TTK Healthcare
LIMITED

July 01, 2020

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001

Scrip Code: 507747

National Stock Exchange of India Limited
Exchange Plaza
Bandra Kurla Complex, Bandra East
Mumbai 400 051

Scrip Code: TTKHLTCARE

Dear Sirs,

Re : Disclosure of material impact of CoVID-19 Pandemic – Update No.2

We take reference to SEBI Circular dated 20th May, 2020 regarding advisory on disclosure of material impact of CoVID-19 pandemic on listed entities under SEBI (LODR) Regulations, 2015.

We also take reference to our earlier communication dated 22nd May, 2020, on the above subject.

In this connection, we would like to submit as follows:

(i) Q1 (April-June) – FY 2020-21 – Overall Impact on Sales & Profitability:

- There has been improvement in the overall performance month-on-month during Q1.

  During April 2020, the performance was around 45% of the planned average monthly sales which moved upto 60% in May 2020 and to 80% in June 2020.

- The improvement from different businesses of the Company are in varying proportions.

- While there has been good improvement in the performance product line that are categorized as essential supplies such as Pharmaceuticals, Woodward's Gripewater, Foods, etc., the progress with reference to other categories like EVA Cosmetics, Medical Devices, Condoms, etc., have been slow, resulting in the overall performance in the region of 65% for Q1 and this would impact the profitability for Q1.

- **Businesswise Impact:**

  - Since Pharmaceuticals, Animal Welfare products and Woodward's Gripewater were classified as "essential supplies", we were able to achieve almost 80 – 85% of their regular sales volumes in June 2020.

  - However, categories like EVA Cosmetics, Good Home Range of Homecare Products, Skore Condoms, etc. have reached a level of only 40 - 45% of the normal sales in June 2020.

Regd. Office : No. 6, Cathedral Road, Chennai - 600 086, INDIA
Phone : 91-44-28116106 - 08, Fax : 91-44-28116387
Email : info@ttkhealthcare.com Website : www.ttkhealthcare.com
CIN : L24231TN1958PLC003647
(Factory : 5, Old Trunk Road, Pallavaram Chennai - 600 043, INDIA)

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- ☞ Similarly, Heart Valve and Orthopaedic Implants businesses, these being elective surgeries, recorded only 40% of their regular sales in the month of June 2020.
- ☞ There has been good improvement with reference to Foods business and the Division has delivered almost 100% of their regular sales during June 2020.
- ☞ Though we have reasonable pending orders for Condoms (Non-Skore – OEM Supplies), the full level of production / sales could not be achieved due to the challenges faced relating to availability of manpower, restricting the achievement only around 50% in June 2020. However, there has been some improvement in the availability of manpower in the last few days and hopefully, this would help the Company to improve the performance in the coming months.

- **Manufacturing Operations:**
  - ☞ All the factories of the Company viz., Pharma, Medical Devices, Protective Devices and Foods were functioning with the quantum of manpower permitted by the Government.
- **Steps taken to ensure smooth functioning of operations:**
  - ☞ Strict measures for ensuring social distancing, hygiene practices and deep cleansing of premises, to ensure the safety of our workers / employees at work place are being implemented.
- **Manpower:**
  - ☞ Consequent upon the announcement of total lockdown by the Government of Tamil Nadu from 19th June, 2020, all the employees in Chennai have been advised to work from home till 5th July, 2020.
  - ☞ The field / depot / warehouse operations across the country are being carried out, duly complying with the relaxations / directions provided by both the Central / State Governments and Local Authorities.
- **Capital and Financial Resources:**
  - ☞ As already informed, the Company does not propose to raise any capital / debt and the current financial position of the Company is sound.

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- **Liquidity Position and Payment Obligations:**
  - ☞ The liquidity position of the Company is quite robust and do not foresee any major issues in the near term.
  - ☞ Salaries to all the employees including casual and contract workmen were paid for June 2020.
  - ☞ All vendor payments are being released, with special focus on MSME vendors.
  - ☞ All statutory dues were paid on respective due dates.
  - ☞ Cash discounts / quantity discounts have been offered to pep up demand and also expedite collections.
- **Ability to service debt and other financing arrangements:**
  - ☞ The Company is having only working capital limits with banks and do not anticipate any issue in servicing the interest commitments.
- **Assets:**
  - ☞ None of the assets of the Company have been impacted or impaired.
- **Internal financial reporting and control:**
  - ☞ The Company has robust Oracle ERP System in place and all its locations are well networked. The ERP System has been working seamlessly without any disruption, thus enabling internal financial reporting and control.
- **Supply Chain:**
  - ☞ There has been vast improvement both in the inward and outward supply chain operations and we do not anticipate any major issue in this area.
- **Demands for products:**
  - ☞ Considering the month-on-month improvement observed during Q1, we expect the demand for our products to further pick up in the coming months. However, the uncertainties with reference to the spread / containment of CoVID-19 remain.

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(ii) Existing contracts / agreements where non-fulfillment of the obligations by any party will have significant impact:

None

(iii) Conclusion:

- Depending upon the further relaxations/developments relating to CoVID-19, the Company expects to gradually come back to its original level of operations, in the coming months.
- However, lower performance during Q1 as explained above, would have its impact on Q1 and also on the overall annual performance / profitability for the year 2020-21.

Kindly take the above information on record.

Yours faithfully
For TTK Healthcare Limited

(S KALYANARAMAN)
Wholetime Director & Secretary

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