

By E-filing

REF:TEIL:SE:

Date: 16th July, 2020

The Deputy General Manager Department of Corporate Services, BSE Limited 1 st 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
STOCK CODE: 532356	STOCK CODE: TRIVENI
Ref: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	
Sub: Impact of Covid-19 on Company's Business Operations	

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:

1. Operation of the business during the lockdown period:

- a) **Sugar Business:** The major business of the Company, Sugar business including cogeneration and distillery, being categorised as essential goods, operated uninterrupted during the lockdown period and there was no loss of production. There were acute supply chain challenges both on input & output side but the Company was able to overcome such challenges with the active support of the State & Central Government & Oil Marketing Companies (OMCs).
- b) **Engineering Business:** The engineering businesses, Gear Business and Water Business, were closed down for about 3-5 weeks and resumed normal operations by the middle of May'2020.

2. Steps taken to ensure smooth functioning of operations:

- a) Safety of our employees is paramount. We are complying with all prescribed guidelines relating to basic preventive measures in respect of employees and visitors, cleaning and sanitisation of offices/facilities, curtailing non-essential travel and dealing with suspect cases.



- b) Wherever feasible, we are encouraging lower turnout in the administrative offices to maintain social distancing and supporting “work from home” concept. We have accordingly changed our work methodologies with the aid of digital technology along with adequate controls.
- c) The physical meetings with supply chain partners, customers and other external agencies are being avoided to the extent possible and instead meetings are being held on digital platform resulting in conduct of business in an effective manner.

3. Challenges being faced by the Company:

- a) **Sugar:** During the period of lockdown, the institutional demand of sugar had declined significantly due to the closure of industrial units but it has gradually improved with the reopening of industrial units and relaxation of lockdown.
- b) **Distillery:** Likewise, the offtake of ethanol by the Oil marketing Companies (OMC) was also impacted during the lockdown period but reallocation was done by OMCs for supply to other depots and consequently, the distilleries were able to operate on full capacity without impacting any production.
- c) **Engineering Businesses:** There were initially supply chain constraints but there is a distinct improvement in supply chain as the suppliers are in the process of stabilising their operations. The normalcy in order booking will take place depending on how the pandemic is controlled in the industrial segments and geographies we operate in and the financial health of our customers. In some of the project sites, the Water business is facing labour shortage of about 20-30%, which is being worked on for resolution.

4. Estimation of the future impact of Covid-19 on its operations: The impact assessment and estimates provided herein below are based on present review of the position. However, given the uncertainties associated with its nature and duration, the assessment needs to be a continuous process:

- a) There has not been significant impact on the major business of the Company – Sugar Business including cogeneration and distillery. The demand for sugar which had declined temporarily, is rapidly moving towards normalcy while ethanol demand (through new & reallocated depots & additional tenders) of OMCs has already reached normalcy.
- b) The turnover of the Engineering business will be impacted during Q1 FY 2020-21 in view of loss of production during the closure period, inability of the customers to accept deliveries and stabilisation period required for normal supply chain arrangements. There may be occasional cancellation or deferments of orders but these are not expected to be significant. The Company does not foresee any significant long term impact on the operational results.
- c) Based on the present feedback and trends, it seems that the order booking for Gear Business is gaining traction and hence, it may be possible to attain normal levels within a reasonable period. It is assessed that in respect of Water Business, barring some delays in the finalisation of the orders, there may not be any significant deferment or cancellation of projects in the pipeline. The above assessment is subject to there being no further reverses in the containment of the pandemic and disruption of industrial activities.



5. **Details of impact of Covid-19 on the Company's financial health:**

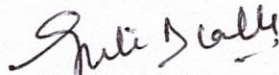
- a) In view of the fact that the major business of the Company has remained largely unaffected by Covid-19, there may not be any major impact on the performance results and the profitability of the Company.
- b) The liquidity position of the company is comfortable and is adequate to meet the requirements of the Company and to service its debts. The rating company ICRA has reaffirmed its ratings on March 30, 2020 - Long term rating at AA-(Stable) and short term rating at A1+.
- c) The going concern nature of any of our businesses has not been vitiated and we do not forecast any material impairment of assets or events of non-fulfilment of contractual obligation by a third party impacting the Company in any material manner.

This is for your information and record.

Thanking you,

Yours faithfully,

For Triveni Engineering & Industries Limited,



Geeta Bhalla

Group Vice President &
Company Secretary