

DYNAMATIC TECHNOLOGIES LIMITED



29th July 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

Dear Sir(s),

Sub: Intimation under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations') -update on impact of COVID-19 on the Company.

Ref: Scrip Code: 505242 / DYNAMATECH;

The lockdowns and restrictions imposed on various activities due to COVID – 19 pandemic, while being a necessary measure to contain its spread, have also posed unprecedented challenges to all businesses and the business operations at Dynamatic Technologies Limited (hereinafter referred to as the "Company" or "Dynamatic") have been no exception to this.

Pursuant to SEBI circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020 and Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in continuation to our earlier submission dated 3rd July 2020, we wish to inform the stock exchanges and stakeholders of the impact of the pandemic COVID-19 on the Company's business and operations and the probable consequences in the near future are summarised below:

A) Impact of the COVID-19 pandemic on the business:

(i) Operations in India:

All the operations were disrupted since mid of March, 2020 and the Company after taking requisite government permissions saw partial resumption of its Aerospace and Defence divisions since early April, 2020 as this was part of Government denominated essential services sector. However, the Hydraulics and Automotive Division resumed operations since early May, 2020 post lockdown restrictions being removed.

To ensure the seamless functioning of our operations, the Company has taken care to communicate with its' employees, stakeholders, customers, vendors etc. through digital communications and ensuring hassleless services to customers and proper information to shareholders. Virtual meetings and discuss adopted.

The Company is committed to the well-being, health and safety of its employees and support staff. It continues to take all the necessary measures to contain the COVID-19 pandemic and abide by the directions and advisories issued by the Central/State/Municipal Government authorities. All offices across India were shut down on the announcement of a lockdown by the Government and Work from Home policy was enforced by the Company. Notwithstanding the remote working conditions, the Company continued to maintain the spirit of collaboration and a



healthy morale among employees across the organisation through regular check-ins and various engagement and support-led initiatives using virtual platforms.

(ii) International operations:

Business operations in the various international markets where the Company operates have been impacted to varying extent based on the spread of the pandemic and the restrictions on business activities placed by the respective Government authorities in these countries. At this point in time, the duration for which these restrictions will remain in place is uncertain and resumption of full-fledged operations will depend upon directives issued by the respective Government authorities.

B) Ability to maintain operations including the factories/units/office spaces functioning and closed down:

As stated earlier, all the operations were disrupted since mid of March, 2020 and the Company's Aerospace and Defence division, which was part of Government denominated essential services, saw partial resumption of its business since early April, 2020 post taking requisite government permissions. However, the Hydraulics and Automotive Division resumed operations since early May, 2020 post lockdown restrictions being removed.

The Company has taken conscious series of measures for uninterrupted operations and ensuring a safe working environment. Before announcement of the nationwide lockdown the Company had opted 'work from home' for its employees thereby ensuring seamless operations, reporting and controls and taken steps to ensure business continuity. As on date, the Company's Operations have fully resumed in the Aerospace, Hydraulic & Automotive divisions in India and other locations with necessary safety precautions for our employees.

C) Schedule, if any, for restarting the operations and steps taken to ensure smooth functioning of operations:

As stated earlier, with the lifting of the lockdown restrictions, the Company has resumed its operations across its locations, after establishing thorough and well-rehearsed safety protocols and following the Guidelines/Standard Operating Procedures issued by the Central/State Governments. These protocols include encouraging suppliers to take appointment before a visit to the factory/unit, sanitizing raw materials and goods before and after delivery, allowing limited number of persons inside the factory/unit, thermal screening, usage of sanitizers, compulsory use of face masks, etc.

Several email communications are shared with employees making them aware and guiding them to take precautions and safeguards during COVID-19, recommended measures given by Ministry of AYUSH for Immunity, enforcing wearing of masks, washing hands several time, using sanitizer, asking all employees to have 'Aarogya Setu' App installed on their mobiles and continuously follow guidelines, as prescribed by the Central or State Government, from time to time.

All the factories/units/offices, which are opened across the company, have been sanitized so that our people are safe and secure. All safety protocols of temperature sensing, wearing of safety gears (masks, goggles, face shields), social distancing, sanitizing and washing hands including COVID-19 testing are being adhered to very stringently.

D) Estimation of the future impact of COVID-19 on its operations

Considering the fact that the situation is exceptional and is changing dynamically, the Company is not in a position to gauge with certainty, the future impact on its operations. However, the Company is confident about adapting to the changing business environment and respond suitably to fulfil the needs of its customers. While the current customer sentiments and the



reverse migration of the migrant workforce poses challenges, the Company is quite confident that the demand situation will pick up progressively.

E) Impact of COVID-19 on capital and financial resources, profitability, liquidity position, ability to service debt, assets and internal financial reporting and control

The Company is taking all requisite measures to manage liquidity that includes cost reduction, fund management and focus on collections. The Company is looking at all available options that include long term funding and alternate working capital availability to manage liquidity in the current situation. Its ability to service its debts and financing obligations on time remains unaffected.

As an organisation, we are challenging all costs and also restructuring organisation to ensure efficiencies. In line with the prevailing market conditions and unprecedented challenges, the company has undertaken the process of cost rationalisation & various cost control measures related to sales & marketing, manpower, rentals and others to minimise the impact on business due to the pandemic.

The Company is also in constant touch with its key vendors and is working with them to mutually partner each other to propel the business forward.

The Company has published its financial results for the quarter and year ended 31st March 2020, on 3rd July 2020.

F) Impact of COVID-19 on supply chain; demand for its products/services

The Company's Aerospace Division is export driven and the manufactured products are being exported by air and sea mode to various countries across the globe and the company is heavily dependent on the availability of containers at various ports and normalcy of the Port. Despite the disruptions caused by COVID-19 across economies, the Company has fulfilled its obligation and delivered the orders till date and there is minimum disruption in the supply chain noticed as most of the vendors have re-started their production and are ready to provide required supplies. But with the rise in economic activities within the country, the same will be restored within a very short span. The Hydraulic and Automotive Divisions have commenced production and will further enhance the production depending on the demand and the inventory being liquidated.

G) Existing contracts/agreements where non-fulfilment of the obligations by any party will have significant impact on the listed entity's business:

The Company is well positioned to fulfil its obligations and existing contracts and arrangements. At present, we do not foresee any contract/agreements which will have significant impact on the business in case of non-fulfilment of obligations by any party.

The Company shall keep its stakeholders informed as and when any material developments take place having Significant impact. As the current environment is very dynamic and resultant situation is evolving, the business operations are highly influenced by the decisions taken by the Government and Regulators, from time to time. Accordingly, any material change in the business operations and its impact will be updated from time to time

H) Other relevant material updates:

In view of the global pandemic of COVID-19, there is a global shortage of Medical Equipment such as ventilators, diagnostic kits, diagnostic devices, machineries, tools, their parts, fittings components, apparatus and various accessories used in medical engineering for treatment in the field of healthcare & such allied field and government of India is now looking at increasing the production of the same.



In fight against the pandemic and in the larger public interest, the Company also wishes to support the government of India by stepping up to this challenge and serve the country in developing and manufacturing indigenous medical equipment that are most affordable and critical for rural primary health centers.

One such make-in-India initiative by the team of engineers at Dynamatic Technologies Limited, under the guidance of renowned medical doctors, scientists and various design experts, is developing and manufacturing of disposable resuscitators/ventilators that do not require electricity to function and can control oxygen mix for a controlled breathing system that are critical for rural primary health centers.

The requisite approvals from shareholders for altering the objects clause of the Memorandum of Association, to enable manufacturing medical equipment has already been ascertained and the manufacturing of resuscitators are in its final stage of completion.

Support to Government/Society efforts in tackling COVID 19 pandemic: The Company has been working with and supporting the Government in its efforts to combat the COVID – 19 pandemic. The Company in its efforts to aid the community at large, has made contributions largely by providing food, masks and sanitizers to the residents of the locality in and around where the company's factory is situated.

This is for your information and record.

Thanking you,

For Dynamatic Technologies Limited

Shivaram V
Head - Legal, Compliance & Company Secretary