

Date: June 30, 2020

**The Secretary,
The BSE Limited**
Phiroje Jeejeebhoy Towers
Dalal Street Fort
Mumbai - 400 001
(Scrip Code - 532776)

**Assistant Vice-President, Listing Department
The National Stock Exchange of India Limited**
"Exchange Plaza" Bandra Kurla Complex,
Bandra East,
Mumbai - 400 051
(Scrip Code - SHIVAMAUTO)

Sub: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Disclosure relating to impact of COVID-19 pandemic on the Company

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020 and with reference to our earlier relevant disclosures on the subject, an update relating to the impact of the COVID-19 pandemic and the resultant lockdown, on the business operations of the Company and the current status is attached.

This is for your information and record.

Thanking you.

For Shivam Autotech limited

**Samta Bajaj
Company Secretary and Compliance Officer
M.No. A50269**

COVID-19 Pandemic Situation- Update on Operations

A. Impact of the COVID-19 Pandemic on the business

The Covid-19 pandemic has impacted most of the countries, including India. The lockdowns and restrictions imposed on various activities, while being a necessary measure to contain its spread, have posed unprecedented challenges to the business operations of the Companies and has largely affected the economic activity.

The Company proactively suspended production at all its manufacturing facilities from March 23, 2020 and its operations were hit substantially and the Company was able to get only very marginal sales at the end of April and May due to the shattered supply chains and deliveries to our customers.

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

As stated earlier, manufacturing facilities were shut down entirely during the lockdown phase as the Company was not part of Government denominated essential services. Corporate offices were also shut, but the administrative work of the company was continued through work from home facility to the best possible extent in order to comply with duly applicable legal frameworks.

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

The Company saw partial resumption at its manufacturing facilities in the non-containment zones after taking requisite Government permissions from the 1st week of May 2020, when lockdown was gradually lifted. An intimation to this effect was also provided pursuant to Regulation 30 to the stock exchanges.

Keeping the safety and wellbeing of everyone as top-most priority, the Company has established thorough and well-rehearsed safety protocols. These protocols include temperature sensing, wearing of safety gears (masks, goggles, face shields), social distancing, sanitizing and cleaning of hands, asking all employees to have 'Aarogya Setu' App installed on their mobiles, regular health updates of all the employees and their families etc. which are being adhered to very stringently.

Manufacturing activities have commenced gradually in most of the facilities. However production ramp up will be based on current inventory levels and the Company's estimate of demand. In the short term, it is therefore expected that manufacturing activity will be well below the normal. Manning at all facilities is also well below allowed norms and may remain so till production requirements go up to normal levels.

The Corporate office at Gurugram, Haryana also re-opened on May 18, 2020 with limited staff working from office in the initial phase.

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. It is neither possible to foresee the duration for which this pandemic will last, nor predict its course.

Nevertheless, 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 posed 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 not in a comfortable liquidity position due to the liquidity crunch across the automotive industry as the auto sector had already undergone considerable slowdown over the last 12-18 months due to structural changes. The Company is also witnessing delay in receivable collection from few customers.

In last few months, the Company's operating cash flow was negative due to marginal sales during the first 6 weeks of lockdown and committed costs being incurred and also due to our receivables getting delayed. Thus, the COVID-19 situation is expected to adversely affect the profitability during the first half of this year.

But, the Company has carried out a comprehensive assessment of possible impact on its business operations, financial assets, contractual obligations and its overall liquidity position, based on the internal and external sources of information and application of reasonable estimates. The Company does not foresee any significant incremental risk in meeting its financial obligations over the foreseeable future, given early and required steps taken to contain, protect and mitigate the exposure.

Also, there is no impact on the Assets of the Company. Further the Company has taken cash flow control and overhead control measures to manage the operations and adopted weekly review mechanism to review the complete working capital and measure taken to control the capital expenditure. Further banks also have offered additional time limits for payment of regular instalments of their facilities, pursuant to RBI Circulars.

F. Impact of COVID-19 on supply chain and demand for its components

The supply chain has been marginally affected due to under-utilization of full capacity of the plants as the OEM's operating at reduced level.

Further, there is inability to release customer collections in time due to liquidity crunch across Industry. A temporary truncation of consumer demand is affecting auto manufacturers' revenues and cash flows, which we expect to improve in coming period and expect gradual normalcy.

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

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

At present we do not foresee any significant impact on the business due to non-fulfilment of the obligations by any party.

H. Other relevant material updates about the listed entity's business

Annual Audited Accounts - FY 20

Generally, the Company publishes its annual audited accounts by the last week of May of each year. However, due to the current situation, it is expected that the Board meeting to adopt the accounts is planned to be held in end-July.

Further, 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.

For Shivam Autotech limited

Samta Bajaj
Company Secretary and Compliance Officer
M.No. A50269