

DYNAMATIC TECHNOLOGIES LIMITED

Registered Office: Dynamatic Park, Peenya, Bangalore - 560 058

Corporate Identity Number: L72200KA1973PLC002308

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



NOTICE CALLING THE 43rd ANNUAL GENERAL MEETING

Notice is hereby given that the **43rd (Forty Third) Annual General Meeting ('AGM')** of the Members of Dynamatic Technologies Limited (the 'Company') will be held on **Friday, the 10th (Tenth) day of August 2018 (two thousand and eighteen) at 10.00 (ten) AM IST** at Hotel "Vivanta by Taj", No. 2275, Tumkur Road, Yeshwantpur, Bangalore 560 022, to transact the following business:

ORDINARY BUSINESS

1. Adoption of financial Statements

To receive, consider and adopt the financial statements of the Company, including consolidated financial statements for the year ended 31st March, 2018, together with the reports of the Auditors' and the Directors' thereon.

2. Re-appointment of Mr. James David Tucker (DIN: 07093258) as director liable to retire by rotation

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

SPECIAL BUSINESS

3. Re-appointment of Mr. Govind Mirchandani (DIN:00022583) as an Independent Director of the Company

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

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modifications or re-enactments thereof, for the time being in force), and the recommendation of Nomination and remuneration Committee and Board of Directors of the Company, Mr. Govind Mirchandani (DIN: 00022583), who was appointed as an Independent Director and who holds office of Independent Director up to 14th August, 2018 and being eligible, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years with effect from 15th August, 2018 on the Board of the Company."

4. Re-appointment of Ms. Malavika Jayaram (DIN:02252302) as an Independent Director of the Company

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

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modifications or re-enactments thereof, for the time being in force), and the recommendation of Nomination and remuneration Committee and Board of Directors of the Company, Ms. Malavika Jayaram (DIN: 02252302), who was appointed as an Independent

Director and who holds office of Independent Director up to 14th August, 2018 and being eligible be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years with effect from 15th August, 2018 on the Board of the Company."

5. Appointment of Mr.Arvind Mishra (DIN: 07892275) as Director

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force, Mr. Arvind Mishra (DIN: 07892275), who was appointed as an Additional Director of the Company with effect from 9th August, 2017 by the Board of Directors and who holds office up to the date of the Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 (the 'Act'), be and is hereby appointed as a Director of the Company, liable to retire by rotation".

"RESOLVED FURTHER THAT the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution) and Mr. Naveen Chandra, Head Legal, Compliance & Company Secretary of the Company, be and are hereby severally authorized to take all such steps as may be necessary, proper and expedient to give effect to this resolution".

6. Appointment of Mr. Arvind Mishra (DIN: 07892275) as an Executive Director and Global Chief Operating Officer - Hydraulics & Head of Homeland Security

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

"RESOLVED THAT pursuant to the provisions of sections 196, 197, 198 and read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), SEBI (Listing Obligation and Disclosure requirements) 2015, the relevant provisions of the Articles of Association of the Company and all applicable guidelines and any other applicable Act, if any, and in further to the recommendation of the Nomination & Remuneration Committee of the Board and the Board of Directors of the Company, the approval of the Shareholders be and is hereby accorded to appoint Mr. Arvind Mishra (DIN: 07892275) as "Executive Director and Global Chief Operating Officer - Hydraulics & Head of Homeland Security" of the Company for a term of 3 (three) years with effect from 9th August, 2017 subject to such other approvals as may be required, on the following terms:

SALARY

Salary per month ₹ 5,00,000 in the scale of ₹ 5,00,000 to ₹ 25,00,000.

PERQUISITES

Category A

Provident Fund: He shall be entitled to Company's contributions to PF as per prevailing rules.

Gratuity: He shall be entitled to gratuity as per the provisions of 'The Payment of Gratuity Act'.

Category B

Telephone: As per Company's telephone policy from time to time.

"RESOLVED FURTHER THAT in the event of any loss or inadequacy of profits in any financial year during the aforesaid period, the above terms of remuneration and perquisites will be admissible as the minimum remuneration payable to Mr. Arvind Mishra, subject to compliance with the provisions of schedule V of the Companies Act, 2013."

"RESOLVED FURTHER THAT any further alteration, variation and modification of the terms of the said appointment / remuneration including the salary, allowances and perquisites shall be in such a manner as may be agreed to between the Board of Directors (which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute from time to time to exercise its powers including the power conferred by this resolution) and Mr. Arvind Mishra within and in accordance with the provisions of Schedule V of the Companies Act, 2013, or any amendment or any statutory modifications thereto and conditions, if any, as may be stipulated by the Central Government."

"RESOLVED FURTHER THAT any of the Directors of the Company and Mr. Naveen Chandra, Head Legal, Compliance & Company Secretary of the Company be and are hereby severally authorized to take such steps as may be necessary for obtaining approvals in relation to the above and to settle all or any matters arising out of and incidental thereto and sign and execute all applications, documents and writings that may be required to be executed on behalf of the Company and generally to do all or any acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to these resolutions."

7. Re-appointment and approval of remuneration payable to Mr. P S Ramesh (DIN:05205364) as an Executive Director and Chief Operating officer-Aerospace, India

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

"RESOLVED THAT pursuant to the provisions of sections 196, 197, 198 and read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), SEBI (Listing Obligation and Disclosure requirements) 2015, the relevant provisions of the Articles of Association of the Company and all applicable guidelines and any other applicable Act, if any, in further to the recommendation of the Nomination & Remuneration Committee of the Board and the Board of Directors of the Company, the approval of the Shareholders be and is hereby accorded to re-appoint Mr. P.S. Ramesh (DIN: 05205364) as "Executive Director and Chief Operating Officer - Aerospace, India" of the Company for further term of 2 (two) years with effect from 14th November, 2018 subject to such other approvals as may be required, on the following terms:

SALARY

Salary per month ₹5,51,024 in the scale of ₹ 5,00,000 to ₹25,00,000.

PERQUISITES

Category A

Provident Fund: He shall be entitled to Company's contributions to PF as per prevailing rules.

Gratuity: He shall be entitled to gratuity as per the provisions of 'The Payment of Gratuity Act'.

Category B

Telephone: As per Company's telephone policy from time to time.

"RESOLVED FURTHER THAT in the event of any loss or inadequacy of profits in any financial year during the aforesaid period, the above terms of remuneration and perquisites will be admissible as the minimum remuneration payable to Mr. P.S. Ramesh, subject to compliance with the provisions of schedule V of the Companies Act, 2013."

"RESOLVED FURTHER THAT any further alteration, variation and modification of the terms of the said appointment / remuneration including the salary, allowances and perquisites shall be in such a manner as may be agreed to between the Board of Directors which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute from time to time to exercise its powers including the power conferred by this resolution and Mr. P.S. Ramesh within and in accordance with the provisions of Schedule V of the Companies Act, 2013, or any amendment or any statutory modifications thereto and conditions, if any, as may be stipulated by the Central Government."

"RESOLVED FURTHER THAT any of the Directors of the Company and Mr. Naveen Chandra, Head Legal, Compliance & Company Secretary of the Company be and are hereby severally authorized to take such steps as may be necessary for obtaining approvals in relation to the above and to settle all or any matters arising out of and incidental thereto and sign and execute all applications, documents and writings that may be required to be executed on behalf of the Company and generally to do all or any acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to these resolutions."

8. Ratification of remuneration of Cost Auditors

To consider and pass the following resolutions as **ORDINARY RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of ₹ 4,00,000 (Four Lakhs only), excluding out of pocket expenses and applicable taxes, agreed to be paid to M/s. Rao Murthy and Associates, Cost Auditors (Membership No. 9750, Firm Reg. No. 000065) appointed by the Board of Directors of the Company for the financial year 2018-19, be and is hereby ratified."

"RESOLVED FURTHER THAT the Board of Directors and Company Secretary of the Company be and are hereby severally authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

NOTES:

1. A member entitled to attend the AGM is entitled to appoint a proxy to attend the AGM instead of himself or herself and such proxy need not be a member of the company. In order to be effective the proxies should be received by the company at its registered office not less than 48 hours before the time fixed for holding the AGM.
2. A person can act as a proxy on behalf of not exceeding 50 (fifty) members and holding in aggregate not more than 10 (ten) percent of the total share capital of the Company.
3. Members / Proxies should bring the enclosed duly filled-in attendance slips to attend the AGM.
4. Corporate Members intending to send their authorized representatives to attend the AGM are requested to send a certified copy of the Board resolution to the Company, authorizing their representative to attend and vote on their behalf at the AGM.
5. Shareholders are requested to tender their attendance slips at the registration counters at the venue of the AGM and seek registration before entering the meeting hall. The Shareholders are also requested to produce valid identity proof such as PAN card, passport, Aadhar card or driving license along with the attendance slip to enter the AGM hall.

6. Details of Directors seeking appointment / re-appointment at the AGM of the Company are enclosed in the Notice. The Directors have furnished consent / declaration for their appointment / re-appointment as required under the Companies Act, 2013 and the rules made thereunder.
7. An Explanatory Statement in respect of item number 3 to 8 of the aforesaid Notice is annexed hereto in pursuance of Section 102 of the Companies Act, 2013.
8. Members may also note that, the Notice of AGM, instructions for e-voting, attendance slip, proxy form and Annual Report 2018, will be available on the investor portal of the Company's website at www.dynamatics.com. The physical copies of the aforesaid documents and material documents, if any, related to the given resolutions, will also be available at the Company's Registered Office at Dynamatic Park, Peenya, Bangalore – 560 058 between 11.00 a.m. and 1.00 p.m. on all working days up to the date of AGM.
9. 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.
10. Members are requested to quote their Folio Number / Client ID, in all correspondence and intimate any change in their residential addresses to the Share Transfer Agent / Depository Participant promptly.
11. Members who have not registered their email addresses, may please update their current email addresses with the Company / Registrar & Transfer Agents / their respective Depository Participant(s).
12. Any Shareholder having any grievance on the e-voting or any other matter in relation to the AGM, can contact the Company / Registrar & Transfer Agent at the coordinates mentioned under the 'Investor Guide' of the general instructions for e-voting.
13. The Notice calling the 43rd AGM, instructions for e-voting, attendance slip and proxy form along with ballot form and copy of the Annual Report 2017-18 are being sent by electronic mode to all Members whose email addresses are registered with the Company / Registrar & Transfer Agents / the Depository Participant(s) unless a Member has requested for a hard copy of the same. For Members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by permitted mode. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at investors.relations@dynamatics.net or contact the Company / Registrar & Transfer Agent at the coordinates mentioned under the 'Investor Guide' of the general instructions for e-voting.
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in dematerialized form are therefore requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form are required to submit their PAN details to the Company.

15. E-voting

Pursuant to provisions of section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, the Company are pleased to offer e-voting facility to the Members to cast their votes electronically on all resolutions set forth in the Notice convening the AGM. To encourage participation of the Shareholders who are unable to use the e-voting facility, the Company has enclosed a ballot form to the Notice calling the AGM, which may be used by the Shareholders to cast their vote and have the same posted to the Company's address using the enclosed business reply envelope, so as to reach the Company on or before **Thursday, 9th August, 2018, 05:00 (five) pm (IST)**. Shareholders who have not cast their votes through e-voting or ballot method, may cast their vote at the AGM at the polling booths stationed for this purpose, at the AGM venue.

Once the vote on a resolution is cast by the Shareholder, the

Shareholder shall not be allowed to change it subsequently. A Member can opt for only one mode of voting i.e. either through e-voting or by ballot or voting at the AGM. A Shareholder who has exercised his / her vote by e-voting or through ballot method shall not be allowed to vote at the AGM. If a Shareholder casts votes by both e-voting and ballot method, then voting done through e-voting shall prevail and voting through ballot shall be treated as invalid.

Notice and Annual Report are being posted / dispatched by post / any other permitted mode / email to those persons whose names are registered in the register of Members of the Company as a Member as on Friday, 29th June, 2018. Shareholders holding shares of the Company as on **Friday, 03rd August, 2018 (the 'Cut-off Date')** will be permitted to attend the AGM, cast their vote electronically or through ballot form or vote at the AGM venue, as per their convenience. Persons who have become Members of the Company between **Friday, 29th June, 2018 and Friday, 03rd August, 2018 (both days inclusive)**, can contact the Company, at the coordinates mentioned under the 'Investor Guide' of the general instructions for e-voting, for copy of the Notice calling the AGM, instructions for e-voting, attendance slip and proxy form along with ballot form and copy of the Annual Report 2018 or download the said documents from the investor portal of the Company's website at www.dynamatics.com.

Persons who are not Members of the Company as on the Cut-off Date should treat this Notice calling the 43rd AGM for information purposes only.

The e-voting facility would commence on **Tuesday, 7th August, 2018, 9.00 (nine) a.m. IST and end on Thursday 9th August, 2018, 5.00 (five) p.m. IST**. The e-voting module shall be disabled by Karvy Computershare Private Limited, who would be managing the e-voting facility, after **9th August, 2018, 5.00 (five) p.m. IST**.

Mr. R. Vijayakumar, Practising Company Secretary (FCS 6418 - COP 8667) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

After counting the votes cast at the AGM, the Scrutinizer shall unlock the votes in the presence of at least two witnesses, not in the employment of the Company. The Scrutinizer shall upon unlocking the votes shall also make out a Scrutinizers' Report including therein the votes casted in favour or against each of the proposals, not later than 48 Hours from the date of conclusion of the AGM to the Chairman of the Company.

The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company and on the website of Karvy immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchanges.

The Shareholders may please note that, no voting by show of hands or poll would be undertaken, pursuant to application of Section 108 read with Section 107 and other applicable provisions of Companies Act, 2013 and rules thereunder. Shareholders would however, be eligible to vote by ballot at the polling booths that would be stationed at the AGM venue.

16. Members desiring to dematerialize their physical shareholding in the Company may contact the investor relations team at investors.relations@dynamatics.net.
17. The details of unclaimed dividend have been made part of the Corporate Governance Report of the Annual Report. Such shareholders who have not claimed their dividends for the financial years 2010-11 and 2011-12 are advised to claim the same.

By Order of the Board



Naveen Chandra P

Head – Legal, Compliance and Company Secretary

Place : Bangalore

Date : 29th May, 2018

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

Name of Director	Mr. Govind Mirchandani	Ms. Malavika Jayaram
Brief profile and expertise of the Director	<p>Mr. Govind Mirchandani is an Independent Director of the Company.</p> <p>Mr. Govind Mirchandani aged 67 years, is a management consultant with vast experience in developing and building leading brands in India. He has a distinguished career which includes leadership positions at various corporates including Reid and Taylor (Executive Director & CEO), Brandhouse Retails Ltd (Director), Arvind Mills Ltd. (CEO & Director and President, Denim Division) and Personality Ltd. (President & CEO). Mr. Mirchandani was also responsible for launching Arvind Denim in India in 1987 and also several other international and domestic brands in India for e.g. Arrow, Lee, Wrangler, Excalibur, Newport, Reid & Taylor, Belmonte, Stephens Brothers etc. He has specialized in the areas which include Business Leadership, Building High Performance Organizations, Brands and Retail Management. He had a very distinguished career and also has held various senior positions in various other industries for over three decades. Mr. Mirchandani was Chairman of YPO Bangalore Chapter and the National Vice President, Indo – American Chamber of Commerce. He has won several IMAGES Awards and also a recipient of the coveted Bharat Vikas Award for outstanding contribution to the field of management and the Indira Super Achiever Award. He has completed his Degree in Bachelor of Technology from Indian Institute of Technology, Mumbai and had his PGDM from Indian Institute of Management, Kolkata. The Director doesn't have any relationship with the company or it's Director(s) / KMP of the Company.</p> <p>Mr. Mirchandani has been associated with Dynamatic Board as Independent Director since 2008 and is currently the Chairman of the Dynamatic Board.</p>	<p>Ms. Malavika Jayaram is an Independent Director of the Company.</p> <p>Mr. Malavika Jayaram aged 47 years, is a law graduate and Practising lawyer for over 15 years, she worked on cutting edge issues in Europe and India, with global law firm Allen & Overy in the Communications, Media & Technology group, as Vice President and Technology Counsel at Citigroup, and as partner, Jayaram & Jayaram, Bangalore. She is a Berkman Fellow at Harvard University, and Adjunct Faculty at North-western University's Master of Science in Law program. She is one of the few Indian lawyers selected for The International Who's Who of Internet e-Commerce & Data Protection Lawyers directory. The Director doesn't have any relationship with the company or it's Director(s) / KMP of the Company.</p> <p>Ms. Malavika Jayaram has been associated with Dynamatic Board as Independent Director since 2008.</p>
Disclosure of relationships between Directors inter-se	Nil	Nil
Listed entities (other than Dynamatic Technologies Limited) in which the Director holds Directorship and Committee membership	Nil	Nil
Shareholding in the Company	Nil	Nil

Name of Director	Mr. James Tucker	Mr. Arvind Mishra	Mr. P S Ramesh
Brief profile and expertise of the Director	<p>Mr. Tucker aged 46, is graduate, was formerly the General Manager of Oldland CNC. He has rich technical and operational experience in Aeronautical manufacturing as well as excellent customer liaison skills, having managed global aerospace majors like Boeing, Airbus, GKN Aerospace and Agusta Westland. He is currently the Managing Director, Dynamatic-Oldland AerospaceTM, Dynamatic Limited, UK.</p> <p>He currently a Non-Executive Director on the Board of the Company.</p> <p>The Director doesn't have any relationship with any of the Director's or KMP of the Company.</p>	<p>Mr. Arvind Mishra is an Executive Director of the Company.</p> <p>Mr. Arvind Mishra aged 47 years, has been working with Dynamatic since 1995 and has overall experience of more than 20 years in corporate Strategic and tactical Planning, Competitive sales analysis, budgeting and forecast with strong track record in delivering and sustaining revenue and profit growth in highly competitive market. He possesses great experience in driving and managing business improvement, change management and growth.</p> <p>He is a Mechanical Engineering Graduate from RVCE and joined Dynamatic straight out of College in 1995 and has worked in various responsibilities across functions and he has held leadership roles in marketing, business development and operations in the last 2 decades, he is currently the Global Chief Operating Officer-Hydraulics and head of homeland security business of Dynamatic. The Director doesn't have any relationship with any of the Director's or KMP of the Company.</p>	<p>Mr. P. S. Ramesh aged 60 years, a graduate in Mechanical Engineering from UVCE, Bangalore University and M. Tech. in Aircraft Production Engineering from IIT Madras. He started his career in Hindustan Aeronautics Limited as a Management Trainee in 1982 and in 1994 moved on to SME Aerospace- a leading aerospace company in Kaulalampur, Malaysia.</p> <p>Mr. Ramesh joined the Company in the year 1999 as Head of Quality and spearheaded the campaign for documenting procedures / control plans and implementing ISO 9001 certification. He is currently Executive Director and COO – Aerospace, India of the Company.</p> <p>The Director doesn't have any relationship with any of the Director's or KMP of the Company.</p>
Disclosure of relationships between Directors inter-se	Nil	Nil	Nil
Listed entities (other than Dynamatic Technologies Limited) in which the Director holds Directorship and Committee membership	Nil	Nil	Nil
Shareholding in the Company	Nil	Nil	Nil

EXPLANATORY STATEMENT
Pursuant to Section 102 of the Companies Act, 2013

Item Number 3

TO RE-APPOINT MR. GOVIND MIRCHANDANI AS AN INDEPENDENT DIRECTOR OF THE COMPANY:

The Members of the Company, at the 39th Annual General Meeting held on 14th August, 2014 had approved the appointment of Mr. Govind Mirchandani as an Independent Director of the Company for a period of 4 years, whose term is due to expire on 14th August, 2018. However, Mr. Govind Mirchandani was originally appointed on 27th June, 2008 on the Board of the Company

As per Section 149(10) of the Companies Act, 2013 (the 'Act'), an Independent Director shall hold office for a term of up to five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of up to five consecutive years on the Board of a Company.

In line with the aforesaid provisions of the Act and in view of long, rich experience, continued valuable guidance to the management and strong Board performance of Mr. Govind Mirchandani, it is proposed to re-appoint him for a second term as an independent Director on the Board of Company for a period of five years up to 14th August, 2023.

In the opinion of the Board, Mr. Govind Mirchandani fulfills the conditions specified in the Act including the criteria as laid down for appointment of an Independent Director and he is independent of management. Copy of the draft letter for appointment of Mr. Govind Mirchandani as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

Summary of performance evaluation pursuant to the Secretarial Standards on General Meetings is as follows:

The summary of the Performance evaluation by the peer directors further strongly recommends the candidature of Mr. Govind Mirchandani to continue as Board members and help in providing strategic direction to the group

Age, qualification and other information, please refer the table provided under clause 36(3) of SEBI (LODR) regulation, 2015.

Details on Board and Committee meeting attendance during the year 2017-18 is provided in the Corporate Governance Report Section of Annual Report 2018.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Govind Mirchandani as an Independent Director. Accordingly, the Board recommends passing of the Resolution at Item No. 3 of the Notice as a Special Resolution.

Except Mr. Govind Mirchandani, none of the Directors / Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 3.

Item number 4

TO RE-APPOINT Ms. MALAVIKA JAYARAM AS AN INDEPENDENT DIRECTOR OF THE COMPANY

The Members of the Company, at the 39th Annual General Meeting held on 14th August, 2014 had approved the appointment of Ms. Malavika Jayaram as an Independent Director of the Company for a period of 4 years, whose term is due to expire on 14th August, 2018, however, Ms. Malavika Jayaram was originally appointed on 27th June, 2008 on the Board of the Company.

As per Section 149(10) of the Companies Act, 2013, an Independent Director shall hold office for a term of up to five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of up to five consecutive years on the Board of a Company.

In line with the aforesaid provisions of the Act and in view of long, rich experience, continued valuable guidance to the management and strong Board performance of Ms. Malavika Jayaram, it is proposed to re-appoint her for a second term as an independent Director on the Board of Company for a period of five years up to 14th August, 2023.

In the opinion of the Board, Ms. Malavika Jayaram fulfills the conditions specified in the Act including the criteria as laid down for appointment of an Independent Director and she is independent of management. Copy of the draft letter for appointment of Ms. Malavika Jayaram as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

Summary of performance evaluation pursuant to the Secretarial Standards on General Meetings is as follows:

The summary of the Performance evaluation by the peer directors further strongly recommends the candidature of Ms. Malavika Jayaram to continue as Board members and help in providing strategic direction to the group.

Age, qualification and other information, please refer the table provided under clause 36(3) of SEBI (LODR) regulation 2015.

Details on Board and Committee meeting attendance during the year 2017-18 is provided in the Corporate Governance report Section of Annual Report 2018.

The Board considers that her continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Ms. Malavika Jayaram as an Independent Director. Accordingly, the Board recommends passing of the Resolution at Item No. 4 of the Notice as a Special Resolution.

Except Ms Malavika Jayaram, none of the Directors / Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 4

Item number 5 & 6

BRIEF PROFILE OF THE MR. ARVIND MISHRA, APPOINTEE

Mr. Arvind Mishra Joined the Company as Management Trainee in the year 1995 and was promoted to Assistant Manager, Sales and Marketing (industrial) in 1997 and in his role he Bagged the first turnkey contract for Sugar Plant Hydraulics, Bagasse Compactor which was the 1st ever sales of this equipment outside of TNPL. He had Received Chairman's appreciation for this project. From then on he went on to hold various key position in the Company such as Manager Marketing, Industrial Hydraulics (from 1999 till January 2002), Regional Manager – North India and regional Head-industrial and mobile hydraulics (From 2002 to 2005), Regional Head & Branch Head – Andhra Pradesh, Dynamatic Hydraulics (From 2005 to 2006), Assistant General Manager Marketing-Andhra Pradesh & east zone, Dynamatic Hydraulics and Country Head-Distribution(atos) marketing head systems & projects (from 2006 to 2010), Head Operations – Systems and Projects, Country head – Distribution (Atos) (From 2010 to 2011), DGM-Business Initiatives and Homeland Security (From 2011 to 2013), Head Homeland Security (From 2013 to February 2016) and Deputy Chief Operating Officer – Hydraulics and Head – Homeland Security.

He is experienced Senior Executive, both at the strategic and operational level with 2 decades of strong track record in delivering and sustaining revenue and profit growth in highly competitive market. He possesses vast experience in driving and managing business improvement, change management and growth.

He is a Mechanical Engineering Graduate from RVCE and has been working with Dynamatic since 1995 and has overall experience of more than 20 years in Strategic and tactical planning, Account development & acquisition, Competitive sales analysis, Contracts negotiations, P&L Financial reporting, CRM, Vendor relation, Team Building, Budgeting and forecast, Inventory management and NPd

Mr. Arvind Mishra was appointed as an Additional Director by the Board of Directors of the Company ('Board') under section 161 of the Companies Act, 2013, with effect from 09th August, 2017. Pursuant to section 161 of the Companies Act, 2013, Mr. Arvind Mishra will hold office up to the date of the ensuing AGM but is eligible for re-appointment as a Director who shall be liable to retire by rotation.

The Company has received from Mr. Arvind Mishra (i) consent to act as Director, (ii) declaration that he is not disqualified from being appointed as a Director of the Company.

The Details of Mr. Arvind Mishra's Directorship and membership of Committees in other Indian Companies as follows:

Except Dynamatic Technologies Limited, He does not hold any directorship in any other Indian Company

At Dynamatic Technologies Limited he is a Member of Audit & Risk Management Committee, Technology Development & strategic Committee and Finance Committee

Details on Board and Committee meeting attendance during the year 2017-18 is provided in the Corporate Governance report Section of Annual Report 2018.

Your Directors recommend the above item 5 by the way of Ordinary Resolution and item no 6 by the way of Special Resolution for consideration and approval of the Members.

None of the Directors / Key Managerial Personnel of the Company or their relatives being concerned or interested in this resolution except Mr. Arvind Mishra. The Board of Directors recommends the proposal for approval of the Members.

Appended below, is the information as required to be furnished under sub-clause (iv) of clause B of part II of schedule V to the Companies Act, 2013:

I. General Information:

1. Nature of Industry

The Company is involved in the business of inter-alia manufacturing, designing, selling all types of hydraulic equipments, machineries, components, automobile compressor housings, components, castings as also manufacturing, assembling, dealing with all types of aircrafts, airships, their components, parts, accessories etc. The Company possesses defence licenses and this enables it to engage itself in the business of "Defence and Strategic Industries" along with its existing businesses. The Company is also involved in manufacture of components for Aerospace and Automotive industry.

2. Date or expected date of commencement of commercial Production

The Company commenced its commercial production in the year 1973.

3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus

Not applicable.

4. Financial performance based on given indicators

The Net Sales, Profits before and after tax and EBITDA figures for the last three financial years are appended here below:

(₹ in lakhs)

Financial Year	Net Sales	Profits before tax	Net Profits after tax	EBITDA
2015-16	43,137	-243	129	7,430
2016-17	50,503	2,016	1,532	9,720
2017-18	56,253	553	379	9,109

5. Foreign investments or collaborations, if any.

The Company has subsidiaries in UK (Dynamatic Limited, UK and Yew Tree Investments Private Limited) and also in Germany (Eisenwerk Erla GmbH and JKM Erla Holdings GmbH) which have operating units in their respective destinations. The Company also has a subsidiary in Singapore by name, JKM Global Pte. Limited and in United States by name Dynamatic LLC.

II. Information about the appointee:

1. Background details

Mr. Arvind Mishra aged 46, was appointed as the "Executive Director and Global Chief Operating Officer-Hydraulics and Head of Homeland Security of the Company for a period of three years with effect from 09th August, 2017.

He is a Mechanical Engineering Graduate from RVCE and has been working with Dynamatic since 1995 and has overall experience of more than 20 years in Strategic and tactical planning, Account development & acquisition, Competitive

sales analysis, Contracts negotiations, P&L Financial reporting, CRM, Vendor relation, Team Building, Budgeting and forecast, Inventory management and NPD.

2. Past remuneration

The details of past remuneration is appended below:

Salary per month in the scale of ₹ 5,00,000 to ₹ 25,00,000.

3. Recognition or awards

Not applicable

4. Job profile and his suitability

Mr. Arvind Mishra was appointed as the "Executive Director and Global Chief Operating Officer-Hydraulics and Head of Homeland Security of the Company for a period of three years with effect from 09th August, 2017.

He is a Mechanical Engineering Graduate from RVCE and has been working with Dynamatic since 1995 and has overall experience of more than 20 years in Strategic and tactical planning, Account development & acquisition, Competitive sales analysis, Contracts negotiations, P&L Financial reporting, CRM, Vendor relation, Team Building, Budgeting and forecast, Inventory management and NPD.

5. Remuneration proposed

The remuneration proposed to Mr. Arvind Mishra is as mentioned in the resolution.

6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)

The remuneration sought to be paid to Mr. Arvind Mishra is commensurate to the experience and responsibilities of Mr. Arvind Mishra in the capacity of Executive Director and Global Chief Operating Officer-Hydraulics, Head of Homeland Security.

7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel if any.

Apart from the remuneration which he may receive in his capacity as Executive Director and Global Chief Operating Officer-Hydraulics, Head of Homeland Security, Mr. Arvind Mishra has no other pecuniary relationship either directly or indirectly with the Company. He does not hold any shares in the Company. He does not have any relationship with any of the Key Managerial Personnel / Directors of the Company.

III. Other information:

1. Reasons of loss or inadequate profits

Consolidated net sales for FY2018 decreased by 8.5% to ₹140,842 lacs as compared to ₹ 153,918 lacs in FY2017. This was primarily due to the impact of the recent regulatory changes coupled with the Company's strategy of rationalizing product mix towards more value-added products and reducing sales of lower margin products.

Consolidated EBITDA (excluding other income) for FY2018 decreased by 19.9% to ₹ 13,239 lacs as compared to ₹ 16,528 lacs during the same period last year. This EBITDA (excluding other income) included an impact of ₹ 957 lacs on account of unfavorable foreign exchange variations. After adjusting for this impact, EBITDA (excluding other income) for the year would have been ₹ 14,196 lacs, representing a decline of 14.1% compared to FY2017. EBITDA (excluding other income) margin for the year under review was 9.4% compared to 10.7% in FY2017. On account of the implementation of GST, the Company's working capital utilization has increased leading to higher short-term borrowings.

2. Steps taken or proposed to be taken for improvement:

During the year, the Company has undertaken a number of strategic initiatives including the rationalizing of product mix and the divestiture of JKM Auto division, aluminium foundry and the Wind Farm. These initiatives are expected to enhance profitability of the business going forward. Furthermore, the funds raised from the divestiture will help the company reduce debt and thereby finance cost going forward.

3. Expected increase in productivity and profits in measurable terms.

During the last fiscal year, order offtake increased for both Hydraulics and the Aerospace & Defence segment. The Company successfully started the ramp up of phase 2 of Airbus orders. Further, over the last few years, Dynamatic has made investment in creating a cutting-edge infrastructure and achieved a full-scale industrialization of the entire value chain. In the aerospace division, the Company also became the sole supplier of major sub-assemblies for Bell 407 helicopter cabins. For the hydraulics division, the outlook is promising given better monsoon and increased investment in the infrastructure sector in India. In the automotive division, ramp up of new orders in India started during the year, with benefit to be derived from FY2019. The newly commissioned machining facility in Germany is expected to drive both revenue and profitability in the coming year. All these factors, together, are expected to drive growth for the Company in the near term.

IV. Disclosures:

1. The above remuneration of the Directors are exclusive of performance linked incentive that the Directors may be entitled to.

2. None of the Directors are not entitled to any severance fees or compensation for loss of office.

3. As on date, the Company has not implemented any stock option schemes for Directors.

Considering the contribution of Mr. Arvind Mishra in the Company's Hydraulics and Homeland Security business development and as recommended by Nomination & Remuneration Committee of the Board, the Board recommends the resolution as set out in item number 5 & 6 of the Notice for appointment and payment of remuneration to Mr. Arvind Mishra as Executive Director and Global Chief Operating Officer-Hydraulics and Head of Homeland Security for approval of the Members by passing Special resolutions.

Mr. Arvind Mishra does not hold any shares in the Company. Except Mr. Arvind Mishra no other Director Key Managerial Personnel or their relatives, are concerned or interested in the proposal.

The terms and conditions of appointment of Mr. Arvind Mishra as Executive Director and Global Chief Operating Officer-Hydraulics, Head of homeland Security of the Company is available for inspection by the Members at the Company's Registered Office during normal business hours on all working days.

None of the Directors / Key Managerial Personnel of the Company or their relatives being concerned or interested in this resolution except Mr. Arvind Mishra, the Board of Directors recommends the proposal for approval of the Members.

Item number 7

Pursuant to provisions of section 197 read with schedule V and other applicable provisions of the Companies Act, 2013, Mr. P. S. Ramesh, was appointed as the "Executive Director and Chief Operating Officer – Aerospace, India of the Company for a period of one year with effect from 14th November, 2017, as approved

by the Members on 42nd Annual General Meeting held on 09th August, 2017, However, Mr. PS Ramesh was originally appointed on 14th November, 2014 on the Board of the Company

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

Mr. Ramesh joined the Company in the year 1999 as Head of Quality and spearheaded the campaign for documenting procedures/ control plans and implementing ISO 9001 certification.

Mr. P.S. Ramesh has been serving the Company for the past 18 years and has progressively grown to be the Executive Director & Chief Operating Officer - Aerospace, India.

Appended below, is the information as required to be furnished under sub-clause (iv) of clause B of part II of schedule V to the Companies Act, 2013:

I. General Information:

1. Nature of industry

The Company is involved in the business of inter-alia manufacturing, designing, selling all types of hydraulic equipments, machineries, components, automobile compressor housings, components, castings as also manufacturing, assembling, dealing with all types of aircrafts, airships, their components, parts, accessories etc. The Company possesses defence licenses and this enables it to engage itself in the business of "Defence and Strategic Industries" along with its existing businesses. The Company is also involved in manufacture of components for automotive industry.

2. Date or expected date of commencement of commercial Production

The Company commenced its commercial production in the year 1973.

3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus

Not applicable.

4. Financial performance based on given indicators

The Net Sales, Profits before and after tax and EBITDA figures for the last three financial years are appended here below:

Financial Year	Net Sales	Profits before tax	Net Profits after tax	EBITDA
2015-16	43,137	-243	129	7,430
2016-17	50,503	2,016	1,532	9,720
2017-18	56,253	553	379	9,109

5. Foreign investments or collaborations, if any.

The Company has subsidiaries in UK (Dynamatic Limited, UK and Yew Tree Investments Private Limited) and also in Germany (Eisenwerk Erla GmbH and JKM Erla Holdings GmbH) which have operating units in their respective destinations. The Company also has a subsidiary in Singapore by name, JKM Global Pte. Limited and in United States by name Dynamatic LLC.

II. Information about the appointee:

1. Background details

Mr. P.S. Ramesh aged 60, a graduate in Mechanical Engineering from UVCE, Bangalore University and M. Tech. in Aircraft Production Engineering from IIT Madras, started his career in Hindustan Aeronautics Limited as a Management Trainee in 1982 and in 1994 moved on to SME Aerospace- a leading aerospace company in Kaulalampur, Malaysia. He was heading Quality Assurance & Technical Services Team.

Mr. Ramesh joined the Company in the year 1999 as Head of Quality and spearheaded the process for documenting procedures/ control plans, FMEA, etc., and implementing ISO 9001 & ISO 14001 certifications. Later he took over the Production and then the entire Operations activities. Mr. P.S. Ramesh has been serving the Company for the past 18 years and has progressively grown to be the Executive Director & Chief Operating Officer - Aerospace, India.

Mr. P. S. Ramesh is responsible for the Aerospace business in India and his role is very crucial to the development / improvement of Aerospace business of the Company.

2. Past remuneration

The details of past remuneration as approved by the Shareholders is appended below:

Salary per month ₹ 5,51,024/-; in the scale of ₹ 5,00,000/- to ₹ 25,00,000/-.

3. Recognition or awards

Not applicable

4. Job profile and his suitability

Mr. P. S. Ramesh is associated with the organization for the past 18 years and has grown to the position of Executive Director and Chief Operating Officer, Aerospace, India. He shoulders the responsibility of the overall operations of Aerospace business in India.

5. Remuneration proposed

The remuneration proposed to Mr. P. S. Ramesh is as mentioned in the resolution.

6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person

The remuneration sought to be paid to Mr. P. S. Ramesh is commensurate to the experience and responsibilities of Mr. P. S. Ramesh in the capacity of Executive Director and COO- Aerospace, India.

7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel if any.

Apart from the remuneration which he may receive in his capacity as Executive Director and COO- Aerospace India, Mr. P. S. Ramesh has no other pecuniary relationship either directly or indirectly with the Company. He does not hold any shares in the Company. He does not have any relationship with any of the Key Managerial Personnel of the Company.

III. Other information:

1. Reasons of loss or inadequate profits

Consolidated net sales for FY2018 decreased by 7.06% to ₹ 139,970 lacs as compared to ₹ 150,610 lacs in FY2017. This was primarily due to the impact of the recent regulatory changes coupled with the Company's strategy of rationalizing product mix towards more value-added products and reducing sales of lower margin products.

Consolidated EBITDA (excluding other income) for FY2018 decreased by 19.9% to ₹ 13,239 lacs as compared to ₹ 16,528 lacs during the same period last year. This EBITDA (excluding other income) included an impact of ₹ 957 lacs on account of unfavorable foreign exchange variations. After adjusting for this impact, EBITDA (excluding other income) for the year would have been ₹ 14,196 lacs, representing a decline of 14.1% compared to FY2017. EBITDA (excluding other income) margin for the year under review was 9.4% compared to 10.7% in FY2017. On account of the implementation of GST, the Company's working capital utilization has increased leading to higher short-term borrowings and increase in finance cost.

2. Steps taken or proposed to be taken for improvement:

During the year, the Company has undertaken a number of strategic initiatives including the rationalizing of product mix and the divestiture of JKM Auto division, aluminium foundry and the Wind Farm. These initiatives are expected to enhance profitability of the business going forward. Furthermore, the funds raised from the divestiture will help the company reduce debt and thereby finance cost going forward.

3. Expected increase in productivity and profits in measurable terms.

During the last fiscal year, order offtake increased for both Hydraulics and the Aerospace & Defence segment. The Company successfully started the ramp up of phase 2 of Airbus orders. Further, over the last few years, Dynamatic has made investment in creating a cutting-edge infrastructure and achieved a full-scale industrialization of the entire value chain. In the aerospace division, the Company also became the sole supplier of major sub-assemblies for Bell 407 helicopter cabins. For the hydraulics division, the outlook is promising given better monsoon and increased investment in the infrastructure sector in India. In the automotive division, ramp up of new orders in India started during the year, with benefit to be derived from FY2019. The newly commissioned machining facility in Germany is expected to drive both revenue and profitability in the coming year. All these factors, together, are expected to drive growth for the Company in the near term.

IV. Disclosures:

The above remuneration of the Directors are exclusive of performance linked incentive that the Directors may be entitled to. None of the Directors are not entitled to any severance fees or compensation for loss of office.

As on date, the Company has not implemented any stock option schemes for Directors.

Considering the contribution of Mr. P.S. Ramesh in the Company's Aerospace business development and as recommended by Nomination & Remuneration Committee of the Board, the Board recommends the resolution as set out in item number 7 of the Notice for appointment of Mr. P. S. Ramesh as Executive Director and Chief Operating Officer, Aerospace - India for approval of the Members by passing Special resolutions.

Mr. P. S. Ramesh does not hold any shares in the Company. Except Mr. P. S. Ramesh no other Director Key Managerial Personnel or their relatives, are concerned or interested in the proposal.

The terms and conditions of appointment of Mr. P. S. Ramesh as Executive Director and Chief Operating Officer – Aerospace, India of the Company is available for inspection by the Members at the Company's Registered Office during normal business hours on all working days.

The Details of Mr. P S Ramesh's Directorship and membership of Committees in other Indian Companies as follows:

He is Director in Harasfera Designers Private Limited

At Dynamatic Technologies Limited he is a Member of Audit & Risk Management Committee, Technology Development Committee and Finance Committee

Details on Board and Committee meeting attendance during the year 2017-18 is provided in the Corporate Governance report Section of Annual Report 2018.

None of the Directors / Key Managerial Personnel of the Company or their relatives being concerned or interested in this resolution except Mr. P S Ramesh, the Board of Directors recommends the proposal for approval of the Members.

Item number 8

The Board, on the recommendation of the Audit & Risk Management Committee, has approved appointment of M/s. Rao, Murthy and Associates as the Cost Auditors of the Company for the financial year 2018-19 at a remuneration of ₹ 4,00,000 (four lakhs only), excluding out of pocket expenses and applicable taxes.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, consent of the Members is sought for ratification of the remuneration payable to the Cost Auditors for financial year 2018-19 as an Ordinary Resolution.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way concerned or interested, financially or otherwise, in the resolution set out at item number 8 of the Notice.

The Board recommends the Ordinary Resolution set out at item number 8 of the Notice for approval by the Shareholders.

By Order of the Board



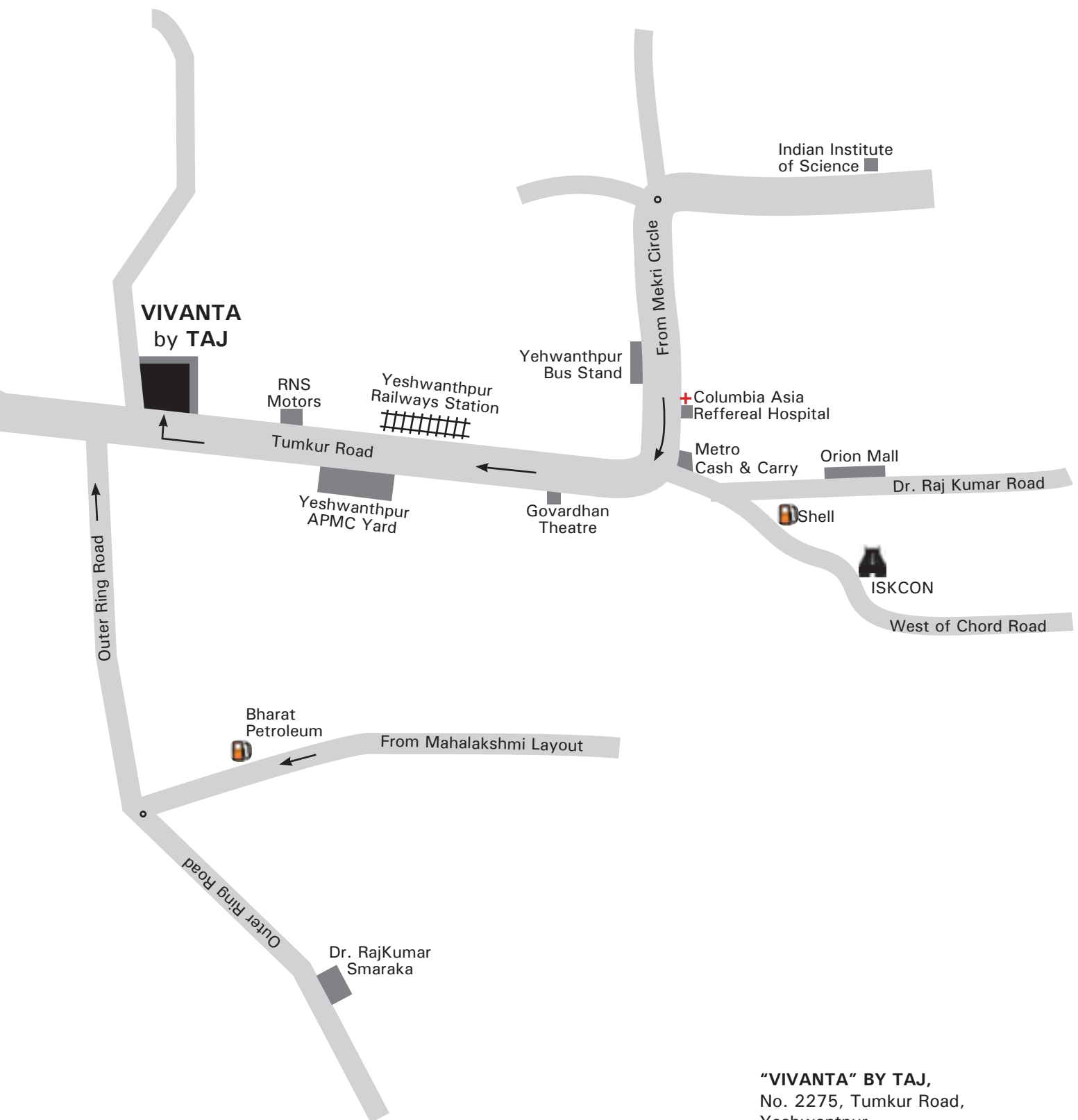
Naveen Chandra P

Head – Legal, Compliance and Company Secretary

Place: Bangalore

Date: 29th May, 2018

ROUTE MAP TO THE VENUE OF DYNAMATIC AGM 2018



"VIVANTA" BY TAJ,
No. 2275, Tumkur Road,
Yeshwantpur,
Bangalore 560 022