on an item-by-item basis. Inventories are stated net of write down or allowances on account of obsolescence, damage or slow moving items.

The method of determination of cost is as follows:

- Raw materials and components – on a weighted average basis
- Stores and spares – on a weighted average basis
- Work-in-progress – includes costs of conversion
- Finished goods – includes costs of conversion
- Goods in transit – at purchase cost

The net realizable value of work-in-progress is determined with reference to the net realizable value of related finished goods. Raw materials and other supplies held for use in production of inventories are not written down below cost except in cases where material prices have declined, and it is estimated that the cost of the finished products will exceed their net realizable value. Fixed production overheads are allocated on the basis of normal capacity of production facilities. The provision for inventory obsolescence is assessed periodically and is provided as considered necessary.

k Revenue recognition

Revenue is recognised upon transfer of control of promised goods or services to customers and is measured based on the consideration to which the Company expects to be entitled to in a contract with a customer and excludes trade discounts, volume rebates and amounts collected on behalf of government. For certain contracts that permit 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.

Where the Company's contracts with customers 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 obligations is made to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

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. to determine whether the performance obligation is satisfied at a point in time or over a period of time.

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.

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

i) 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.

ii) 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

(i) 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.

(ii) 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.

(iii) *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.

(iv) *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.

(v) *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:

(i) 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.

(ii) 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.

3 Property, plant and equipment, Intangible assets and Capital work-in-progress

3.1 Property, plant and equipment

(Rs in Lakhs)

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 2022	**-**	**2,270**	**6,792**	**1,360**	**643**	**929**	**898**	**224**	**3,030**	**389**	**402**	**513**	**12,708**	**30,158**
Additions	-	13	378	10	5	78	23	11	58	44	-	1	-	**621**
Deletion	-	-	(456)	(2)	(16)	-	(197)	-	(16)	(22)	-	-	-	**(709)**
Balance as at 31 March 2023	**-**	**2,283**	**6,714**	**1,368**	**632**	**1,007**	**724**	**235**	**3,072**	**411**	**402**	**514**	**12,708**	**30,070**
Balance as at 1 April 2023	**-**	**2,283**	**6,714**	**1,368**	**632**	**1,007**	**724**	**235**	**3,072**	**411**	**402**	**514**	**12,708**	**30,070**
Additions	-	7,405	1,081	36	887	386	113	150	211	466	-	90	-	**10,825**
Assets transferred from assets held for sale (refer note 53)	1,089	-	-	-	-	-	-	-	-	-	-	-	-	**1,089**
Deletion	-	-	(427)	(14)	(14)	(87)	(37)	(84)	(15)	(1)	-	(347)	-	**(1,026)**
Balance as at 31 March 2024	**1,089**	**9,688**	**7,368**	**1,390**	**1,505**	**1,306**	**800**	**301**	**3,268**	**876**	**402**	**257**	**12,708**	**40,958**
Accumulated depreciation:														
Balance as at 1 April 2022	**-**	**369**	**4,547**	**412**	**131**	**614**	**594**	**92**	**1,542**	**327**	**219**	**307**	**-**	**9,154**
Depreciation for the year	-	75	466	60	32	120	85	35	285	7	18	62	-	**1,245**
Depreciation on deletion	-	-	(341)	-	(1)	-	(176)	-	(14)	(21)	-	-	-	**(553)**
Balance as at 31 March 2023	**-**	**444**	**4,672**	**472**	**162**	**734**	**503**	**127**	**1,813**	**313**	**237**	**369**	**-**	**9,846**
Balance as at 1 April 2023	**-**	**444**	**4,672**	**472**	**162**	**734**	**503**	**127**	**1,813**	**313**	**237**	**369**	**-**	**9,846**
Depreciation for the year	-	156	449	235	91	123	88	30	295	31	18	50	-	**1,566**
Depreciation on deletion	-	-	(381)	-	-	(58)	(29)	(47)	-	-	-	(298)	-	**(813)**
Balance as at 31 March 2024	**-**	**600**	**4,740**	**707**	**253**	**799**	**562**	**110**	**2,108**	**344**	**255**	**121**	**-**	**10,599**
Net carrying amount:														
As at 31 March 2024	**1,089**	**9,088**	**2,628**	**683**	**1,252**	**507**	**238**	**191**	**1,160**	**532**	**147**	**136**	**12,708**	**30,359**
As at 31 March 2023	**-**	**1,839**	**2,042**	**896**	**470**	**273**	**221**	**108**	**1,259**	**98**	**165**	**145**	**12,708**	**20,224**

Notes:

(i) Leasehold land aggregating INR 12,708 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.

(Rs in Lakhs)

3.2 Intangible assets

Particulars	Application Software	Total
Gross carrying amount:		
Balance as at 1 April 2022	441	441
Additions	4	4
Deletion	-	-
Balance as at 31 March 2023	**445**	**445**
Balance as at 1 April 2023	445	445
Additions	121	121
Deletion	(5)	(5)
Balance as at 31 March 2024	**561**	**561**
Accumulated amortisation:		
Balance as at 1 April 2022	69	69
Amortisation for the year	96	96
Amortisation on deletion	-	-
Balance as at 31 March 2023	**165**	**165**
Balance as at 1 April 2023	165	165
Amortisation for the year	120	120
Amortisation on deletion	-	-
Balance as at 31 March 2024	**285**	**285**
Net carrying amount:		
As at 31 March 2024	**276**	**276**
As at 31 March 2023	**280**	**280**

3.3 Capital work-in-progress

Ageing for capital work-in-progress as at 31 March 2024 is as follows:

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 year	Total
SAP Software	10	69	-	-	79
Building expansion at Aerotropolis	6	1	6	-	13
Plant & Machinery	27	-	-	-	27
Total	**43**	**70**	**6**	**-**	**119**

Ageing for capital work-in-progress as at 31 March 2023 is as follows:

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 year	Total
SAP Software	69	-	-	-	69
Building expansion at Aerotropolis	5,890	1,138	-	-	7,028
Total	**5,959**	**1,138**	**-**	**-**	**7,097**

(Rs in Lakhs)

4 Non-current investments

	Particulars	As at 31 March 2024	As at 31 March 2023
	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 2023: 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)	36,441,328 equity shares (31 March 2023: 1,441,328 equity shares) of face value of INR 10 each fully paid up of Dynamatic Manufacturing Limited (formerly known as JKM Ferrotech Limited) ('DML') [Refer note (a) below]	3,644	144
iii)	19,322,937 equity shares (31 March 2023: 19,322,937 equity shares) of face value of SGD 1 each fully paid up of JKM Global Pte Limited, Singapore	20,969	20,969
	Less: Provision for impairment	1,900	1,900
		19,069	19,069
iv)	107,914,994 equity shares (31 March 2023: 107,914,994 equity shares) of face value of INR 10 each fully paid of JKM Erla Automotive Limited [Refer note (b) below]	26,221	26,221
	Less: Provision for impairment	13,719	13,048
		12,502	13,173
		37,663	**34,834**
	Aggregate value of unquoted investments	53,282	49,782
	Aggregate amount of impairment in value of investments	15,619	14,948

(a) The Company has subscribed to the Dynamatic Manufacturing Limited's equity share on 25 March 2024 under Rights issue towards 3,50,00,000 equity shares at face value of INR 10 each.

(b) The Company's investments in its German operations are held in Eisenwerk Erla GmbH, Germany (EEG), an indirect step down wholly owned subsidiary of the Company. EEG, is wholly owned by JKM Erla Holdings GmbH, Germany (JKM Erla), which is a wholly owned subsidiary of JKM Erla Automotive Limited, India (JEAL), another wholly owned subsidiary of the Company.

EEG, is currently undergoing a transformation from automotive and foundry businesses to the aerospace business. Considering the various challenges involved, viz., the supply chain crisis at OEMs, current inflation in Europe, and the steep and unpredictable increase in the cost of gas and electricity being faced by corporations across Europe, EEG undertook corporate restructuring measures through the "Protective Shield Process by Self-Administration" under the applicable German Laws, and in this regard, a financial resolution plan was filed before the local court at Chemnitz, which got approved by creditors in favour of EEG. Consequent to this, the local court at Chemnitz passed its final order and ended the protective shield through self-administration proceedings effective 1 August 2023.

Owing to the aforesaid intra-group corporate restructuring measures, JKM Erla, engaged in the business of setting up automotive component processing/manufacturing units was decided to be dismantled with the aim of streamlining the group's holding structure for German operations, and accordingly an application has been made before appropriate authorities and is awaiting necessary order. In the interim, the 100% shareholdings held by JKM Erla in EEG was assigned to JEAL.

The restructuring carried out by EEG also envisaged refinancing of certain borrowings of EEG by way intra-group loans. To fund these intra-group loans, during the year, the Company borrowed a term loan from a bank, the proceeds of which were permitted to be utilized in investment in overseas subsidiaries.

As part of the annual impairment assessment of the Company's investments in Germany, the Company has recognized an impairment loss of Rs. 671 Lakhs in the year ended 31 March 2024 in respect of its investment in JEAL.

(Rs in Lakhs)

5 Non-current Loan

Particulars	As at 31 March 2024	As at 31 March 2023
Inter-company loan provided to subsidiary*	6,859	-
	6,859	-

*During the year, the Company has provided unsecured inter-company loan of SGD 111 Lakhs to JKM Global Pte Limited, 100% wholly owned subsidiary at interest rate of 10.7% per annum.

6 Other non-current financial assets

Particulars	As at 31 March 2024	As at 31 March 2023
Unsecured, considered good		
Security deposits	455	681
	455	**681**

7 Income tax assets (net)

Particulars	As at 31 March 2024	As at 31 March 2023
Advance income tax and tax deducted at source, net of provision	226	380
	226	**380**

8 Other non-current assets

Particulars	As at 31 March 2024	As at 31 March 2023
Unsecured, considered good		
Prepaid expense	192	-
Capital advances	81	643
	273	**643**

9 Inventories (Valued at lower of cost and net realizable value)

Particulars	As at 31 March 2024	As at 31 March 2023
Raw materials and components	4,170	4,907
Work-in-progress	4,358	4,175
Finished goods	2,033	601
Stores and spares	1,358	1,215
	11,919	**10,898**

10 Trade receivables

Particulars	As at 31 March 2024	As at 31 March 2023
Unsecured, considered good		
Trade receivable	21,080	16,540
Less: Allowance for credit loss	(392)	(277)
Total trade receivables	**20,688**	**16,263**

(i) All trade receivables are 'current'.

(Rs in Lakhs)

Of the above, trade receivables from related parties are as below:

Particulars	As at 31 March 2024	As at 31 March 2023
Trade receivables from related parties (Refer Note 48)	3,303	2,073
Net trade receivables	**3,303**	**2,073**

Trade Receivables ageing schedule as at 31 March 2024:

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	8,097	10,264	1,482	928	64	245	21,080
Less: Allowances for credit loss							(392)
Total Trade receivable							**20,688**

Trade Receivables ageing schedule as at 31 March 2023:

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	8,242	7,213	700	162	145	78	16,540
Less: Allowances for credit loss							(277)
Total Trade receivable							**16,263**

Note: There are no disputed trade receivables as at 31 March 2024 and 31 March 2023.

The Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in note 46.

11 Cash and cash equivalents

Particulars	As at 31 March 2024	As at 31 March 2023
Cash on hand	11	5
Balance with banks		
- in current accounts	508	9,500
	519	**9,505**

12 Bank balances other than cash and cash equivalents above

Particulars	As at 31 March 2024	As at 31 March 2023
In deposit accounts-held as margin money (due to mature within 12 months from the reporting date)*	1,052	2,301
Unpaid dividend	6	2
	1,058	**2,303**

*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.

(Rs in Lakhs)

13 Current Loans

Particulars	As at 31 March 2024	As at 31 March 2023
Unsecured, considered good		
Loans to employees	88	76
	88	**76**

14 Other current financial assets

Particulars	As at 31 March 2024	As at 31 March 2023
Unsecured, considered good		
Management fee receivable from related parties (Refer Note 48)	549	528
Security deposits	106	743
Accrued interest	570	-
	1,225	**1,271**

15 Other current assets

Particulars	As at 31 March 2024	As at 31 March 2023
Unsecured, considered good		
Advances for supply of goods	664	867
Unbilled revenue	5	457
Trade advance to related parties (Refer Note 48)	652	1,736
Prepaid expense	194	191
Balances with government authorities	2,200	2,759
	3,715	**6,010**

Unbilled revenue ageing schedule as at 31 March 2024:

Particulars	Outstanding for following periods from date of transaction						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Unbilled revenue	5	-	-	-	-	-	5

Unbilled revenue ageing schedule as at 31 March 2023:

Particulars	Outstanding for following periods from date of transaction						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Unbilled revenue	156	-	256	45	-	-	457

(Rs in Lakhs)

16 Equity share capital

Particulars	As at 31 March 2024	As at 31 March 2023
Authorised		
Equity shares		
20,000,000 equity shares (31 March 2023: 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 2023: 500,000 shares) of par value of INR 100 each	500	500
	2,500	**2,500**
Issued, subscribed and fully paid up		
Equity shares		
6,791,443 equity shares (31 March 2023: 6,791,443 equity shares) of par value of INR 10 each	679	679
	679	**679**

i. Reconciliation of shares outstanding at the beginning and at the end of the reporting period

Particulars	31 March 2024		31 March 2023	
	Number of shares	Amount (INR in lakhs)	Number of shares	Amount (INR in lakhs)
Shares outstanding at the beginning of the year	67,91,443	679	63,41,443	634
Shares issued during the year*	-	-	4,50,000	45
Shares outstanding at the end of the year	67,91,443	679	67,91,443	679

*The Board of Directors subsequent to members approval dated 9 March 2023, allotted 4,50,000 equity shares to non-promoter persons on preferential basis for an amount of INR. 112,90,50,000 (Rupees one hundred twelve crore ninety lacs and fifty thousand only), in accordance with Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI (ICDR) Regulations"), as amended from time to time. As on the Board meeting date 29 May 2023, the proceeds of the preferential allotment has been utilized towards prepayment of debt and for general corporate purposes.

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 2024		31 March 2023	
		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	7.71%	5,23,460	7.71%
ii)	JKM Holdings Private Limited	11,12,538	16.38%	11,12,538	16.38%
iii)	Udayant Malhoutra and Company Private Limited	6,42,011	9.45%	6,42,011	9.45%
iv)	JKM Offshore India Private Limited	4,42,071	6.51%	4,42,071	6.51%
v)	Samena Special Situations Mauritius	5,55,754	8.18%	5,55,754	8.18%
vi)	HDFC Trustee Company Limited	3,82,071	5.63%	4,13,594	6.09%

(Rs in Lakhs)

iv Disclosure of Shareholding of Promoters

Disclosure of shareholding of promoters as at 31 March 2024 is as follows:

Sr. No	Shares held by promoters	As at 31 March 2024		As at 31 March 2023		% Change during the year
	Promoter name	No of Shares	% of total shares	No of Shares	% of total shares	
1	Udayant Malhoutra	5,23,460	7.71%	5,23,460	7.71%	-
2	JKM Holdings Private Limited	11,12,538	16.38%	11,12,538	16.38%	-
3	Udayant Malhoutra and Company Private Limited	6,42,011	9.45%	6,42,011	9.45%	-
4	JKM Offshore India Private Limited	4,42,071	6.51%	4,42,071	6.51%	-
5	Christine Hoden (India) Private Limited	95,100	1.40%	95,100	1.40%	-
6	Greenearth Biotechnologies Limited	22,927	0.34%	22,927	0.34%	-
7	Barota Malhoutra	4,938	0.07%	4,938	0.07%	-
8	Vita Private Limited	100	0.00%	100	0.00%	-
9	Primella Sanitary Products Private Limited	100	0.00%	100	0.00%	-
		28,43,245	**41.87%**	**28,43,245**	**41.87%**	**0.00%**

Disclosure of shareholding of promoters as at 31 March 2023 is as follows:

Sr. No	Shares held by promoters	As at 31 March 2023		As at 31 March 2022		% Change during the year
	Promoter name	No of Shares	% of total shares	No of Shares	% of total shares	
1	Udayant Malhoutra	5,23,460	7.71%	5,23,460	8.25%	0.00%
2	JKM Holdings Private Limited	11,12,538	16.38%	11,12,538	17.54%	0.00%
3	Udayant Malhoutra and Company Private Limited	6,42,011	9.45%	6,42,011	10.12%	0.00%
4	JKM Offshore India Private Limited	4,42,071	6.51%	4,42,071	6.97%	0.00%
5	Wavell Investments Private Limited	-	0.00%	95,000	1.50%	-1.50%
6	Greenearth Biotechnologies Limited	22,927	0.34%	22,927	0.36%	0.00%
7	Barota Malhoutra	4,938	0.07%	4,938	0.08%	0.00%
8	Vita Private Limited	100	0.00%	100	0.00%	0.00%
9	Christine Hoden (India) Private Limited	95,100	1.40%	100	0.00%	1.50%
10	Primella Sanitary Products Private Limited	100	0.00%	100	0.00%	0.00%
		28,43,245	**41.87%**	**28,43,245**	**44.84%**	**-**

17 Other equity*

Particulars	**As at 31 March 2024**	**As at 31 March 2023**
Capital reserves	15	15
Capital redemption reserve	240	240
Reserve on amalgamation	154	154
General reserve	3,138	3,138
Securities premium	28,656	28,656
Retained earnings	27,162	18,609
Cash flow hedge reserve - Currency Basis Spread	-	(508)
Total other equity	**59,365**	**50,304**

* Refer Statement of Changes in Equity for detailed movement of each component of Other Equity.

(i) Capital reserve:

Capital reserve was created on account of subsidy received during the year ended 31 March 2005 and is not freely available for dividend distribution.

(ii) Capital redemption reserve:

During the year ended 31 March 2005, an amount of INR 240 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 earnings.

(v) 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 currency trade receivables and highly probable future forecasted transactions.

18 Non-current borrowings

	Particulars	As at 31 March 2024	As at 31 March 2023
a)	*Secured loans*		
	Term loans		
	- from banks [Refer footnote (i)]	9,129	20,197
	- from financial institutions [Refer footnote (ii)]	10,362	8,697
b)	*Unsecured loans*		
	Term loans		
	- from financial institutions [Refer footnote (ii)]	-	909
	Total borrowings	**19,491**	**29,803**
	Less: Current maturities of long term borrowing (Secured)	(1,310)	(6,233)
	Less: Current Maturities of long term borrowings from financial institutions (Secured)	(1,758)	(2,112)
	Less: Current Maturities of long term borrowings from financial institutions (Unsecured)	-	(383)
		16,423	**21,075**

Information about the Company's exposure to interest rate, currency and liquidity risk are disclosed in note 46.

(Rs in Lakhs)

(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 Nil (31 March 2023: INR 16,187) repayable in 32 quarterly instalments. First instalment starting from 15 October 2018 with interest rate ranging from 10.05% to 10.30% per annum (31 March 2023: 10.05% to 10.30% per annum) for Rupee Term Loans and 5.06% per annum (31 March 2023: 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 Nil (31 March 2023: 4,010) repayable in 48 monthly instalments. First instalment starting from March 2022 with interest rate ranging from 8.25% to 9.15% per annum (31 March 2023: 8.25% 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 9,000 (31 March 2023: INR Nil) repayable in 28 quarterly instalments. First instalment starting from 1 June 2024 with interest rate at 9.60% per annum.	First pari passu charge on the entire movable and immovable fixed assets of the Company, present and future. Second pari passu charge on the entire current assets of the Company. First charge over Debt Service Reserve Account (DSRA).
Term loan from bank aggregating to INR 129 (31 March 2023: INR Nil) repayable in 60 monthly instalments. First instalment starting from 31 October 2023 with interest rate at 8.90% per annum.	Hypothecation of asset (cars).

(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 Nil (31 March 2023: INR 5,040) repayable in 32 quarterly instalments first instalment starting from 15 October 2018 with interest rate of Overnight SOFR + 5.15% per annum (31 March 2023: overnight SOFR + 5.15% 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 3,080 (31 March 2023: INR 3,657) repayable in 20 quarterly instalments first instalment starting from 30 June 2023 with interest rate of 10.75% per annum (31 March 2023: 9.75% 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. First charge over Debt Service Reserve Account (DSRA). Personal guarantee issued by the promoter.
Term Loan from financial institutions aggregating to INR 7,000 (31 March 2023: INR Nil) repayable in 20 quarterly instalments first instalment starting from 30 September 2024 with interest rate of 10.25% 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.
Term Loan from financial institutions aggregating to INR 282 (31 March 2023: INR Nil) repayable in 60 monthly instalments with interest rate of 10.25% per annum.	Hypothecation of assets (cars).
Term Loan from financial institutions aggregating to INR Nil (31 March 2023: INR 444) repayable in 24 monthly instalments with interest rate of 12.25% per annum (31 March 2023: 12.25% per annum).	Un-secured Loan.
Term Loan from financial institutions aggregating to INR Nil (31 March 2023:INR 173) repayable in 60 monthly instalments with interest rate of 11.00% per annum (31 March 2023: 11.00% per annum).	Un-secured Loan.
Term Loan from financial institutions aggregating to INR Nil (31 March 2023: INR 292) repayable in 30 monthly instalments with interest rate of 13.25% per annum (31 March 2023: 13.25% per annum).	Un-secured Loan.

(Rs in Lakhs)

19 Other non-current financial liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Derivatives liability	-	500
	-	**500**

20 Non-current provisions

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for employee benefits		
Provision for gratuity (Refer Note 44)	1,817	1,661
Provision for compensated absences	351	348
Other provisions		
Provision for decommissioning costs (Refer Note 41(a))	-	527
	2,168	**2,536**

21 Deferred tax liabilities (net) (Refer Note 51)

Particulars	As at 31 March 2024	As at 31 March 2023
Deferred tax liabilities		
Property, plant and equipment's and intangible assets	1,354	1,525
Fair value impact on investment in subsidiaries	3,232	3,141
Total deferred tax liabilities (A)	**4,586**	**4,666**
Deferred tax assets		
Provision for gratuity and compensated absences	640	586
Right of Use Assets & Lease Liabilities	46	74
Provision for loss allowance	99	70
Others	347	158
Total deferred tax assets (B)	**1,132**	**888**
Net deferred tax liability (A - B)	**3,454**	**3,778**

22 Current borrowings

Particulars	As at 31 March 2024	As at 31 March 2023
Secured Loans		
Loans from banks repayable on demand		
- Cash credit and working capital demand loans*	16,088	14,884
Current maturities of long-term borrowings (Refer Note 18)	3,068	8,728
	19,156	**23,612**

* Cash credit and working capital demand loans from banks carry interest ranging between 9.35% - 11.15% per annum (31 March 2023: 10.65% - 12.65% 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 Currency from banks carry interest ranging between 6m SOFR+3.00% and Sterling Over Night Index Average ('SONIA') +4.00% per annum (31 March 2023: 6m SOFR +3.00% and SONIA + 4.00% 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 46.

(Rs in Lakhs)

23 Trade payables

Particulars	As at 31 March 2024	As at 31 March 2023
Dues of micro and small enterprises (Refer Note 43)	1,198	2,307
Dues to creditors other than micro and small enterprises	9,278	7,997
	10,476	**10,304**

Trade Payables ageing schedule as at 31 March 2024:

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME*	1,142	52	4	-	-	1,198
Others	5,815	3,191	96	160	16	9,278
Total	**6,957**	**3,243**	**100**	**160**	**16**	**10,476**

* old outstanding is on account of retention money.

Trade Payables ageing schedule as at 31 March 2023:

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	1,373	934	-	-	-	2,307
Others	3,595	3,923	351	58	70	7,997
Total	**4,968**	**4,857**	**351**	**58**	**70**	**10,304**

All trade payables are current.

The Company's exposure to currency and liquidity risk are disclosed in note 46.

Related party balance are disclosed in note 48.

24 Other current financial liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Accrued expenses	1,522	1,104
Capital creditors	26	236
Interest accrued but not due	70	197
Security deposits	57	57
Unpaid dividend	6	2
	1,681	**1,596**

The Company's exposure to currency and liquidity risk are disclosed in note 46.

25 Current provisions

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for employee benefits:		
Provision for gratuity (Refer Note 44)	332	284
Provision for compensated absences (Refer Note 44)	43	37
	375	**321**

(Rs in Lakhs)

26 Current tax liabilities (net)

	As at 31 March 2024	As at 31 March 2023
Provision for income tax (Net of Advance Tax and Tax Deducted at Source)	1,038	800
	1,038	**800**

27 Other current liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Advance from customers	258	39
Statutory liabilities	203	188
	461	**227**

28 Revenue from operations

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Sale of products		
Revenue from sale of products (Refer Note 52)	57,597	57,480
Total revenue from sale of products (A)	**57,597**	**57,480**
Other Operating revenue		
Export Incentive	15	17
Scrap sales	574	615
Total other operating revenue (B)	**589**	**632**
Total revenue from operations (A+B)	**58,186**	**58,112**

29 Other income

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest income on financial assets carried at amortised cost	166	228
Gain on sale of Property, plant and equipment	468	30
Interest on trade advance/ loan to related party (Refer Note 48)	554	-
Net gain on foreign currency transaction and translation	503	-
Miscellaneous income	139	278
	1,830	**536**

30 Cost of materials and components consumed

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Inventory of materials and components at the beginning of the year	4,907	4,577
Add: Purchases of materials and components	28,663	27,537
Less: Inventory of materials and components at the end of the year	(4,170)	(4,907)
	29,400	**27,207**

(Rs in Lakhs)

31 Changes in inventory of finished goods and work-in-progress

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Opening stock		
- Finished goods	601	701
- Work-in-progress	4,175	3,886
	4,776	**4,587**
Closing stock		
- Finished goods	(2,033)	(601)
- Work-in-progress	(4,358)	(4,175)
	(6,391)	**(4,776)**
	(1,615)	**(189)**

32 Employee benefits expense

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Salaries, wages and bonus	6,876	7,648
Contribution to provident fund and other funds	466	528
Gratuity expense (Refer Note 44)	259	311
Expenses related to compensated absence	77	79
Staff welfare expenses	814	652
	8,492	**9,218**

33 Finance costs

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest expense on financial liabilities at amortised cost*	3,852	4,233
Interest expense on lease liabilities (Refer Note 40)	224	291
Unwinding of discount on dismantling liability	-	36
Other borrowing cost	778	514
Interest on delayed payment of taxes	172	84
	5,026	**5,158**

*Interest expense consist realised & unrealised Forex exchange loss of INR 53 Lakhs (31 March 2023: INR 191 Lakhs) on re-statement and settlement of foreign currency term loans.

34 Depreciation and amortisation expense

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation on property, plant and equipment (Refer Note 3.1)	1,566	1,245
Amortisation of Right-of-use assets (Refer Note 40)	724	1,078
Amortisation of intangible assets (Refer Note 3.2)	120	96
	2,410	**2,419**

(Rs in Lakhs)

35 Other expenses

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Subcontractor charges	2,596	2,578
Consumption of stores, loose tools and spare parts	2,055	1,839
Power and fuel	759	904
Legal and professional fees	941	778
Payment to Auditors (Refer Note 39)	91	100
Travelling and conveyance expenses	767	677
Rent	264	569
Packing expenses	540	430
Repairs and maintenance:		
- buildings	34	10
- plant and machinery	548	507
- others	345	355
Freight outward	399	324
Security charges	263	297
Rates and taxes	194	140
Loss allowance on financial assets, net	115	136
Insurance	224	191
Subscription and advertisement	195	191
Bank charges	85	84
Printing and stationery	56	45
Communication expenses	60	40
Directors sitting fees	71	42
Net loss on foreign currency transaction and translation	-	56
Corporate social responsibility expenses (Refer Note 54)	62	20
Miscellaneous expenses	141	140
	10,805	**10,453**

36 Exceptional Items

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Gain on the sale of windfirm land classified as held for sale (Refer Note 53)	6,237	-
Impairment Provision towards JEAL Investment (Refer Note 4)	(671)	-
Termination charges on Cross Currency Swap	(434)	-
	5,132	**-**

37 Contingent Liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Claims against the Company not acknowledged as debts #		
Income tax	32	405
Indirect tax	595	624

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.

(Rs in Lakhs)

38 Capital commitments

Particulars	As at 31 March 2024	As at 31 March 2023
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	411	985

There are no other material commitments.

39 Payment to statutory auditors (excluding goods and service tax) :

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Statutory audit fees of standalone and consolidated financial statements (including quarterly limited reviews)	78	78
Certification services	10	17
Out of pocket expenses	3	5
Total	**91**	**100**

40 Leases

(i) Following are the change in the carrying value of right to use of assets for the year ended 31 March 2024:

Particulars	Category of ROU assets		
	Plant & Machinery	Land and building	Total
Opening Balance as at 1 April 2023	836	142	978
Addition/Modification (net)	12	1,494	1,506
Amortisation	(430)	(294)	(724)
Balance as at 31 March 2024	**418**	**1,342**	**1,760**

Following are the change in the carrying value of right to use of assets for the year ended 31 March 2023:

Particulars	Category of ROU assets		
	Plant & Machinery	Land and building	Total
Opening Balance as at 1 April 2022	1,311	786	2,097
Addition/Modification (net)	9	(50)	(41)
Amortisation	(484)	(594)	(1,078)
Balance as at 31 March 2023	**836**	**142**	**978**

(ii) The following is the break up of current & non-current lease liabilities:

Particulars	As at 31 March 2024	As at 31 March 2023
Non- Current lease liabilities	1,297	550
Current lease liabilities	629	723
	1,926	**1,273**

(iii) The following is the movement of lease liabilities:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Balance at the beginning of the year	1,273	2,622
Addition/Modification	1,509	(41)
Finance cost during the year	224	290
Lease payment during the year	(1,080)	(1,598)
	1,926	**1,273**

(Rs in Lakhs)

(iv) The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at 31 March 2024	As at 31 March 2023
Payable within 1 year	805	832
Payable between 1-5 years	1,515	554
Payable later than 5 years	107	25
Total	**2,427**	**1,411**

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 264 (31 March 2023: INR 569).

41 The disclosure requirement as per Ind AS 37 with respect to the movement of provisions is as follows:

a) Provision for asset decommissioning

Particulars	As at 31 March 2024	As at 31 March 2023
Opening balance	527	514
Utilised/reversed during the year	(527)	(23)
Unwinding of discount for the year	-	36
Closing balance	**-**	**527**

42 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.

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'.

(Rs in Lakhs)

A Operating segment information is as follows:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Segment revenue		
a) Hydraulics	29,348	33,544
b) Aerospace	28,829	24,558
c) Others	9	10
Revenue from operations	**58,186**	**58,112**
Segment results (profit/ (loss) before finance costs, other income tax from each segment)		
a) Hydraulics	4,195	6,738
b) Aerospace	8,042	5,743
c) Others	(735)	(541)
d) Unallocated	(2,808)	(2,936)
Total	**8,694**	**9,004**
Unallocable		
- Finance costs	(5,026)	(5,158)
- Other income	1,830	536
- Exceptional Gain (Refer Note 36)	5,132	-
Profit before tax	**10,630**	**4,382**

Particulars	As at 31 March 2024	As at 31 March 2023
Segment assets		
a) Hydraulics	19,480	17,274
b) Aerospace	47,153	45,046
c) Others	1,708	628
d) Unallocated	48,861	48,495
Segment assets	**1,17,202**	**1,11,443**
e) Assets classified as held for sale (Refer Note 53)	-	5,562
Total assets	**1,17,202**	**1,17,005**
Segment liabilities		
a) Hydraulics	11,141	10,263
b) Aerospace	4,455	4,555
c) Others	756	712
d) Unallocated	40,806	50,492
Segment liabilities	**57,158**	**66,022**

Information about reportable segments for the period from 1 April 2023 to 31 March 2024 is as follow:

Particulars	Hydraulics	Aerospace	Others	Unallocated	Total
Depreciation and amortisation expense	762	1,427	42	179	**2,410**
Capital expenditure	884	1,489	129	703	**3,205**

Information about reportable segments for the period from 1 April 2022 to 31 March 2023 is as follow:

Particulars	Hydraulics	Aerospace	Others	Unallocated	Total
Depreciation and amortisation expense	783	1,469	28	139	**2,419**
Capital expenditure	275	6,194	30	85	**6,584**

(Rs in Lakhs)

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 2024	31 March 2023	31 March 2024	31 March 2023
India	26,489	30,691	33,013	29,602
United States	7,811	7,238	-	-
Canada	5,714	4,969	-	-
United Kingdom	9,457	9,568	-	-
Europe (other than UK)	8,243	5,299	-	-
Rest of world	472	347	-	-
Total	**58,186**	**58,112**	**33,013**	**29,602**

*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 2024	For the year ended 31 March 2023
Customer 1	7,850	9,604
Customer 2	7,179	6,783
Customer 3	6,990	6,123
Customer 4	6,235	-

43 Dues to micro, small and medium enterprises

Total outstanding dues of micro, small and medium enterprises 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 2024	31 March 2023
(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	1,198	2,307
Interest	70	60
(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	70	60
(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.	70	60
Total	**1,268**	**2,367**

(Rs in Lakhs)

44 Assets and liabilities relating to employee benefits

Particulars	As at 31 March 2024	As at 31 March 2023
Net defined benefit liability, gratuity plan	2,149	1,945
Liability for compensated absences	394	385
Total employee benefit liability	**2,543**	**2,330**

a) Gratuity		
Non-current	1,817	1,661
Current	332	284
	2,149	**1,945**

b) Compensated absences		
Non-current	351	348
Current	43	37
	394	**385**

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 2024-2025.

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 2024	As at 31 March 2023
Obligation at the beginning of the year	1,996	2,424
Interest cost	149	173
Current service cost	114	145
Benefit paid directly by employer	(47)	-
Benefit paid from the fund	(171)	(151)
Liabilities transferred to Dynamatic Manufacturing Limited (Refer Note 55)	-	(612)
Actuarial (Gains)/Losses on Obligations recognised in Other Comprehensive Income (OCI)		
- Changes in demographic assumptions	-	-
- Changes in financial assumptions	36	(43)
- Experience adjustments	72	60
Obligation at the end of the year	**2,149**	**1,996**

(Rs in Lakhs)

(ii) Reconciliation of present value of plan assets

Particulars	As at 31 March 2024	As at 31 March 2023
Plan assets at the beginning of the year, at fair value	51	90
Interest income on plan assets	4	6
Contributions	117	103
Benefits paid	(171)	(151)
Return on plan assets, excluding interest income recognised in OCI	(1)	3
Plan assets at the end of the year, at fair value	**-**	**51**
Net defined benefit liability	**2,149**	**1,945**

C (i) Expense recognised in the Statement of profit and loss

Particulars	For the year ended	
	31 March 2024	31 March 2023
Current service cost	114	145
Interest cost	145	167
Net gratuity cost	**259**	**312**

(ii) Remeasurement recognised in other comprehensive income

Particulars	For the year ended	
	31 March 2024	31 March 2023
Actuarial (gain)/ loss on defined benefit obligation	107	18
Return on plan assets, excluding interest income	1	(3)
Total (gain)/ loss recognised in other comprehensive income	**108**	**15**

D Plan assets

Particulars	As at 31 March 2024	As at 31 March 2023
Insurance fund	-	51
	-	**51**

E Defined benefit obligation

(i) Actuarial assumptions

Particulars	For the year ended	
	31 March 2024	31 March 2023
Rate of return on planned assets	7.21%	7.47%
Discounting rate	7.21%	7.47%
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 (2012-14) Urban
Weighted average duration of defined benefit obligation (in years)	8	8
Average Expected Future Service	11	11
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.

(Rs in Lakhs)

(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 2024	As at 31 March 2023
Projected Benefit Obligation on Current Assumptions (Gross)	2,149	1,996
Impact of change in discount rate by +1%	(131)	(122)
Impact of change in discount rate by -1%	149	139
Impact of change in salary rate by +1%	138	130
Impact of change in salary rate by -1%	(126)	(118)
Impact of change in employee turnover rate by +1%	13	15
Impact of change in employee turnover rate by -1%	(15)	(17)

Defined contribution plan

The Company’s contribution to Provident Fund aggregating to INR 466 (31 March 2023: INR 528) has been recognised in the Statement of Profit and Loss under the head employee benefit expense.

45 Financial instruments - fair value and risk management

Accounting classification and fair value

The following table shows the carrying amount and fair value of financial assets and financial liabilities including their 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 2024	Level 1	Level 2	Level 3	Total
Financial assets measured at amortised cost					
Loans (Non-current & current)	6,947	-	-	-	-
Trade receivables, net of loss allowance	20,688	-	-	-	-
Cash and cash equivalents	519	-	-	-	-
Bank balances other than cash and cash equivalents	1,058	-	-	-	-
Other financial assets (Non-current & current)	1,680	-	-	-	-
Total financial assets	**30,892**	**-**	**-**	**-**	**-**
Financial liabilities measured at amortised cost					
Borrowings (Non-current & current)	35,579	-	-	-	-
Lease liabilities (Non-current & current)	1,926	-			-
Trade payables	10,476	-	-	-	-
Other financial liabilities (Non-current & current)	1,681	-	-	-	-
Total financial liabilities	**49,662**	**-**	**-**	**-**	**-**

(Rs in Lakhs)

Particulars	Carrying amount	Fair value			
	31 March 2023	Level 1	Level 2	Level 3	Total
Financial assets measured at amortised cost					
Loans (Non-current & current)	76	-	-	-	-
Trade receivables, net of loss allowance	16,263	-	-	-	-
Cash and cash equivalents	9,505	-	-	-	-
Bank balances other than cash and cash equivalents	2,303	-	-	-	-
Other financial assets (Non-current & current)	1,952	-	-	-	-
Total financial assets	**30,099**	**-**	**-**	**-**	**-**
Financial liabilities measured at amortised cost					
Borrowings (Non-current & current)	44,687	-	-	-	-
Lease liabilities (Non-current & current)	1,273	-	-	-	-
Trade payables	10,304	-	-	-	-
Other financial liabilities (Non-current & current)	2,096	-	500	-	500
Total financial liabilities	**58,360**	**-**	**500**	**-**	**500**

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.

(Rs in Lakhs)

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 2024		
	Exposure in INR	Fair Value - Assets	Fair Value - Liabilities
Derivatives designated as cashflow hedges			
Currency Swaps for receivables including firm commitments and highly probable forecasted transactions	-	-	-
During the year, company has closed the Currency Swap derivatives.			

Particulars	31 March 2023		
	Exposure in INR	Fair Value - Assets	Fair Value - Liabilities
Derivatives designated as cashflow hedges			
Currency Swaps for receivables including firm commitments and highly probable forecasted transactions	5,650	-	500

46 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 2024 and 31 March 2023 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 2024 amounting to INR 20,688 (31 March 2023: INR 16,263). 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 2024	As at 31 March 2023
Balance as at beginning of the year	277	157
Amounts written off	-	(16)
Net measurement of loss allowance	115	136
Balance as at end of the year	**392**	**277**

(Rs in Lakhs)

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 9,000 (31 March 2023: INR Nil) repayable in 28 quarterly instalments. First instalment starting from 1 June 2024 with interest rate at 9.60% per annum.

First pari passu charge on the entire movable and immovable fixed assets of the Company, present and future. Second pari passu charge on the entire current assets of the Company. First charge over Debt Service Reserve Account (DSRA).

(ii) Term loan from bank aggregating to INR 129 (31 March 2023: INR Nil) repayable in 60 monthly instalments. First instalment starting from 31 October 2023 with interest rate at 8.90% per annum. This loan is secured by hypothecation of assets (cars).

(iii) Term Loan from financial institutions aggregating to INR 3,080 (31 March 2023: INR 3,657) repayable in 20 quarterly instalments first instalment starting from 30 June 2023 with interest rate of 10.75% 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. First charge over Debt Service Reserve Account (DSRA). Personal guarantee issued by the promoter.

(iv) Term Loan from financial institutions aggregating to INR 7,000 (31 March 2023: INR Nil) repayable in 20 quarterly instalments first instalment starting from 30 September 2024 with interest rate of 10.25% 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.

(v) Term Loan from financial institutions aggregating to INR 282 (31 March 2023: INR Nil) repayable in 60 monthly instalments with interest rate of 10.25% per annum. This is secured by hypothecation of assets (cars).

(vi) Cash credit and working capital demand loans from banks carry interest ranging between 9.35% - 11.15% 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 Currency from banks carry interest ranging between 6m SOFR+3.00% and SOFR +3.50% 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 2024 and 31 March 2023. The amounts are gross and undiscounted contractual cash flow and includes contractual interest payment and exclude netting arrangements:

As at 31 March 2024

Particulars	Contractual cash flows				
	Carrying amount	Total	0-1 years	1-5 years	5 years and above
Borrowings*	35,579	35,579	19,156	13,502	2,921
Lease liabilities	1,926	2,427	805	1,515	107
Trade payables	10,476	10,476	10,476	-	-
Other financial liabilities	1,681	1,681	1,681	-	-
Total	**49,662**	**50,163**	**32,118**	**15,017**	**3,028**

(Rs in Lakhs)

As at 31 March 2023

Particulars	Contractual cash flows				
	Carrying amount	Total	0-1 years	1-5 years	5 years and above
Borrowings*	44,687	44,686	23,611	20,282	793
Lease liabilities	1,273	1,411	832	554	25
Trade payables	10,304	10,304	10,304	-	-
Derivatives	500	578	70	508	-
Other financial liabilities	1,596	1,596	1,596	-	-
Total	**58,360**	**58,575**	**36,413**	**21,344**	**818**

* Includes current maturities of long term borrowings.

As disclosed in note 18 and 22, the Company has secured bank loan that contains loan covenants. A future breach of covenant may require the Company to repay the loan earlier than indicated in the above table. Except for these financial liabilities, it is not expected that cash flows included in maturity analysis could occur significantly earlier.

III Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

a) Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases, loan 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, EURO, GBP, SGD and CAD 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 2024		As at 31 March 2023	
		Amount in foreign currency in lakhs	Amount in INR Lakhs	Amount in foreign currency in lakhs	Amount in INR Lakhs
Trade receivables	USD	135	11,239	107	8,827
	EURO	0.87	78	0.06	6
	GBP	41	4,306	37	3,780
Other current financial assets	GBP	5	549	5	528
	SGD	9	552	-	-
Trade payables	USD	24	1,987	14	1,147
	EURO	0.82	73	1	65
	GBP	2	166	2	216
	CAD	1	46	1	56
Borrowings	GBP	-	-	20	2,000
	USD	15	1,283	127	10,445
Inter-company Loan receivable	SGD	111	6,859	-	-
Other financial liabilities	USD	-	-	69	5,650

(Rs in Lakhs)

The following significant exchange rates have been applied :

Currency	Year end spot rate	
	31 March 2024	**31 March 2023**
USD/INR	83.38	82.17
EURO/INR	89.94	89.05
GBP/INR	105.20	101.33
SGD/INR	61.75	61.72
CAD/INR	61.54	60.78

Sensitivity analysis

A reasonably possible strengthening /(weakening) of the USD, EURO, GBP, SGD and CAD against INR as at 31 March 2024 and 31 March 2023 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 2024						
USD (3% movement)	239	(239)	-	-	179	(179)
EURO (3% movement)	0.13	(0.13)	-	-	0.10	(0.10)
GBP (3% movement)	141	(141)	-	-	105	(105)
SGD (3% movement)	222	(222)			166	(166)
CAD (3% movement)	(1.4)	1.4	-	-	(1.02)	1.02
31 March 2023						
USD (3% movement)	(83)	83	(170)	170	(189)	189
EURO (3% movement)	(2)	2	-	-	(1)	1
GBP (3% movement)	62	(62)	-	-	46	(46)
CAD (3% movement)	(2)	2	-	-	(1)	1

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 financial liabilities to interest rate changes at the end of the reporting period are as follows:

Particulars	As at 31 March 2024	As at 31 March 2023
Financial Assets		
Fixed rate instruments		
Bank deposits	1,052	2,301
Total	**1,052**	**2,301**
Financial Liabilities		
Variable rate borrowings (including current maturities of long term debts)	35,168	40,690
Fixed rate borrowings (including current maturities of long term debts)	411	3,997
Total	**35,579**	**44,687**

(Rs in Lakhs)

(b) Sensitivity

Particulars	Profit and loss		Equity, net of tax	
	1% increase	1% decrease	1% increase	1% decrease
31 March 2024				
Variable rate borrowings	(352)	352	(263)	263
31 March 2023				
Variable rate borrowings	(407)	407	(304)	304

47 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 2024	As at 31 March 2023
Borrowings (current and non-current)	35,579	44,687
Less: Cash and cash equivalents	(519)	(9,505)
Adjusted net debt	**35,060**	**35,182**
Total equity	60,044	50,983
Net debt to equity ratio	**0.58**	**0.69**

48 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-down 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 LLC, US	
JKM Holdings Private Limited, India	Entities over which key executive management personnel or relatives of such personnel are able to exercise significant influence
Wavell Investments Private Limited, India	
Mr. Vivek Malani	Relative of Promotor Group
Ms. Ahilya Malhoutra	Daughter of Mr. Udayant Malhoutra (Promoter)

(Rs in Lakhs)

Key executive management personnel	Designation
Udayant Malhoutra	Chief Executive Officer and Managing Director
P.S. Ramesh	Executive Director, Chief Operating Officer - Hydraulic
Arvind Mishra	Executive Director and Global Chief Operating Officer - Hydraulics & Head - Homeland Security (Resigned effective from 8 August 2023).
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 2024	31 March 2023
Revenue from operations	Dynamatic Limited, UK	1,533	2,367
	Dynamatic Manufacturing Limited	566	222
Purchase of raw materials	Dynamatic Limited, UK	634	-
	Dynamatic Manufacturing Limited	2,497	48
	Wavell Investments Private Limited	420	462
Rent expense	JKM Research Farm Limited	48	48
	JKM Holdings Private Limited	4	4
	Dynamatic Limited, UK	436	424
	Mr. Vivek Malani	22	22
Investment made	Dynamatic Manufacturing Limited	3,500	-
	JKM Global Pte Limited	-	964
	Equity shares of Dynamatic Manufacturing Limited purchased from Eisenwerk Erla GmbH, Germany	-	61
Inter-company loan provided	JKM Global Pte Limited	6,766	-
	JKM Erla Automotive Limited	7	-
Interest income on Inter-company loan	JKM Global Pte Limited	554	-
Trade advances given	Dynamatic Manufacturing Limited	5,165	551
	Wavell Investments Private Limited	-	42
Trade advance received/repaid	Dynamatic Manufacturing Limited	3,450	-
Assets purchase agreement consideration receivable from / (payable to) (Refer Note 55)	Dynamatic Manufacturing limited	-	(236)
Remuneration	Ms. Ahilya Malhoutra	21	12
Reimbursement of Capital and Revenue expenses	Dynamatic Manufacturing Limited	170	598
	Dynamatic Limited, UK	9	-

(Rs in Lakhs)

(iii) Balance receivable from and payable to related parties as at the balance sheet date:

Particulars	Related Parties	As at 31 March 2024	As at 31 March 2023
Trade receivables	Dynamatic Limited, UK	2,595	2,073
	Dynamatic Manufacturing Limited	708	-
Trade payables	Dynamatic Limited, UK	-	74
	Wavell Investments Private Limited	-	356
	JKM Research Farm Limited	222	212
Security deposits provided	JKM Holding Private Limited	35	35
	Mr. Vivek Malani	17	17
Unbilled revenue	Dynamatic Manufacturing Limited	-	177
Management Fee Receivable	Dynamatic Limited, UK	549	528
Inter-company loan receivable	JKM Global Pte Limited	6,859	-
	JKM Erla Automotive Limited	7	-
Accrued Interest	JKM Global Pte Limited	552	-
Rent Payable	Mr. Vivek Malani	2	2
Trade advance receivable	Dynamatic Manufacturing Limited	-	676
	Wavell Investments Private Limited	652	1,060

(iv) Compensation of key managerial personnel*

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Short-term benefits:		
Udayant Malhoutra	122	121
P.S. Ramesh	117	117
Arvind Mishra	137	117
Chalapathi P	102	103
Shivaram V	50	51
	528	**509**

*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.

49 Earnings per share

	Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
a)	Net profit for the year attributable to equity shareholders	9,449	2,915

b) Reconciliation of basic and diluted shares used in computing earnings per share:

Related Parties	As at 31 March 2024	As at 31 March 2023
Number of equity shares outstanding at the beginning of the year	67,91,443	63,41,443
Add: Weighted average number for equity shares issued during the year	-	13,562
Weighted average number of equity shares outstanding during the year	67,91,443	63,55,005

c) Earnings per share

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Basic and Diluted earnings per share (a/b) in INR	139.16	45.86

(Rs in Lakhs)

50 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 2023	Purchased during the year	Sold during the year	As at 31 March 2024
i)	JKM Research Farm Limited, India	INR 10	2,448 (49,99,930)*	-	-	2,448 (49,99,930)*
ii)	Dynamatic Manufacturing Limited, India (formerly known as JKM Ferrotech Limited)	INR 10	144 (14,41,328)*	3,500 (3,50,00,000)*	-	3,644 (3,64,41,328)*
iii)	JKM Global Pte Limited, Singapore	SGD 1	20,969 (1,93,22,937)*	-	-	20,969 (19,322,937)*
iv)	JKM Erla Automotive Limited, India	INR 10	26,221 (10,79,14,994)*	-	-	26,221 (10,79,14,994)*
	Total		**49,782**	**3,500**	**-**	**53,282**

	Subsidiaries	Face value per unit	As at 1 April 2022	Purchased during the year	Sold during the year	As at 31 March 2023
i)	JKM Research Farm Limited, India	INR 10	2,448 (49,99,930)*	-	-	2,448 (49,99,930)*
ii)	Dynamatic Manufacturing Limited, India (formerly known as JKM Ferrotech Limited)	INR 10	83 (8,25,761)*	61 (6,15,578)*	-	144 (14,41,328)*
iii)	JKM Global Pte Limited, Singapore	SGD 1	20,005 (1,76,52,937)*	964 (1,670,000)*	-	20,969 (1,93,22,937)*
iv)	JKM Erla Automotive Limited, India	INR 10	26,221 (10,79,14,994)*	-	-	26,221 (10,79,14,994)*
	Total		**48,757**	**1,025**	**-**	**49,782**

* The amounts in parenthesis represents number of shares

51 Income tax

A Amount recognised in statement of profit and loss

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Current tax	1,478	1,582
Deferred tax	(297)	(115)
Income tax expense reported in the statement of profit and loss	**1,181**	**1,467**

B Income tax recognised in other comprehensive income

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Net gain/(loss) on remeasurement of defined benefit liability/(assets)	27	4
Foreign currency fluctuations under a cash flow hedge - gain/(loss)	-	-
Income tax expense/ (credit) to OCI	**27**	**4**

(Rs in Lakhs)

C Reconciliation of effective tax rate

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Accounting profit before income tax after exceptional items	10,630	4,382
Tax using the Company's domestic tax rate 25.17% (31 March 2023: 25.17%)	2,676	1,103
Impact of windfirm land gain tax exemption	(1,570)	-
Impact of non - deductible expenses for tax purposes	75	364
Income tax expense	**1,181**	**1,467**

D Deferred tax

Deferred tax relates to the following:

Particulars	As at 31 March 2023	Recognised in profit and loss	Recognised in OCI	As at 31 March 2024
Deferred tax assets / (liabilities)				
Property, plant and equipment's and intangible assets	(1,525)	171	-	(1,354)
Fair value impact on investment in subsidiaries	(3,141)	(91)	-	(3,232)
Provision for gratuity and compensated absences	586	27	27	640
Provision for loss allowance	70	29	-	99
Right of Use Assets & Lease Liabilities	74	(28)	-	46
Others	158	189	-	347
Deferred tax assets / (liabilities)	**(3,778)**	**297**	**27**	**(3,454)**

Particulars	As at 31 March 2022	Recognised in profit and loss	Recognised in OCI	As at 31 March 2023
Deferred tax assets / (liabilities)				
Property, plant and equipment's and intangible assets	(1,752)	227	-	(1,525)
Fair value impact on investment in subsidiaries	(3,232)	91	-	(3,141)
Provision for gratuity and compensated absences	702	(120)	4	586
Provision for loss allowance	40	30	-	70
Right of Use Assets & Lease Liabilities	132	(58)	-	74
Others	213	(55)	-	158
Deferred tax assets / (liabilities)	**(3,897)**	**115**	**4**	**(3,778)**

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 2024 and 31 March 2023 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 2024

Particulars	Hydraulics	Aerospace	Others	Grand Total
Market or type of customer				
Government	154	19	-	173
Non-government	29,194	28,810	9	58,013
Total revenue from contract with customers#	**29,348**	**28,829**	**9**	**58,186**
Timing of revenue recognition*				
Goods or services transferred at point in time	29,348	28,829	9	58,186
Total revenue from contract with customers#	**29,348**	**28,829**	**9**	**58,186**

(Rs in Lakhs)

For the year ended 31 March 2023

Particulars	Hydraulics	Aerospace	Others	Grand Total
Market or type of customer				
Government	130	697	-	827
Non-government	33,414	23,861	10	57,285
Total revenue from contract with customers#	**33,544**	**24,558**	**10**	**58,112**
Timing of revenue recognition*				
Goods or services transferred at point in time	33,544	24,558	10	58,112
Total revenue from contract with customers#	**33,544**	**24,558**	**10**	**58,112**

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 42 - 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 2024	For the year ended 31 March 2023
Revenue from contract with customers	57,597	57,480
Other Operating revenue		
Export incentive	15	17
Scrap sales	574	615
Revenue from reportable segment (Refer Note 42)	**58,186**	**58,112**

B. Contract balances

The Company does not have any contract balances.

C. Remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognised as the end of the reporting period and an explanation as to when the Company expects to recognise these amount in revenue. Unsatisfied or partially satisfied performance obligations are subject to variability due to several factors such as termination changes in contract scope, re-validation of estimates and economic factors.

Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognised corresponds directly with the value to the customer of the Company’s performance completed to date, typically those contracts where invoicing is on time and material, unit price basis.

53 Discontinued operations and assets held for sale

On 6 January 2024, the Company has completed the sale of wind farm lands admeasuring 357.867 acres including building, situated at Varapatti Village, Sulur Taluk, Coimbatore, in favour of Tamil Nadu Industrial Development Corporation Limited (TIDCO), for the setting up of the Southern Defence Industrial Corridor for a compensation amount of Rs. 10,710.81 Lakhs.

The Company has retained land measuring approximately 87 acres having greater strategic value for future development and accordingly the cost of such landamounting to INR 1,089 Lakhs been re-classified from assets held for sale to property, plant and equipment.

Carrying value of assets and liabilities classified as held for sale:

Particulars	As at 31 March 2024	As at 31 March 2023
Assets classified as held for sale		
Property, plant and equipment and Intangible assets	-	5,562
Assets of disposal group held for sale	**-**	**5,562**
Liabilities directly associated with assets classified as held for sale	**-**	**-**
Liabilities of disposal group held for sale	**-**	**-**

(Rs in Lakhs)

54 As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. A CSR committee has been formed by the company as per the Act. The amount required to be spent and actual amount spent on the areas for CSR activities which are specified in Schedule VII of the Companies Act, 2013 is as follows:

	Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
a)	Gross amount required to be spent by the Company during the year	66.97	19.74
b)	Advance provided during year for environmental activities	-	-
c)	Amount of expenditure incurred on purpose other than construction / acquisition of any asset	62.23	21.11
d)	Excess spend of prior years set off during the year	4.74	-
e)	Shortfall at the end of the year [(e)=(a)-(b)-(c)-(d)]	-	-
f)	Reason for shortfall	NA	NA

55 Dynamatic Manufacturing Limited (Formerly known as JKM Ferrotech Limited) ('DML'), a wholly owned subsidiary of the Company, had entered into an Assets Purchase agreement ('APA') with the Company dated 01 September 2022. Based on this agreement, the Company has transferred the Plant and Machinery alongside identified employees to DML and concluded, below is the summary of transaction carried out:

Particulars	As at 31 March 2023
Purchase of property plant and equipment	204
Assembled work force cost (Intangible assets)	275
Gratuity and Compensated absences liability related to transferred Employee	(715)
Consideration (payable to)/receivable from DML	**(236)**

56 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 2023	Net Cash flows	Non Cash Changes		31 March 2024
			Interest Expense	Foreign exchange movement	
Non- Current Borrowings - Secured					
- Term loan from banks*	20,197	(11,066)	-	(2)	9,129
- Term loan from financial institutions*	8,697	1,665	-	-	10,362
Non- Current Borrowings - Unsecured					
- Term loan from financial institutions*	909	(909)	-	-	-
Current Borrowings - Secured					
Cash credit and working capital demand loans	14,884	1,467	-	(263)	16,088
Interest accrued but not due on borrowings	197	(5,191)	4,630	434	70
Total liabilities from financing activities	**44,884**	**(14,034)**	**4,630**	**169**	**35,649**

(Rs in Lakhs)

Particulars	1 April 2022	Net Cash flows	Non Cash Changes		31 March 2023
			Interest Expense	Foreign exchange movement	
Non- Current Borrowings - Secured					
- Term loan from banks*	24,418	(4,502)	-	281	20,197
- Term loan from financial institutions*	5,861	2,301	-	535	8,697
Non- Current Borrowings - Unsecured					
- Term loan from financial institutions*	-	909	-	-	909
Current Borrowings - Secured					
Cash credit and working capital demand loans	11,986	2,664	-	234	14,884
Interest accrued but not due on borrowings	92	(4,452)	4,747	(190)	197
Total liabilities from financing activities	**42,357**	**(3,080)**	**4,747**	**860**	**44,884**

* includes current maturities of long term borrowings

57 Ratios

The following are analytical ratios for the year ended 31 March 2024 and 31 March 2023:

Particulars	Numerator	Denominator	31 March 2024	31 March 2023	Variance (%)
Current ratio	Total current assets	Total Current Liabilities	1.16	1.25	-7%
Debt-equity ratio @	Total Debt inclusive of lease liabilities	Total Equity	0.62	0.90	-31%
Debt service coverage ratio@	Earning for debt service = Net profit after tax + Depreciation + Interest	Debt Service = Interest + Lease payment + Principal payment	0.83	1.28	-35%
Return on equity ratio $	Profit after tax	Average total equity	17.02%	6.60%	158%
Inventory Turnover ratio	Cost of Goods sold	Average Inventory	2.577	2.584	-0.27%
Trade receivables turnover ratio	Revenue from Operation	Average trade receivable	3.15	3.81	-17%
Trade payable turnover ratio	Cost of Goods sold+Change in inventories	Average trade Payable	2.830	2.829	0.03%
Net Capital turnover ratio	Revenue from Operation	Average working capital	8.23	8.94	-8%
Net profit ratio$	Profit after tax	Revenue from Operations	16.24%	5.02%	224%
Return on capital employed	Profit before tax and finance cost	Capital employed = Net worth + Lease liabilities + Deferred tax liabilities	10.42%	9.47%	10%
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 is on account of repayment of term loans during the year.

$ The increase is on account one time exceptional gain.

58 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) Refer Note 4 regarding the corporate restructuring measures carried out by Eisenwerk Erla GmbH, Germany (EEG), an indirect step-down wholly owned subsidiary of the Company, which also envisaged refinancing of certain borrowings of EEG by way intra-group loans. To fund these intra-group loans, during the year, the Company borrowed a term loan from a bank, under terms that permitted utilization of the proceeds for investment in overseas subsidiaries. During the year, as part of the aforesaid restructuring measures, the Company has given a loan to JKM Global Pte Ltd (a wholly owned direct subsidiary), with the objective of funding EEG. Other than the above, 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 wilful 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.

59 On 13 February 2024, the Board of Directors of the Company had declared an interim dividend of Rs.5 per equity share (50%) for the financial year 2023-24 and paid to the shareholders during the current quarter ended 31 March 2024. The Board of Directors of the Company vide meeting dated 28 May 2024, have subject to approval of shareholders declared final dividend of INR 5 per equity shares (50%) for the financial year 2023-24 and the same will be disbursed to the shareholders after ensuing Annual General Meeting.

60 The Code on Wages, 2019 and Code on Social Security, 2020 ("the Codes") relating to employee compensation and post-employment benefits that received Presidential assent have not been notified. Further, the related rules for quantifying the financial impact have not been notified. The Company will assess the impact of the Codes when the rules are notified and will record any related impact in the period the Codes become effective.

61 The Company's accounting software for maintaining its books of account has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that audit trail was enabled to log any direct data changes with effect from February 20, 2024.

62 The standalone financial statements were approved for issue by the board of directors on 28 May 2024.

for and on behalf of the Board of Directors of
Dynamatic Technologies Limited

UDAYANT MALHOUTRA
Chief Executive Officer &
Managing Director
DIN : 00053714

P S RAMESH
Executive Director, Chief Operating
Officer - Hydraulic
DIN : 05205364

CHALAPATHI P
Chief Financial Officer

SHIVARAM V
Head - Legal, Compliance
& Company Secretary

Place: Bangalore
Date: 28 May 2024

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BUSINESS REVIEW REPORT
2023-24

DYNAMATIC LIMITED
UNITED KINGDOM

DYNAMATIC LIMITED, UK

DIRECTORS

Mr. Udayant Malhoutra	- Chairman
Mr. Michael John Handley	- Director
Mr. Pierre de Bausset	- Director
Mr. James Tucker	- Managing Director
Mrs. Pramila Udayant Malhoutra	- Director
Mr. Steve Hayes	- Technical Director
Mr. Geoff Dore	- 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 31.03.2024. INR in Lakhs*	Year ended 31.03.2023 INR in Lakhs*
Sales	**39,151**	34,390
EBITDA	**3,606**	5,697
Interest	**1,591**	834
Depreciation	**2,609**	2,771
Profit / (Loss) before Tax	**(128)**	2,363
Tax Charge/(Credit)	**(157)**	127
Profit / (Loss) after Tax	**29**	2,236

**Numbers restated as per IND AS*

DYNAMATIC HYDRAULICS®

DYNAMATIC LIMITED, UK

Dynamatic Hydraulics®, Swindon, UK, witnessed top line growth with revenue of £16.2 Mn which is a 6% growth YoY. This growth was driven largely by the revenues from new projects which continued to progress from initial volumes to full scale production.

The inflationary situation in Europe and UK have continued to present significant challenge to the business in terms of materials, utilities and labour cost. Whilst we have made changes to ensure cost optimisation and develop several risk mitigation strategies it has been a year of rising costs which are reflected in the overall performance.

Future Outlook

Looking forward, 2024 continues to have inflationary challenges but we have a strong order book. The company is doing its very best to off-set inflationary pressures by pivoting a larger percentage of its supply chain to India.

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.

James Tucker
Managing Director
Dynamatic Limited, 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 Airbus Flaptrack parts for A318, A319, A320, A321 & A330. Airbus - flaps, landing gear, wing structural items for A400M & A330. C130J Engine structural parts, plus the Dassault Falcon 6X programme which has just entered initial production phase.

This year we achieved sales of £21.5 Mn compared to £20.2 Mn in the prior year. 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 outlook for Dynamatic-Oldland Aerospace® is extremely positive with well-established positions on several growing aircraft platforms. We are very well positioned to take advantage of growth in existing programme demand and of new opportunities. Material availability continues to be a challenge that we expect to continue in the foreseeable future as demand expands but supply is impacted by macro conditions such as the Ukraine War in Europe.

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 has a unique strategy of 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
Managing Director
Dynamatic Limited, UK

BUSINESS REVIEW REPORT
2023-24

EISENWERK ERLA GmbH
GERMANY

EISENWERK ERLA GmbH, GERMANY

DIRECTORS

Mr. Udayant Malhoutra - Chairman

Mr. Pierre de Bausset - Director

Mr. Enrico Fischer - Managing Director

Mr. Dietmar Hahn - Executive Director

Mr. Geoff Dore - Director

FINANCE HEAD AND COMPANY SECRETARY

Mr. Christoph Kakoschke

LAWYER

Dr. Hans-Hein Thomas

AUDITORS

Deloitte GmbH, Germany

BANKERS

Hypovereinsbank Unicredit, 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 31.03.2024 INR in Lakhs*	Year ended 31.03.2023 INR in Lakhs*
Sales	**47,082**	41,669
EBITDA	**2,467**	1,714
Interest	**584**	469
Depreciation	**1,272**	1,578
Profit / (Loss) before Tax	**3,597**	19
Exceptional Items	**1,763**	0
Tax Charge/(Credit)	**348**	(370)
Profit / (Loss) after Tax	**5,012**	389

**Numbers restated as per IND AS*

Our turnover at €52.4 Mn for the period April 2023 to March 2024 was higher by €2.6 Mn as compared to the previous financial year. First half of FY was driven by good demands, unfortunately second half of the business year the economic frame of condition was influenced by restrained customers. The ongoing Ukraine conflict is creating continually uncertainty, inflation is lower than year before but still noticeable. Energy supply in gas and electricity seems stable but costs are significantly higher for corporations across Europe, especially in Germany.

However, the German Government's protective policies and support for industry has helped the company to minimise the impact and at the end, the situation could be managed well. Improvement in revenue due to successful negotiations for price increase from all customers isn't visible enough because of industry independent slowdown in demands.

Eisenwerk is currently in the process of transformation from an automotive/foundry-focus to the aerospace business. Considering the various challenges viz.; supply chain crisis at OEMs; current inflation in Europe; steep and unpredictable increase in the cost of gas and electricity being faced by corporations across Europe, Eisenwerk could finish successfully corporate restructuring measures through 'Protective Shield process by self -administration' under the applicable German Laws.

Eisenwerk had submitted a financial resolution plan to the court, based on which a creditors meeting was convened by the Chemnitz court on 28th June 2023, in which the aforesaid resolution plan was voted and approved by the creditors in favour of Eisenwerk based on which the local court at Chemnitz, vide its final decision/order dated 27th July 2023, ended the protective shield by self-administration proceedings with effect from 1st August 2023, by accepting the legally binding confirmation of the financial resolution plan submitted by Eisenwerk. With this all-creditor balances have been adjusted and proceedings closed.

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 forging products in collaboration with our parent company Dynamatic Technologies Limited.

Notwithstanding the above, the economic environment should improve after a transformation process from the automotive sector into general industry and aerospace sector.

Dietmar Hahn
Executive Director
Eisenwerk Erla GmbH

BUSINESS REVIEW REPORT

2023-24

DYNAMATIC MANUFACTURING LIMITED

BANGALORE, INDIA

DYNAMATIC MANUFACTURING LIMITED, INDIA

DIRECTORS

Prof. Pradyumna Vyas	- Independent Director
Ms. Junia Sebastian	- Independent Director
Mr. P S Ramesh	- Director
Mr. Chalapathi P	- Director
Mr. Ravichander V	- Director

AUDITORS

M/s. Deloitte Haskins & Sells LLP
Chartered Accountants, Bangalore

BANKERS

ICICI Bank Limited
Bank of India
Kotak Mahindra Bank

REGISTERED OFFICE

Plot No. V-77, 78, Industrial Estate, Peenya II Stage,
Bangalore 560058, Karnataka India

Dynamatic Manufacturing Limited, India (DML) is wholly owned subsidiary of Dynamatic Technologies Limited (DTL). DML, is a Centre of Excellence for detail parts, will be involved in engineering, manufacturing, and delivering components for different aircraft parts.

The Company has diversified its business operations into manufacturing activities viz. sheet metal operations, heat treatment, surface treatment, metal forming, metal coating alongside other ancillary operations.

Dynamatic Manufacturing Limited (DML) signed a contract with Airbus for the manufacturing of high-volume detailed parts for Airbus commercial aircraft. This partnership is a significant milestone as it combines the expertise and resources of DML and Airbus Aerostructures. With this collaboration, DML aims to enhance their capabilities, improve efficiency, and deliver exceptional products to the aerospace industry.

During the financial year, pursuant to a rights issue in DML, a total of 3,50,00,000 equity shares of Rs. 10/- each aggregating to Rs. 35 crores were subscribed by Dynamatic Technologies Limited. As on 31st March 2024, DTL holds 100% shareholdings in DML (97.18 % shareholdings directly and the balance 2.82 % through its wholly owned subsidiary, JKM Erla Automotive Limited).

Chalapathi P
Director
DIN : 08087615

FINANCIAL RESULTS

Particulars	Year ended 31.03.2024 INR in Lakhs	Year ended 31.03.2023 INR in Lakhs
Sales	**3745**	43
EBITDA	**(1,167)**	(725)
Interest	**73**	77
Depreciation	**188**	94
Profit/(Loss) before Tax	**(1,425)**	(875)
Tax Charge/ (Credit)	-	-
Profit/ (Loss) after Tax	**(1,425)**	(875)

BUSINESS REVIEW REPORT

2023-24

JKM RESEARCH FARM LIMITED

BANGALORE, INDIA

JKM RESEARCH FARM LIMITED, 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 and Home land Security Divisions 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. 65 Lakhs. The profit after tax for the year amounted to Rs. 1 Lakh.

P S RAMESH
Director
DIN : 05205364

DIRECTORS

Mr. P S Ramesh	- Director
Mr. V Ravichander	- 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


ಕನ್ನಡ ಕಲಾ


ಡೈನಮ್ಯಾಟಿಕ್ ಟೆಕ್ನಾಲಜೀಸ್ ಲಿಮಿಟೆಡ್


'ದೃಷ್ಟಿ' ಡೈನಾಫೆಸ್ಟ್


ಡಿ.ಟಿ.ಎಲ್
ಕನ್ನಡ
ಟೆಕ್ನಾಲಜೀಸ್ ಲಿಮಿಟೆಡ್
ಡಿ.ಟಿ.ಎಲ್
ಕನ್ನಡ
ಕಲಾ


'ದೃಷ್ಟಿ' ಡೈನಾಫೆಸ್ಟ್

DYNAMATIC TECHNOLOGIES LIMITED

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