



21st December 2020

1. The Secretary
Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers
Dalal Street, MUMBAI 400 001.
Fax No. 022 - 2272 3121 / 3719 / 2037 / 2039 / 2041 / 2061
2. The Secretary
National Stock Exchange of India Limited
"Exchange Plaza", Bandra-Kurla Complex
Bandra East, MUMBAI 400 051.
Fax No.022 – 26598237 / 38 / 26598346

Sub: Impounding Order No: WTM/GM/IVD/11/2020-21 dated 15th June 2020; Final Order No: WTM/AB/IVD/18/2020-21 dated 18th December 2020, issued by SEBI

Dear Sir/Madam,

In continuation with the letters dated 17th June 2020, 29th June 2020 and 30th November 2020, we are pleased to to inform you that vide Final Order dated 18th December 2020, the Whole Time Member of SEBI has disposed of the proceedings against Mr. Udayant Malhoutra, CEO & Managing Director of the Company.

In the Final Order, SEBI has concluded that there were no violation of Section 12A(d) and (e) of the SEBI Act; Regulations 4(1) and 4(2) and Clause 6 of Schedule B read with Regulation 9(1) of PIT Regulations in the aforesaid matter.

In this context, please find attached the brief note received from Mr. Udayant Malhoutra on the subject matter.

We request you to take this on record.

Sincerely,
For **Dynamatic Technologies Limited**


Shivaram V
Head- Legal, Compliance Officer and Company Secretary

UDAYANT MALHOUTRA

To,
Mr. Shivaram V
Head – Legal, Compliance & Company Secretary
Dynamatic Technologies Limited
Bangalore – 560 058

Date: 21-12-2020

- Sub: (i) Impounding Order No: WTM/GM/IVD/11/2020-21 dated 15th June 2020, issued in my name by Securities Exchange Board of India (SEBI);
- (ii) Final Order No: WTM/AB/IVD/18/2020-21 dated 18th December 2020, issued in my name by SEBI.

Dear Shivaram,

Further to my letters dated 17th June 2020, 29th June 2020 & 30th November 2020, on the captioned subject, I am pleased to inform you that vide Final Order WTM/AB/IVD/18/2020-21 dated 18th December 2020, the Whole Time Member of SEBI, in exercise of the powers conferred upon him under Sections 11(1), 11(4), 11(4A) and 11B of the SEBI Act, 1992 read with Section 19 of the SEBI Act 1992, has disposed of the proceedings against me without any directions on the following grounds:

- 1) That the sale of 51,000 shares of Dynamatic Technologies Limited (DTL) was to comply with the covenant of a loan agreement dated 29th June 2016, entered into between DTL and consortium of bankers led by ICICI Bank. Therefore, the allegation of violation of Sections 12A(d) and (e) of the SEBI Act and Regulations 4(1) and 4(2) of PIT Regulations is not established.
- 2) That the aforesaid trades carried out by me were in consonance with the pre-clearance taken on 20th October 2016, and there was no violation of Clause 6 of Schedule B read with Regulation 9(1) of PIT Regulations.
- 3) That the proceeds of the sale of the shares was utilized to prepay existing promoter group loan, which brought down the percentage of pledged shares at level desired by the consortium of bankers.
- 4) That there was merit in my contention that failure to comply with the loan covenant would have led to irreversible project cost and adversely affected the interests of DTL.
- 5) That I have demonstrated all the aforesaid facts to the satisfaction of SEBI based on which the Whole Time Member has disposed of the proceedings against me without any directions.

In this context, I wish to express thanks and gratitude to SEBI and its officials for conducting the investigation in a fair, transparent and time bound manner, especially during the lockdown and ongoing pandemic, which facilitated me to demonstrate the bona fides of my case.
This is for your kind information and record.

Yours Sincerely,



Udayant Malhoutra