



DYNAMATIC TECHNOLOGIES LIMITED

Mr. Shivaram: Dear Shareholders, Good morning. This is SHIVARAM V, Company Secretary of DYNAMATIC TECHNOLOGIES LIMITED. I am very pleased to welcome you all to this extra-ordinary general meeting of DYNAMATIC TECHNOLOGIES LIMITED, held through video conference. I would like to take you through certain points regarding the participation at this meeting: The facility of joining the EGM through video conference or other audio-visual means is being made available for members on a first-come-first-served basis. All members who have joined this meeting are by default placed on mute mode by the host to avoid any disturbance arising from background noise and ensure smooth and seamless conduct of the meeting. Once the Q&A session starts, the Chairman will instruct the representative from Kfin Technologies Limited to announce the name of the shareholders who have registered as speaker shareholders, one-by-one. Only the audio of the speaker shareholder will thereafter be 'unmuted' by the host. To start speaking, the shareholder is requested to click the video 'on' button only once and wait till the video is on. If the shareholder is not able to join through video for any reason, the shareholder can speak through the audio mode. While speaking, we would request the speaker to use the earphones so that he is clearly audible, minimize any noise in the background, ensure that Wi-Fi is not connected to any other device(s), no other background applications are running and there is proper lighting to have a good video and audio experience. If there is a connectivity problem at the speaker shareholder's end, we would ask the next speaker to join. Once the connectivity improves, the speaker shareholder may be called again to speak, once the other shareholders who have registered, complete their turn. We would like to request the shareholders to limit their speech to 3 minutes. During the EGM, if a member faces any technical issues, he may contact the helpline number mentioned in the notice of EGM. Thank you. I now request the chairman to takeover to the proceedings of the meeting.

Mr. Govind: Dear Shareholders, on behalf of the board of directors of the company, I have great pleasure in welcoming you all at this extra-ordinary general meeting of your company. As the requisite quorum is present, I now call the meeting to order. Before I proceed with the business of the meeting, I would like to call the directors and the key management personnel who are on video conference right now to introduce themselves. I will start with myself. I am Mr. Govind Mirchandani here. I have been an independent director of your company since past 15 years. Currently, I am the chairman of the board of directors of your company. May I now request Malvika Jai RAM to introduce herself.



Ms. Malavika Jayaram: Good morning. My name is Malavika Jayaram. I am also an independent director of the company. I'm a lawyer by training and I'm a faculty associate with the Berkman Klein Center's at Harvard University and I'm also the executive director of the Digital Asia hub and independent think tank based out of Hong Kong.

Mr. Govind: Thank you Malavika. I request Mr. Pierre de Bausset to also introduce himself right now.

Moderator: Sir, you are on mute. You may have to unmute and speak, thank you.

Mr. Govind: I request Mr. Pradyumna Vyas to introduce himself now.

Mr. Pradyumna Vyas: Good morning shareholders. I'm Pradyumna Vyas, independent director of your company. I am joining this meeting from Ahmedabad and I'm also on the board of world design organisation. My background is design and I was heading the National Institute of Design for a decade from 2009 to 2019. Thank you very much.

Mr. Govind: Thank you Mr. Vyas. I now request Mr. Dietmar Hahn to introduce himself please.

Moderator: Sir, you are on mute please unmute and speak. Thank you.

Mr. Dietmar Hahn: Very good morning, Ladies and gentlemen. I am Dietmar Hahn and participating from Germany. I am Non-Exe.Non Ind.Director, my background is foundry engineer. I'm here as executive director in the plant of Eisenberg in Germany. I'm on the board since 2012.

Mr. Govind: Thank you Dietmar. I now request Mr. James Tucker, to please introduce himself.

Mr. James Tucker: Good morning shareholders. My name is James Tucker. I'm a Non-Exe.Non Ind.Director for Dynamatic. I represent the aerospace division for the business and I have been working with the business since 2008.

Mr. Govind: Thank you, James. I request Mr. PS Ramesh to now introduce himself.

Mr. Ramesh: Good morning shareholders. I'm Ramesh participating from UK. I have been working with this company for the last two and a half decades. I have served both in aerospace as well as hydraulic division as the business head. My background is aeronautical engineering. Thank you.



Mr. Govind: Thank you, Ramesh. I request Mr. Arvind Mishra to kindly introduce himself.

Mr. Arvind Mishra: Good morning shareholders. I'm Arvind Mishra, Executive Director and global chief operating officer of the hydraulics business. I've been with the company for 25 years. I'm also on the corporate advisory board of Chandigarh University. Thank you.

Mr. Govind: Thank you, Arvind, I request Mr. Udayant Malhoutra to now introduce himself.

Mr. Udayant Malhoutra: Good morning shareholders. I'm Udayant Malhoutra speaking from our new campus, Dynamatics aerotropolis, adjacent to Bangalore airport. I'm the CEO and Managing Director and I've been associated on this board since 1989. Thank you.

Mr. Govind: Thank you, Udayant. I would like to now request Mr. P Chalapathi, the chief financial officer and the head of legal and company secretary Mr. V. Shivaram who have joined the meeting from the Bangalore office to introduce themselves. I'd like to start with Mr. P Chalapathi.

Mr. P Chalapathi: Good morning to shareholders and directors. My name is P Chalapathi, CFO of your company. I've been working for Dynamatics for last 14 years. Thank you.

Mr. Govind: Thank you, Mr. P Chalapathi. Can I now request Mr. Shivaram, to introduce himself

Mr. Shivaram: Thank you chairman. Good morning shareholders. My name is Shivaram V. I am head legal and company secretary of Dynamic technologists limited and I have been with the company for the past four and half years. Thank you.

Mr. Govind: I thank all the members for joining this meeting. I hope the members and their family are now safe and in good health. We are holding this extraordinary general meeting through video conferencing. This is following the directions of the Ministry of Corporate Affairs and the SEBI regulations; the company has taken the requisite step to enable members to participate and vote on the items being considered for the EGM. The company has received a letter along with the board resolution from seven corporate shareholders appointing and authorizing representatives under Section 113 of the Companies Act in respect of 23 lakhs 14,847 equity shares, which represents 36.5% of the paid-up equity capital. Since there is no requirement of physical attendance of members, the requirement of appointing proxies is also not applicable. The registers as required under the company act 2013 and the documents which are required to be kept open in terms of the resolutions provided by the EGM notice are now open for inspection.



Members who have not voted earlier through remote e-voting can cast their vote during the meeting through e-voting facilities. Notice of EGM, the notice together with the corrigendum convening this extraordinary general meeting has been circulated to you and with your permission, I'll take this as read. Dear shareholders on behalf of the board of directors of the company, I extend my very warm welcome to all of you to this extraordinary general meeting of the company. Your presence and strong support have always inspired us to achieve newer milestones of success and we are looking forward to surge ahead driven by our intrinsic strengths and the futuristic approach which we've been taking. The EGM notice together with the corrigendum to the notice of your company was circulated to you sometime back. So with your permission, I shall consider it as read. The primary objective of this proposed preferential issue is to issue and utilise the proceeds for repayment of loans from banks and general corporate purposes as more clearly corroborated in page 15 of the explanatory statement to the notice dated 10th February 2023. The shareholders may take note that owing to the aforesaid issue, there shall be absolutely no change in management or control of the company. Your board of directors at the general meeting held on Friday, 10th February 2023, based on the valuation report, dated eighth February 2023 read with the addendum dated 28th February 2023, issued by issued by Bhavin R Patel & Associates, had, subjected to the approval of the members of the company and such other approvals as may be required, approved the issue of 4,50,000 equity shares on a preferential basis, to the proposed allottees, at a price of Rs. 2,509/- per equity share (including a premium of Rs. 2,499/- per equity share), for an amount up to Rs. 112,90,50,000 (Rupees One Hundred and Twelve Crores Ninety Lakhs Fifty Thousand Only).

Your board of directors believe that the proposed issue is in the best interest of the company and its members and therefore recommends the special resolution as set out in Item No. 1 of the notice, for approval by the members.

Your company is committed to investing in the future, continuing to serve its clients effectively and creating long-term sustainable value for all our shareholders. Thank you. I now request the company secretary to explain the sequence of the meetings and the process of voting on the resolutions placed before the members.

Mr. Shivaram: Thank you, Chairman. The Companies Act, 2013 and SEBI Listing Regulations provide for electronic voting. Accordingly, the company had provided its members the facility to cast their vote through the remote electronic voting system administered by Kfin Technologies Limited. Facility for voting at the meeting is also provided for members present here and who have not voted yet. Members may please go to the voting page of Kfin Technologies Limited e-voting website and cast their vote while at the same time watch the proceedings of the meeting.

The Company has appointed Mr. PRAMOD S.M, of M/s. BMP & CO LLP, Company Secretaries, as the scrutinizer to scrutinize the votes cast at the meeting and



through remote e-voting, in a fair and transparent manner. Since the EGM is being held through video conference or other audio-visual means and the resolutions mentioned in the notice convening this EGM have been already put to vote through remote e-voting, there will be no proposing and seconding of resolutions. Thank you. Over to you Chairman.

Mr. Govind: Thank you Mr. Shivaram. I now request the representatives from K fin technologies limited to call one by one those shareholders who have registered to speak at this AGM. I shall endeavour my best to deal with the questions raised by the members and I'll be joined by the CEO and Managing director and executive directors who will deal with certain questions and comments which they are better placed to respond. Can I handover to Kfin technology?

Moderator: Thank you sir. Now I request the first speaker shareholder Mrs. Celestine Elizabeth Mascarenhas to unmute the audio, switch on the camera and ask the question, please.

Mrs. Mascarenhas: Hello, hello Can you hear me?

Moderator: Yes, madam we can hear you.

Mr. Mascarenhas: You can hear me with little bit little bit this then the audio now I start. Respected chairman Mr. Govind Manik Mirchandani and the other members, board members, my fellow shareholders who are in this virtual meet. I am Mrs. C. E Mascarenhas. I am speaking from Mumbai. First, I thank the company secretary Mr. Shivaram V and her team for sending me an e-notice EGM notice and also registering me as a speaker at my request. Thank you so much. Now as this resolution is only for about 450000 which are raised from three non-promoter group for paying the bank loans and reducing the debt. So, I stick to eight. Of course, I would like to know when the total payment being made, and whether the three banks' total loans will be wiped, and we will become debt-free number one. Then number two is what about the rights in future at a discounted rate as a Mini bonus to the shareholders who are having this company share so rest, I of course wish our company all the best. I would like to know the future roadmap and the growth story and any CAPEX as of course, this little bit, any further CAPEX will be there. With this, I thank the whole team. I thank you all for giving me opportunity to speak and also, I thank Kfin tech platform and I wish you're all very good health and still Holi is going on. I wish you all the best for this Holi season. I wish our company become more and more colorful with this. Thank you so much.

Mr. Govind: Thank you.

Moderator: Thank you, Madam. Chairman. Sir, the next speaker shareholder Mr. Aditya Kumar has not joined the meeting and with this we have completed with the speaker shareholders and I hand over back to you, sir, thank you.



Mr. Udayant Malhoutra: Mrs. Mascarenhas. Firstly, it's always a pleasure to hear from you, as it is other long-term shareholders. As you know, we have preserved the capital structure of the company to ensure that when we start growing, we have a tight equity base which we have now, which is 6.3 crores even after we do this expansion will go to only 6.8 crores and with the money coming in, roughly a third of the entire long-term debt will be extinguished. We also have some more coming in through the divestment of certain land assets of ours. So we expect to, in total, pay off about 75% of the long-term debt of the company and optimize the balance sheet for the growth that is coming our way post-COVID and with this global disruption related to the war, so we are in a very good position in our businesses with a dominant global market share in our hydraulic gear pump business and as we move from a very large market share in the tractor industry and expand through augmenting products that also feed in to the hydraulic system, the tractor, we have a large growth potential there. In the aerospace side, we have outperformed during the COVID pandemic and also post that we also delivered some very good, successful engineering solutions to our customers. We are a global sole supplier to Airbus, Boeing and Bell Helicopter and we are a global tier one. So it's a unique position to be in as we expand. Up till now, in terms of keeping and preserving our equity and keeping a tight rein on the equity for long-term shareholder value, we had grown through debt and the debt was also very good in a sense that while it ate into the margin center, and left very little for the shareholders, it kept your business very disciplined in servicing the debt and as we extinguish a bulk of the debt, your operative margins become accretive to our shareholders and we will use that as growth capital in future rather than us expanding through debt in future so I think we're in a very good position. We have set the base and foundation for a very fine business. I am sitting at our new campus, I just sent to the Bangalore airport actually attached to the southern runway. Our old campus where we where I personally have sat for four decades has been is was a small five-acre plot in the middle of Kenya industrial estate, very cramped, very difficult to move big products out of it was okay when we were making just pumps. This is a 30-acre campus which we own and as we move out of the whole campus, we also start saving a crore of rupees every month as rent. So, one advantage is with the extinguishment of about 200 to 140 crores of debt, you will save about 20-24 crores of interest a year with move from that old campus to this campus which ends this month end, from next month, you start saving a crore a month in terms of rent. So, that has financially 36 crores to the bottom line every year and also since you're repaying the debt, roughly 50 odd crores of annual payment start accruing and slipping into the bank, it is a cash accumulation and therefore, like I said, we will be in a very good position to grow just to operating earnings. Regarding your query about a rights issue in future. Obviously, that is something we'll keep in consideration for future board meetings and board deliberations. But you know, as a long-term shareholder, our key goal is to create a larger, deeper long-term shareholder wealth through a high and healthy share price, and to dividend out money so that all our smaller shareholders benefit from it. We have a typical shareholder base at



one end of the spectrum, you have shareholders who really do not care about dividends, but really look at the shareholder value, the price of the shares, they want growth. At the other end of the spectrum, we have people who really look at this as a retirement investment, all their shares, and they want a yield and, in the middle, we have some who want a mix of both. So, we'll try and balance those out in the in the years ahead. So, the business is looking good and we again, thank you for your Holi wishes and with that, I'd like to say thank you. Thank you very much.

Mr. Govind: do we have any more questions, speakers?

Moderator: No, sir, we have completed with the speaker shareholders, sir.

Mr. Govind: Okay, so I thank the members for their interest in the company's operations, the informative question which she had asked and the intelligent observation and comment which she had made. I now authorize Mr Pramod SM, company secretary to conduct the voting procedure and conclude this meeting. The e-voting facility will remain open for the next 15 minutes to enable members to cast their vote. Results will be announced within 48 hours of the conclusion of the meeting and same would be intimated to the stock exchanges as well as uploaded on the website of the company and Kfin technologies. I thank the shareholders for attending the meeting and for their continued support. I also thank the directors for joining the meeting remotely. With your consent, I and other board members would like to leave this meeting. I request all the shareholders to stay safe and stay healthy. Thank you.

Mr. Shivaram: Thank you chairman. The e-voting has been kept open for 15 minutes as mentioned by the Chairman. We now close the e-voting. I would like to say that the requisite quorum was present throughout the meeting. Results of the extraordinary general meeting will be announced by the company by end of day today. With this, I declare the meeting concluded. Thank you very much.

Mr. Govind: Thank you everybody.