

By E-filing

REF:TTL:SE:

Date: 23rd July, 2020

The Deputy General Manager Department of Corporate Services, BSE Limited 1 <sup>st</sup> Floor, New Trading Ring, Rotunda Building, P.J. Tower, Dalal Street, Fort, MUMBAI - 400 001	The Asst. Vice President, Listing Department National Stock Exchange of India Ltd., Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), MUMBAI - 400 051
<b>STOCK CODE: 533655</b>	<b>STOCK CODE: TRITURBINE</b>
<b>Ref: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015</b>	
<b>Sub: Impact of Covid-19 on Company's Business Operations</b>	

Dear Sirs,

As the country was threatened with the spread of Covid-19, which was termed as Pandemic by WHO, initial lockdown restrictions were imposed by the Central and State Governments for a period of 21 days by MHA vide its Order dated March 24, 2020. The lockdown has been continued with progressive relaxations.

Pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ("the Listing Regulations"), read with SEBI Circular No. SEBI/HO/CFD/CMDI/CIR/P/2020/84 dated May 20, 2020; the brief details of the impact of the Covid-19 pandemic on the operations/business of the Company is as under:

**Impact of the Covid-19 pandemic on the business:**

Covid-19 pandemic, gathered momentum since the beginning of the year 2020 havocted the world economy. In India the effect of Covid started shadowing business since beginning of March-20 following by complete lockdown of Companies operation from 24th March. The operations of the Company have also impacted, particularly after the lockdown, as both factories and all sales and service offices were closed. Besides, due to logistics bottleneck, closure at customers' site and suspension of travel, the Company would not book any revenue since lockdown till third week of April 2020. The order booking was at the lowest level during the lockdown period.



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

The offices located across India and both the manufacturing facility at Sompura and Peenya at Bengaluru were closed since 24<sup>th</sup> March 20 as per the directive issued by the Government. However, during the lock down period, the Company has provided work from home facilities to most of the employees and regular meetings were conducted through video or teleconferencing with customers, vendors and employees. Newer revenue earning channels such as digital marketing and video conferencing was explored and was successful to book a few orders during lockdown. Even certain urgent service orders were executed through video conferencing. Customer focused webinars using virtual walk through of our facilities is done to engage the customers.

**Schedule, if any, for restarting the operations:**

The Government allowed phase wise operations with restrictive manpower at both the manufacturing facilities. The manufacturing operation resumed on 14<sup>th</sup> April at Sompura and 22<sup>nd</sup> April at Peenya in a staggered manner. The offices were also restarted with one third of employees attending office and others from home. Production is gradually picking up in factories however because of supply chain & logistic constraints, normal capacity utilization could not be yet achieved.

Though migration of labour force has not impacted the Company directly, however, such shortage with certain key vendors and sub contractors affected supply chain system to some extent. The Company is managing these challenges with next best alternative options.

**Steps taken to ensure smooth functioning of operations:**

During the pandemic, our primary focus has been on ensuring health and safety of the employees. A cross-functional Task Force has been formed which constantly reviews the situation to ensure we are prepared for all eventualities and that measures are being implemented to keep its employees safe at all times. Standard Operating Practise, clarifying safety measures, is issued and being followed by employees and visitors..

The production facilities have been resumed in a phased manner following the guidelines laid down by the Government. All the office areas are disinfected and sanitized on frequent basis as per the SOP. Thermal screening and self-declaration for health condition is made mandatory before entering the Plant and office. Wearing mask and social distancing is made compulsory in office and factory premises. Sufficient hand sanitizers are arranged in prominent locations in office. Employees are alerted about various safety measures daily through e mails and daily awareness sessions. In addition, Pulse oximeters have been placed on all the floors of the building where employees are attending office. Employees are encouraged to measure their pulse rate and oxygen level on daily basis. For safety reasons, employees have been encouraged to work from home to avoid crowd at office and maintain continuity of operation. Generally, less than 50% of employees attends office, rest work from home.



### **Estimation of the future impact of CoVID-19 on its operations:**

Lock-down in India and other Countries have led to significant loss of opportunities for the order booking both in Domestic and International market for almost 2 months. Several customers are facing difficulty in financial closure with their banks, which has resulted in holding despatches.

### **Details of impact of CoVID-19 on listed entity's -**

**Capital and financial resources:** The Company is almost debt free and having sufficient liquidity. Trade Receivables are continued to be collected even during lockdown; the Company does not expect any impairment of receivables or inventory for Covid 19 reason. The Company continued to pay salary & wages and discharge all due liabilities to vendors on time.

**Profitability:** Though muted, the Company's is expected to remain profitable during 2020-21. There is no renegotiation of price with existing customers and there is no drop of price level of orders in pipeline. However, due to delay of delivery of certain customers for financial constraints at their end, subdued order booking since April 2020 and restriction in travelling, there may be drop in sales compared to earlier years, which in turn will lower the profitability. However, there may not be pressure on liquidity as cash flows is expected to remain positive.

**Assets:** The Company has assessed that none of its plant and machinery or any other fixed asset are impaired due to Covid-19 crisis. The current assets, mainly comprises of inventories and receivables, are safe and no write downs are required. Essential shut down maintenance checks were carried out during the lockdown period to ensure health of the equipment and other assets.

**Internal financial reporting and control:** The Company has a well laid down process on ensuring that the risks are identified, evaluated and treated within a given time frame on a regular basis encompassing all key functions of the Company. There are well laid down processes across the function which act as a preamble for functioning.

**Supply chain:** Since majority of supply is procured domestically, the availability of raw material and components is not a major constraint. The Company supported all MSME suppliers with timely payments even during full lockdown. However, there are delays of certain critical items such as forging and castings by the vendors due to lockdown related crisis at their end. These delays may affect the delivery schedule of our final product. There is also bottleneck in logistics including non availability of vessels for our export consignment, which will lead to deferment revenue recognition.

**Demand for its products/services:** The Company caters to diversified industrial segment such as Sugar, Distillery, Cogeneration, Food processing, Steel, Waste to recovery, IPP, Paper, Palm oil, Oil and Gas etc. Therefore, shortage of demand in any segment is compensated by growing demand in other segments.



The demand in international market, particularly in Europe is weak, post the pandemic. Further, due to international travel restrictions, export order booking is likely to be affected.

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

There are few existing contracts where the customer may request for delaying the despatches as their site may not be ready mainly for labour constraint at their end. This may shift turnover from one quarter to another, however, this may not impact annual turnover significantly. The possibility of non-fulfilment of contractual obligation by the Company for reasons of Covid 19 pandemic, however, is remote

This is for your information and record.

Thanking you,

Yours faithfully,  
**For Triveni Turbine Ltd.**

**Rajiv Sawhney**  
**Company Secretary**