



27<sup>th</sup> February 2024

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MUMBAI 400 001.  
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**Sub:** Transcription of meeting with the investors/ analysts dated 23<sup>rd</sup> February 2024

**Ref: Scrip Code: 505242 / DYNAMATECH**

Dear Sir / Madam,

In furtherance to our letter dated 24<sup>th</sup> February 2024, we are herewith enclosing the transcription of the meeting had with the investors / analysts on 23<sup>rd</sup> February 2024, for your kind attention and records.

The same is also uploaded on our website [www.dynamatics.com](http://www.dynamatics.com)

We kindly request you to take this intimation on record.

Thanking you,

Yours sincerely,  
For **Dynamatic Technologies Limited**

  
**Shivaram V**  
Head- Legal, Compliance and Company Secretary

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Corporate Identity Number: L72200KA1973PLC002308



Speaker1: Hello! Hello! Yep, Alright.

So firstly, I extend a very warm welcome to our partners, our shareholders. You are owners of this company. As a fellow shareholder, I greet you today. I also want to call on a few of my key colleagues uh, Ravi, where is Ramesh, please, Ajay, Chalapathi, Shiv, Ahilya, Srini, come.

So, um, I'll start with the young lady, she is my daughter Ahilya. She has been working in Dynamatic since she was 14 on weekends and holidays, went to America, studied data science, came back, started working formerly 3 years, and uh, enjoys her journey up the company from the bottom rung. So, this is not the typical company where the son or daughter, a promoter come back after an American education goes straight to the board and become an executive director. So, she is on, on a fastrack but a lot of hardwork travel. Um, thankyou Ahilya for being here.

Uh, Ajay is a second generation, uh, member of Dynamatic. Both his mom and dad were my colleagues. Uh, he, will turn 40 in a few days, and a few days ago, was promoted to chief commercial officer of this company. So, we can all give him a hand. Yeah! And uh, he, I know him since he was a year old because he was a very, um, today in the evening after this event, we go for a family day. We have a thousand workers at hydraulics. With their families, we may have 4000 people. It's a very big event. Uh, tomorrow we have the same, at aerospace, you have another 3/4000 people there. But we celebrate families, we celebrate the families of everyone who works here, and uh, he used to come as a toddler and take all the prizes and run home. So, I told him very early when he was young. I said, "What you going to do when you grow up", he looked at me and he said, "Dynamatic", so there he is.

Ramesh is a very dear and old colleague of mine. Uh, he joined us 26 years ago um, and he has been our chief operating officer in hydraulics, in aerospace and at a group level uh leadership level for administration, engineering, uh human resources.

The building we are in and the first building where we are gonna go to, are both named after two of our pioneers who joined me when in a little garage, we were doing what was then a very small aerospace work. So, this is called the GP Reddy Hangar, he used to be the head of aircraft division of HAL. He joined me when I was Ahilya's age in my li'l hobby shop and that was partly what is today Dynamatic Aerospace. The other hangar is the Ravish Malhotra Hangar, a national hero, one of India's two cosmonauts. It's named after him. The third very colourful building is the utility block which feeds the power, water, data, and compressed air to all the campus. That is called the PS Ramesh block, named after this gentleman. So, he's been a tremendous part of our company.

Ravi, going forward, this is a younger cohort, along with Ajay and Ahilya. So, Ravi's been here almost a decade. Um he joined us uh and uh is a master black belt lean Shingo expert, expert on Toyota production system. And you will see a lot of what you see in terms of lean manufacturing, that typically you find in automotive industry, you'll find it in our aerospace industry and something that our customers really appreciate. He is our Chief Technology Officer, now, laterally deploying these learnings across the business.

To his right is Chalapati. Chalapati spent over a decade here. Uh, he is our CFO. He was the financial controller earlier. He is also the, first Chartered Accountant in his village. He comes from a village, north of the border in Andhra Pradesh and has had a very very special career at dynamitic. Um, yeah.

Shiv is our Head of Legal and our Compliance Officer. Uh he used to be uh head of legal of uh uh one of the Tata Companies before he joined us uh what about 6/7 years ago. Five and a half. Because now with covid all of us have lost sense of time. And uh so he is uh uh, the compliance head.



And our deputy company secretary is Srinu, next to him who also, we are just waiting for him to get promoted then we can promote him so the whole chain keeps moving.

So, these are my colleagues who will be here today. They will be taking us across the business. I will showcase what we do and put context to it because I think what we have done is we have built a foundation. Uh, over the last 8/10 years we spent just rejigging what was a typical automotive business and it takes a lot of time to get to where we are in Aerospace. And now there is a blue sky above us and this tremendous opportunity for us. So, with that, I'll request you all to sit and after that we'll go for a nice walk thank you. So, if you look at our business, if you look at our business, we are designers and manufacturers of very highly engineered products. Uh people who are long shareholders know us as a hydraulic company. We make hydraulic gear pumps with the world's largest hydraulic gear pump maker. Roughly, one out of three tractors made anywhere in the world goes with a Dynamatic pump inside. We are also uh precision manufacturer of complex aerostructures for military and commercial aircraft this is the hobby that I was talking about. And then we have the vestiges of our uh automotive business. We still own one of the world's best automotive foundries, which is in Germany. Uh we sold all our businesses, we had an aluminum, a steel, uh iron foundry in Chennai and we had machine shops making millions of parts for Hyundai and Tata and Renault and uh uh uh Daimler India, uh which we sold because it became a commodity. Uh we also had a feeder wind farm, for the last 18 years we've used only non-carbon electricity which we have monetized. A large part of that money is coming, we we didn't need it so we just used it to pay down debt but we've retained a strategic uh piece of that. So, when I walk around here, I'll show you we have unique access to this runway for our future production. We have a similar 90 Acres. This is 30 Acres, 90 Acres at uh Sullur Airforce Space where we can do something more in the military domain. So, from Bangalore and Coimbatore, we globalized our business. We have significant manufacturing in uh Germany in UK and a very small facility in North America. If you look at where I was when I started this journey as a 20-year-old, this was a 20,000 sq ft leased property. It was, we had not, transferred a lease into something that we could own which, we subsequently bought, we sold it and then bought something bigger. Uh, but this was a very primitive shop, but it had a very good technology. So, this is how I started as a 20-year-old. We had a 4-crore total liability that could not be serviced with about 1 and a half crores of sales annually and uh there was no way to pay that we were defaulting to bankers and I had no other choice but to leave Bombay where I was born and I moved to Bangalore and I'm probably the best, luckiest decision of my life. I went to boarding school in Himachal Pradesh. I was very fortunate to have, uh like this gentleman here was a classmate of mine. Uh so, the landed gentry of North India all went to this boarding school called The Lawrence School, Sanawar. You have Lovedale in South India in Ooty and uh, where all the planters' kids go. So, I used to go with our pump and get introduced to all the mechanics. This was a time, there was the whole 'khalistan' move movement going on the mid 80s and it was raging, and the policemen used to warn me that your Gypsy looks like a police Gypsy you'll get shot. But I was in the hands of really good kids who had grown up with, and they introduced me to mechanics and then we used to come back with postdated checks. This was a completely new form of financing. And you'll see how we use this even today. A customer and our supplier help us in a financial, it's a complete lock in and that's a basic thing. The second thing that we did was we grew people from inside because the company was in a great distress. Suresh Naidu who's



sitting next to me, he was a stenographer. I said you come and start driving with me and selling pumps and he ended up becoming our star and ace salesman of the company because human talent, human potential, is not what we do in school. There you get some kids who you know who 'ratto' and get great grades we have a lot of talent that we seek out in the latter part of people's lives, and you'll see that all around and I'll introduce you to some of this incredible talent that is making us so good. So today from that small facility we have uh for manufacturing plants in Peenya, small plants and we have a large plant where we bought our competitor in Swindon, UK. And from the smallest tractor in the world with perhaps the smallest hydraulic gear pump in the world, to the biggest tractor in the world, all of them use our pumps, so we have a very broad range of products. What is also important while we have a very large market share in the gear pump, we see that as a door opener to much more, so I just want to show you I got this here this is actually a mockup tractor and if you look at this that's a pump. As India mandates that tractors when they get off and onto the highway, they need power steering, the pump goes and becomes double that's driving volume of pumps. So, a single pump has become a double pump. But that is still that 1,800-rupee pump becomes some 4,500-rupee double pump. Look at the opportunity here, there's a 25/30,000 rupee power lift system, there's another 8,000 in the bar steering so these are products that we've developed and I'll show you. So, the pump creates the pressure and typically this is all imported right now. We have just started testing this with customers. This is already with us, at 750 kilos being lifted. I can do it with one finger, that's hydraulic power, that's so, this is going from market share to wallet share something we've been talking about for the last couple of years, this is what we're doing. And this is the big potential not just within tractors but within this entire infra boom that we're going to see for the next 25/30 years. In India we're going to see 500-600 million people move from villages to urbanized living with modern homes from 'Jhopris' and it's gonna require hydraulics to build it. In the UK, we had a pump factory so you see at the end of this you have that little pump, which is actually made in Bangalore, and then the entire big pump is produced there. This is actually a new product in the last quarter the, second quarter we had taken a pause. We talked about and it sort of bounced back. This has an immense potential so these are sold at, you know 2,000 pounds each. It's about 2 lakhs each, 1.8 lakhs each. So, it's a very very uh IP Rich business and uh, it provides tremendous opportunity to our customer with a very compact package which does many things. But it also opens up a door for us into aviation hydraulics, because there's the same set of uh processes and it's manufactured in an aerospace environment, because our aerospace business is collocated to that in the UK. So in 1990, similar to now we had a Soviet Union issue the Soviet Union collapsed, all our pumps for our Indian battle tanks the T70 were made in Belarus and they couldn't get it so we stepped up and from tractors in 1990 when I was 25 years old we went and found these guys at that time, defence production was off limits to private sector. I think three things stuck one was I was a kid so it, they didn't know how to say no to a kid the second thing was, at Bangalore where DRDO is located and the third is that we were very engineering driven. We're making pumps lot of design, and that gave us a tremendous step up and sideways away from tractors into tanks, and from that we became a developmental partner on the Arjun Hydraulics. On the back of that, we developed this relationship with DRDO, they had a section called ADE and they were making a small drone a pilotless target drone called the Lakshya. Now I've been a hobbyist building model



aircraft since age 7, so this became a tremendous opportunity I was 25, I begged them. I said, can we not do this? can we not do this? and lo and behold in a li'l garage about this size, we started doing this work. Uh Mr. Sardar Rihal Saab is the father of India's farm mechanization and uh Ravish is one of India's two cosmonauts. The first building is called the Ravish Malhotra hangar named after him. He joined us in the garage and uh, from that we, in fact this gentleman, was a worker. Today he's general manager of our subsidiary dynamic manufacturing making all the small, small parts, and from every piece that was there the small drone to a jet trainer with HAL, to larger pieces, we were fully involved so we were Pioneers in this industry, and the largest production which was the Sukhoi we made roughly one sixth of their airframe and we were their best supplier for many years. For the Tejas somebody asked me this question this is what we make we make the front fuselage. So as India's stages production picks up, we have work share in there, okay. Now, what is really exciting to us is not just what's going on here. It's Make in India for the world. 17 years ago, Airbus was looking to diversify its Global footprint, it was very Eurocentric. And they wanted to dollarize its sales. So they went to China, they went to Czech Republic, they went to Poland, they went to Indonesia and they came to India and they found India just make in India 17 years ago. English language, common law and vast pool of engineers three things tick the box. They went to all the big companies, all the top three names that you can think of, and said okay they're great they give big plans but none of them had aerospace knowledge they went to HAL. It's a government company and they came to us, and behold when we were quite a small company, we became the sole supplier for the flap track beam assembly for the A318, A319, A320, and A321. It's the largest selling aircraft in the world. It's a very technical product, so the first thing we did was we applied a lot of our Automotive learnings to this. We digitized everything. We looked at uh the tolerances. We cleaned it up within Airbus engineering. We tightened the tolerances because we were used to in hydraulic pumps 5-micron 10 micron, here you had 50 Micron. So we could produce tighter tolerances and we removed the need for shimming that was there in the earlier producer, and they were very impressed. The second thing is when they asked us to make the parts, we looked at a clean sheet of paper we didn't just go out and buy machines. We realized that the machines were too expensive. As a single source we wouldn't be able to sustain them in India, and the raw material was not available in India, even today is not available in India. The qualified sources of metal are western. So, we said that you're gonna machine metal, take out 92% of it, and that swarf will become 'raddi' being sold here with zero value. You're gonna pay 13/14% interest at that time. Instead of what we could get one one and a half percent interest. And, the third element is, that if your lines run down, and you're you've signed agreements of liability with these customers, and every day is gonna cost you a million dollars, it'll take 3 weeks to get an a Visa for a German engineer to come here, so these are the realities of life so like I said 16/17 years ago, we put all the manufacturing of parts in UK. It's a global best value model that is taught at IIM Bangalore and IIM Ahmedabad, where we have rewired the supply chain upside down. And what we do is we take advantage of the low cost of labour here low cost of capital there. The ability to do handcrafted work in India, with high degree of engineers in Bangalore, to use robots in the UK and to up cycle all the swarf back into the mill there. So a small video, will show you how our manufacturing that you see today actually is. Oops! Can you just click that so it runs as a Video. Thank you! The video. Yeah. Just play it. Just press play. There's a button on the left.



Yeah! It should be automatic, but, no? Amar. Yeah, so, what you'll see is, this complete blend, in fact this first building uh which you will visit later has entirely flap track beam manufacturing. That's us in uh not far from uh Heathrow Airport. So over here the only machining you'll see in India, is where we machine complete assemblies. Everything is handcrafted. So, when you talk about aircraft or spacecraft, people see this as engineering but it's also craft and that's what people the big companies don't realize, there's a lot of human talent and skill. Now this is robotic manufacturing, untouched by hand. This is what we use in our United Kingdom plant. Just raw material goes in. These machines work 24 hours 7 days a week, unmanned. Our workers only come in 5 days a week work for 7/8 hours and go home. Program it, ensure it's loaded. Machines keep running on their own. No toilet breaks, no strike, no holiday. Just keep working. And meanwhile over here you've got great engineers in Bangalore, and great craftsmen. And this is what even the governments like. So when it comes to Make in India, it's an entire UK India strategic manufacturing corridor, where the British leadership, Indian leadership look at it more than just a partnership of Economics, but more a strategic deepening of our relationships. Now this is the next area. It's uh the smallest door on airbus's latest aircraft the A220. When we walk around, we'll show you this product. We're in production of this and ramping up, but it's been the door to much bigger things. That's the emergency hatch that we already produce. Recently, we announced, the largest order in the history of India it's all variant of doors on this incredible aircraft. All the passenger doors, service doors, over wing emergency, exit doors and all the cargo doors. It's never happened before. It's a technical commodity. So, what we make on the, on the wing is a technical high lift device it's a mechanical device that takes the aircraft up and brings it down. This is the on the on what they call the sausage on the main fuselage. It's the most complex thing, it has to open and close 30,000 times 40,000 times in its life without leaking, under pressure, depressurized, has to lock in place and it has it's a safety device as especially now everybody's understanding it's not some 'darwaza' it's an important thing to produce so this is a tremendous, um not just a business, but, um, it's in a way that your company has arrived. All right, with this order. So, this was actually announced at a national program.

Speaker 2: Seated with us uh in this very important occasion, uh Minister of State, General Dr VK Singh Saab, Secretary Civil Aviation. Mang Sahib, our representatives from Airbus Rémi Maillard, and uh, Thierry Groote, the gentleman who has, in many ways pioneered, very complex aerospace manufacturing in India. Our very own entrepreneur who's now the CEO and MD of Dynamatics, but started it as really something that was his passion, Udayant Malhoutra Ji, Piyush Shrivastav Ji, my senior economic adviser in the ministry, and all my friends in the media. Today really is uh a golden letter day in the journey of civil aviation in India. Today is a day that not only marks the coming together, of the largest aviation manufacturer in the world, in the form of Airbus, along with our engineering prowess in India, in the form of Dynamatics Technologies.

Speaker 1: So, I think we can also in addition to of course as shareholders and we want wealth, but also this this is a moment of pride for all of us. And I think we should look at that because these things will take us and propel us more, more much more than only the wealth.



The we need multipliers, everything, the technology the capability. At the heart of it is this dispersed engineering capability of a Bangalore based company with engineers in Bangalore, in France, in Swindon, with destructive test labs there. Uh material science in Germany, it's incredible. The capability that this company has. And this capability, is on the left side of the P & L account, it's all on the cost side. But it allows us to create much more on the right side than we have till now, is the foundation, without this we wouldn't be doing all this stuff. Now we have to just do more of it, okay. This is very important, repetition. This is perhaps the single most important, award in, aviation. Uh it is airbus's sustainability award. One company out of 18,000 wins this. You have to remember, the single company Airbus uh generates 1.2% of the world's emissions, the aircraft. So for them this is the single most important focus of the next 15/18 years, and we are really privileged to have received their first uh, sustainability award. For Boeing, we produce all defense stuff, so we have uh protected ourselves by being commercial with Airbus and military with Boeing, so that there's always a balance in case there's war, recession or any other thing

that shuts down or slow, pandemic, during the pandemic lot of suppliers to uh commercial jet liners across the world went bankrupt, we stepped up our defense production and kept ourselves going smoothly. This is the, F-15EX, so what they found is, the fifth generation became stealth aircraft which you can't see, but can't carry enough weaponry either, and now with newer sensors they can be seen so actually what's happening now is they're seeing a sixth generation, which will be advanced fighters more like the fourth generation with electronic warfare capability. So the EX is actually an a new version of the unbeaten F-15, it has 104 kills, zero losses. And what they've done is this latest version they put on this massive electronic warfare capability so you can go stealth, by deflecting radar electronically, not by your shape. So it's a whole new paradigm and lot of new aircraft will become like this. We just completed, uh Chinook production, so you can see it's fairly large production, and uh, again as we speak, we are Boeing supplier of the year. So you're a very rare company because there's no other company in the world that has been best supply in the world to Bell, Airbus, and Boeing. And that's out here. With Bell, we created, took their large selling their largest selling helicopter the 407. We fully digitized it. We improved it to aircraft coordinates, and basically export an entire helicopter fuselage assembly. And again, uh, now, our latest growth customer is Dassault. Dassault is uh very unique it's a very special company, they make most incredible, um, works of art that fly you know, the fighter the Rafale. And some of the finest business jets in the world. Normally you don't have business jets booming and fighter jets booming at the same time. There's a very unique period in the world that everything is booming at the same time, commercial and, and there's also a breakdown in the supply chain worldwide. After covid people have disappeared retired uh companies have gone bankrupt, so you're the best supply in the world to some of the best makers in the world. You are expanding and you're sitting on top of a young, uh, skilled population over here. So, over 20 years, uh you see how we've created capabilities. So if you take a fighter you take what we built for the Sukhoi, we built the rear end with the controlled surfaces the Tejas the front end the, center section of F15 EX. This is how you think as a hobbyist. How can I create capacity and capability across everything. So today, this is the only company that has capability to do end to end, on a fighter, on commercial, on helicopters. So you've got all this stuff and as the market explodes around us, you're sitting there with the capability to take it. You're in the heart of a very artisanal area, people just see Bangalore and see 3 million engineers and it's a big Silicon Valley of Asia, but it's also a very deep uh artisanal centre. And what we've done is we work with a catchment area of 55 villages, we run a



government ITI 5 km from here, we pick children of Artisans, and they get trained to become worldclass aerospace workers. This is done as our CSR but it actually creates world-class workers for everything that we are going to be building in the future. Listen it's not People Like Us who are actually creating the product, it's a very handcrafted skill, and these are kids who from the age of two have been working with their hands. So it's tremendous and Ramesh is actually the chairman of this, uh ITI. See also in Europe, no 20-year-old will want to touch paint brushes and drill guns and all no, they they've got exciting things they want to touch screens and we that's what we give to them. Right! And again, what is also interesting is this is the first time that, when you had waves of artisanship in Europe and France and Germany and Japan, those were pre- digitization times, we've got digitization here now. If you look at India and Bangalore in uh in particular, we are one of eight Global Innovation Centres. Bangalore is home to 400 of the, 500 Fortune 500 companies, in The Innovation centres. So you've got Innovation and digitization happening alongside a lot of craftsmanship. So this is our DML, a lot of people have asked us about Parts this is going to become a very big business in the future which we never thought would become a business. We were making parts for ourselves, all our customer came to us can you make parts for us we said we don't sell parts. No no you got to sell us parts. So this is a complete end to end, the engineering, the 3D manufacturing, the hand crafting and when we walk around we'll show you the parts that are handmade. They're tremendous and, literally two three times what we produced for ourselves, we've already got that kind of order book to start exporting uh, Direct parts as well. So this is a very high growth area in the next 3-4 years. See there nobody in Germany is going to do this work. 'Karigar' work, but with digital definition. This is in Penya, at one of our old sites. These are all NADCAP approved, which are very very important very difficult to certify to, and uh tremendous and this is what I'm saying is you know, normally the brain and hands are separate but, with this digitization attached to our Craftsman it's tremendous it's like an octopus. In Germany, we have a very fine manufacturing plant, 650 years old. Traditionally in uh Aerospace uh in automotive and this was the only asset we kept out of our automotive business we sold everything we decided to keep this, we use this protective shield process uh, to correct the uh business balance sheet. We have uh qualified it for aerospace and we're going to use this going forward into aerospace and Defence, but what is immediate right now as we speak is we also developing uh munition artillery shells for the German military and NATO military system. So it's a tremendous and quick shift. The Aerospace plan is a 2-year plan. This is an immediate plan, and this is going on right now as we speak. So it's uh we'll we will see how this plays out but this should be a very very um very good business for us. I just want to take you back and give you a sense in the last two three minutes of where we are. This actually maps out the world in 2,000 years and it gives you a sense of how big the economies were. So if you see in the last 2,000 years 1700 years China and India dominated. China and India were the dominant economies of the world and in fact if you see India, for a large part was the dominant, power, economically. And then you had colonialism, and we got shrunk, and you know it's easy to blame others but the fact is we got colonized and we allowed ourselves to get colonized and I think we should never, we should create that strength, see this is the opportunity now for us because China started liberalizing a lot earlier than we did 17/18 years before we did. We're 18 years behind that but now we're going to catch up, and I'll tell you why? Although everybody looks at China as a real monolith and India is still much smaller. Inside they are 'Khokla'. That one child policy, if you look at it here, they have no people they have no youngsters. Look at India, this is a massive opportunity at a macro level for us and you have to just visualize what this means, when I talked about 500/600





million people moving from villages to cities, from 'Bail gaadis' to cars, from railroads to aircraft. It's demand. That demand is going to drive us and on the supply side that young Indian, is going to feed us, is going to engineer us, it's going to produce for us, and what's important is unlike China we have the opportunity to be the next United States of America. This a tremendous opportunity for us, we're free country. And as my father uh you know he, uh always told me this he was in Parliament he was with me in business, um somebody I respected a lot and I think this is what our dreams are. Now I do want to say this there are shareholders who made tremendous money in this company and shareholders not make so much money. The people who make money are the ones who invest long in this company because this is how it's been going up. So somebody who invested here and went there he lost money. Those are ups and downs but people who held for time really made money like bandits. Uh the first time I met uh Sunil Singhanian who, good friend of Madhu's, I told him when he bought it for 14 Rs., 'ye kya hoga', - 'ise dekho ye 10 rupiya ek tola gold hoga'. He looked at me, started laughing at me. I said this is what it is. Today, 9 shares, are 1 gram of gold. So Madhu to our, to our story, we have to now look back at with pride at that journey and now look to the next. What we were talking, can we go one order of magnitude up and take this from 1gram to 'one tola'. That was the original dream. This is where we are. And this is where if you are patient, and if you're smart and young, and when it drops, you buy more rather than getting frightened, I'm saying if you understand this company it's like buying a high quality product, allowing us to do what it takes. Sometimes take a punch on our chins because the world is a cruel place, which we have to take, but those are the moments to accumulate. So with that I just like to say thank you, and we're going to try and make a very nice open visit for everyone here. Right, thank you!