

23rd July, 2020

To,
National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1, G Block
Bandra-Kurla Complex, Bandra (E)
Mumbai-400051, Maharashtra

NSE Code: SERVOTECH

**Sub.: Disclosure of material impact of COVID-19 pandemic on the business under SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015**

Dear Sir/Madam,

Further to our letter(s) dated 24th March, 2020 and 25th May, 2020, informing the stock exchange about temporary suspension of operations across its location on account of COVID-19 pandemic and resumption thereof after taking the precautionary measures, conditions and directions as mentioned in the guidelines/orders regarding the COVID-19 safety advisories received from respective government authorities.

Now, in pursuance to the SEBI Circular No. SEBI/HO/CED/CMD1/CIR/P/2020/84 dated May 20, 2020, we would like to disclose the material impact of COVID-19 pandemic on the operations of the Company.

Please find enclosed herewith the disclosure of material impact due to COVID-19 pandemic on the company.

Kindly take this information on your record and acknowledge.

Thanking You,

Yours Faithfully,

FOR SERVOTECH POWER SYSTEMS LIMITED


PRIYA PANDEY
COMPANY SECRETARY
ICSI MEMBERSHIP NO.: A35815


Servotech Power Systems Limited

Pursuant to SEBI Circular No. SEBI/HO/CFD/CMDI/CIR/P/2020/84 dated May 20, 2020, we wish to inform you the following;

SL. NO.	PARTICULARS	DISCLOSURE
1.	Impact of the COVID-19 pandemic on the business.	Due to COVID-19 all the ongoing projects with PSUs are on hold and sites are not operational. Moreover subsequently all the project sites are effected with monsoon mainly in Tamilnadu, Maharashtra, Karnataka etc. This has the significant impact on production, sales and working capital cycle.
2	Ability to maintain operations including the factories/Branch office spaces functioning and closed down	We are following all the safety precautionary measures issued by Government of India and maintaining due diligence ongoing basis.
3	Schedule, if any for re-starting the Business operations	Our plant is already operational from 25 th May, 2020 and corporate office is running with 50% - 60% capacity and rest of the employees are working offshore.
4	Steps taken to ensure smooth functioning of operations	We are operating our plant based on safety guideline issued by Government and we are operating corporate office mainly from offshore and based on requirement employees are being called.
5	Estimation of future impact of COVID-19 on Business operation of the company	The business impact is mainly on our project execution. The revenue and expenses shall get deferred. However, due COVID-19 we have business opportunity loss. Also there is sound possibilities for imposing LD on us by the PSUs.
6	Impact on capital and financial resources	Due to COVID-19 all the projects are on hold and we have significant impact on our working capital cycle. As no revenue and collection has been generated during this period, our fixed cost has been incurred from our existing available limits and internally accrued cash. This has a direct adverse impact on our working capital during future execution of projects in post covid environment.

Servotech Power Systems Limited

CIN : L31200DL2004PLC129379

REGISTERED OFFICE: 806, 8th Floor, Crown Heights, Hotel Crown Plaza, Sector-10, Rohini, New Delhi-110085

PLANT AND R&D : 76A, Sector-57, Kundli Industrial Area, Sonapat, Haryana-131028

Tel No : 011-41183117, • Sales: +91 9717691800, • Email : servotech@servotechindia.com , • Website: www.servotech.in

7	Impact of Profitability	In reference to point no 5 above, the LD provision has been considered in our books of accounts and our profitability is reduced by the LD amount. Moreover, there is an opportunity business loss and have the direct impact on our topline.
8	Impact on Liquidity position of the company	We procure Raw Material from various parts of India. As during the lockdown entire country was in closed condition, even today some of the states are in closed condition, our Supply Chain was adversely impacted during this period.
9	Ability to service debt and other financing arrangements;	In all our terms borrowings we have availed for moratorium option to mitigate our financial burden and to prevent our credibility.
10	Demand for its products / services	There is no adverse impact on the demand our product. However, there are certain services effected due to lock down condition. Our engineers have already started visiting to the customers once the lockdown lifted.
11	Assets	Our assets and its valuation remain constant and have no impact due to COVID-19.
12	Internal financial reporting and control	There is no laps or changes in our internal control system.
13	Disruption of Supply chain	Supply chain was effected during lockdown. Apart from that there is no adverse impact.
14	Existing contracts /agreements	Existing contracts are not effected due to COVID-19. However, execution got delayed.
15	Other relevant material updates about the listed entity's business.	No such update.
16	Conclusion	We have handled the COVID-19 situation carefully and taken all required precaution to prevent our business. Our directors reviewed and take proper steps on our risk mitigation process and ensure to mitigate the business, financial and economic risks.

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